

Michigan Department of Health and Human Services (MDHHS)

Approval for Secured Setting Guidance

The purpose of this guidance is to clarify updates to the Home and Community Based Services (HCBS) settings rule (42 CFR Parts 430, 431, 435, 436, 440, 441, and 447) approval process for secured settings. The provisional approval process for secured settings was developed to meet an individual's need for placement in settings that could not otherwise meet the requirements of the HCBS rule. As part of this process MDHHS reviews the Individual Plan of Service (IPOS) and other supporting documentation to ensure consistency with the modification process outlined by Centers for Medicare and Medicaid Services (CMS).

Effective September 2, 2025, MDHHS initiated transitioning certain elements of this review process to the Pre-Paid Inpatient Health Plans (PIHP) and Community Mental Health Services Programs (CMHSP). MDHHS has offered technical guidance and support to designated PIHP and CMHSP staff and most recently developed case manager/support coordinator training. This training coupled with the ongoing technical guidance will support this transition process going forward.

CMHSP Review Process:

A secure setting should only be requested when the CMHSP has evidence that the individual requires that level of support to ensure the health and safety of the individual and community.

The CMHSP should review all relevant and available information related to the individual's current assessed support needs and recommended services to address those needs. This information should include:

- Assessments (Biopsychosocial, behavioral, etc.).
- All relevant legal documentation (NGRI documentation, probation or parole orders).
- Hospital reports.
- Psychiatric and psychological evaluations.
- Behavior Treatment Plan (BTP) if applicable.

If, after its review of all available information, the CMHSP determines that a secure setting is the most appropriate to meet the identified health and safety needs, it will submit the documentation to the assigned PIHP HCBS lead. Please note that a referral for a secure setting should only be made if the health and safety need cannot be met in a non-secure HCBS setting.

Michigan Department of Health and Human Services (MDHHS)

Approval for Secured Setting Guidance

The PIHP Review Process:

The PIHP HCBS lead will review the information submitted (* Individual Plan of Service Compliance review process below) by the CMHSP to ensure sufficient documentation supporting the need has been submitted. If the CMHSP has not provided sufficient information the PIHP will communicate back to the CMHSP to gather additional information and resubmit.

The PIHP HCBS lead will then complete the **Secure Setting Approval Application** and along with the documentation provided by the CMHSP will forward that information to the HCBS Specialist through the Federal Compliance Secretary.

The PIHP can make a request for approval of placement in a secured setting ahead of a setting being identified or prior to discharge from a higher level of care. The timeline for the length of an approval will begin once approval is granted by MDHHS regardless of when the individual enters the setting and any extension will be requested consistent with the date.

MDHHS Initial Approval Process:

Once the packet is received, MDHHS will review and decide based on the information submitted. MDHHS will require three business days to review and respond to an application packet.

In the event the request is urgent, the PIHP should reach out to the MDHHS HCBS Specialist directly. MDHHS will make every effort to expedite the review and approval process.

Request for extensions for previously approved setting:

The PIHP will submit the request for an extension to MDHHS through the Secure Setting Approval Application, no less than thirty days prior to expiration of the current approval date. Please note urgent requests for an extension will not be granted.

MDHHS will provide a response within seven business days. Please note that MDHHS will not review repeated requests within an already approved timeline.

Michigan Department of Health and Human Services (MDHHS)

Approval for Secured Setting Guidance

*** Individual Plan of Service Compliance review by PIHP:**

The PIHP HCBS lead will review the following documents for full compliance at initial and requests for extensions of approval.

- IPOS meets all HCBS requirements:
 - Modification requirements:
 - All modifications in the setting and/or being imposed upon the person are identified and are consistent with modification requirements.
 - Please reference the Medicaid Provider Manual HCBS chapter for the modification elements.
- Medicaid Provider Manual HCBS requirements for IPOS are present.
- BTP is consistent with modifications in IPOS (where applicable).

The PIHP for each region will ensure that the IPOS of the individual approved for a secured setting meets all the required elements outlined by CMS. The review must include approval of the individual's IPOS prior to placement in the setting to ensure that all restrictions placed upon the person are identified in the IPOS and that all elements of the modification process are in place for each restriction. The PIHP shall not approve non-compliant plans for secured placements.

Upon PIHP approval of the IPOS any changes to the BTP or IPOS resulting in additional restrictions or changes in modification elements will require additional review/approval of the IPOS at the PIHP level. The PIHP HCBS lead will reach out to the MDHHS HCBS specialist to confer on any concerns related to compliance.

PIHPs will follow the current schedule for any extension reviews scheduled by MDHHS following this amended process. This will require the PIHP to submit the application for secure setting approval 30 days in advance of the expiration of the current approval.

Please note that the updated process for the **secure setting approval** will not impact the required **provisional approval process for all new settings**. The provisional application will continue to be completed and kept on file for review upon request for all settings that are not defined as secure.