

Policy 2.5

POLICY TITLE:	REIMBURSEMENT RATES FOR SUBSTANCE USE DISORDER SERVICES	POLICY #2.5	REVIEW DATES	
Topic Area;	FINANCIAL MANAGEMENT	<u>ISSUED BY:</u> <u>APPROVED BY:</u> Chief Executive Officer	1/26/21	4/16/24
Applies to:	Member CMHSPs, Regional SUD Providers		7/31/24	4/14/25
Developed and Maintained by:	LRE Chief Financial Officer (CF)O)			
Supersedes:	N/A	Effective Date: May 18, 2025	Revised Date: 4/16/24	

I. PURPOSE

To ensure regional consistency in the development of reimbursement rates for all Substance Use Disorder contracted service providers within the region's service area

II. POLICY

Lakeshore Regional Entity (LRE) will provide a fair, prudent, and uniform process for implementing changes to service rates for providers of Substance Use Disorder (SUD) services within the region's service area.

A. Service rate changes will be considered under the following conditions, and when it can be shown that the impact significantly changes the cost of providing the service:

1. Scope Change or Clinical Need

Examples include:

- Clinical need for implementation of best practices or innovation.
- Service or program changes are determined necessary by the LRE to achieve desired outcomes.
- Assumptions utilized to determine whether the previous rate have changed or do not apply.

2. Regulatory Requirements

Examples include:

- Michigan Department of Health and Human Services (MDHHS) requires a change in the service or service site or may have procedural changes.
- Enactment of a law, or changes within a law significantly impacting service provision.
- Changes implemented by the Center for Medicare and Medicaid Services or MDHHS that impact billing and coding rules.

3. Change in payment structure

Examples include:

- Value-based

- b. Outcome-oriented
- 4. Change in available resources
 - a. Revenue stream changes
 - b. Risk of provider shortage in the network

III. APPLICABILITY AND RESPONSIBILITY

This policy applies to all LRE Member Community Mental Health Services Programs (CMHSP) and contracted SUD service providers.

IV. MONITORING AND REVIEW

This policy will be reviewed by the LRE Chief Financial Officer, in conjunction with the Finance and SUD Regional Operations Advisory Teams (ROAT) on an annual basis.

V. DEFINITIONS

N/A

VI. REFERENCES AND SUPPORTING DOCUMENTS

- MDHHS/PIHP Master Contract
- SUD Rate Change Request Form
- SUD Rate Review Form

VII. RELATED POLICIES AND PROCEDURES

- LRE Finance Policies and Procedures

VIII. CHANGE LOG

Date of Change	Description of Change	Responsible Party
8/2021	Procedure Removed	CFO
4/16/24	Updated Language	CFO
4/14/25	Annual Review – new form added	CFO