

**Community Mental Health Affiliation of Mid-Michigan  
(CMHAMM)**

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**CMHAMM Bulletin**

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**Bulletin Number:** CMHAMM 09-03

**Distribution:** Affiliation Steering Committee, PIHP LG, Affiliation Compliance Committee, CEOs/CFOs Workgroup

**Issued:** February 10, 2009

**Subject:** Capitation Payments and Budget Development

**Effective:** February 10, 2009

**CMH's Affected:** CEI, Gratiot, Ionia, Manistee-Benzie, Newaygo

**Related Policy (If Applicable):** Affiliation Policy 7.0

**Related Procedure (If Applicable):** Affiliation Procedure 7.5

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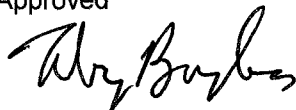
**Purpose:** The purpose of this procedure is: to describe the methodology by which the PIHP will make straight capitated payments to affiliates, to identify the conditions for using Medicaid Savings and/or ISF to ensure benefit stabilization throughout the Affiliation, and to outline the steps that the PIHP and affiliates will take to ensure fiscal stewardship across the Affiliation.

**Announcement:** CMHAMM Procedure 7.5, related to CMHAMM Policy 7.0, has been modified and formally approved by the CMHAMM Director of Affiliation Operations (DAO). For ease of reference, changes have been highlighted in red print in the attached document. This revised procedure was developed with input from CMHAMM committees, councils, and/or workgroup(s) responsible for reviewing the affiliation activities addressed in the procedure. It will be reviewed by the DAO on an annual basis (minimally) and recommended revisions will be considered by the DAO during an announced review period. If appropriate, the DAO will formally rescind the previous version of the procedure and issue a revised version, based on affiliate recommendations and/or contractual obligations between the PIHP and MDCH or the PIHP and affiliate members.

The PIHP will only consider as valid, revisions to this procedure that have been communicated via the DAO to affiliates in CMHAMM Procedure format with an accompanying bulletin (signed by the DAO).

This procedure will remain in effect until the DAO formally communicates a change in the status of this procedure.

Approved



Toby Bayless  
Director of Affiliation Operations  
Community Mental Health Affiliation of Mid Michigan

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