

**Community Mental Health Affiliation  
of Mid-Michigan**

<b>PROCEDURE #:</b> 1.1	Page 1 of 2	<b>SUBJECT:</b> Administrative Capacity
<b>Related Policy(ies) #:</b> 1.0		<b>SUBJECT:</b> PIHP Administration
<b>Issuing Director:</b> Director of Affiliation Operations		<b>Original Effective Date:</b> 03/04/09

**REVISED DATE**


**Review Date(s)**

03/15/10					

**I. PURPOSE:**

To ensure that each CMHSP and CA has the administrative capacity (structure and personnel) to fulfill its obligation to perform functions delegated by the PIHP.

**II. STANDARDS:**

**42 CFR**

**§ 438.230 Subcontractual relationships and delegation.**

(a) *General rule.* The State must ensure, through its contracts, that each MCO, PIHP, and PAHP—

(1) Oversees and is accountable for any functions and responsibilities that it delegates to any subcontractor; and

(2) Meets the conditions of paragraph (b) of this section.

(b) *Specific conditions.* (1) Before any delegation, each MCO, PIHP, and PAHP evaluates the prospective subcontractor's ability to perform the activities to be delegated.

**MDCH/PIHP Medicaid Contract**

6.1 Organizational Structure

6.2 Administrative Personnel

**III. DEFINITION(S):** (if applicable)

- A. CMHSP – Community Mental Health Services Provider
- B. CA – Coordinating Agency
- C. MCO – Managed Care Organization
- D. PIHP – Prepaid Inpatient Health Plan
- E. PAHP – Prepaid Ambulatory Health Plan
- F. Affiliate – All CMHAMM CMHSPs and CAs
- G. CMHAMM – Community Mental Health Affiliation of Mid-Michigan
- H. DAO – Director of Affiliation Operations

**IV. PROCEDURES:**

**A. Affiliate Organization Charts:**

1. Each affiliate will maintain an updated organizational chart that reflects an administrative and organizational structure that supports a high quality, comprehensive managed care program. The affiliate's management approach and organizational structure shall ensure effective linkages between administrative areas including: provider network services; customer services, service area network development; quality improvement and utilization review; grievance/complaint review; financial management and management information systems. Effective linkages are determined by outcomes that reflect coordinated management.

Required administrative personnel include:

- Administrator (Chief Executive Officer)
- Chief Operating Officer
- Medical Director and Clinical/Program Director(s)
- Chief Financial Officer
- Management Information System Director
- Customer Services Director
- Recipient Rights Officer

Organization charts must include:

- a) The name and title of all required administrative personnel
  - b) The organization's reporting structure
  - c) The date the document was created
  - d) The signature and date of the Chief Executive Officer or Executive Director
2. Each organization chart will be reviewed (and approved) by the DAO annually. Approval is contingent upon each delegated function area being assigned to an individual with the training, education, experience, licensing, or certification appropriate to their position and responsibilities.

#### **B. Notification of Changes to Administrative Capacity**

1. Change in required personnel or organizational structure that does not impair administrative oversight of any delegated function, should be reported (in writing) to the DAO within 10 business days. An updated organization chart is due to the DAO within 30 calendar days of the change.
2. In the event that an affiliate lacks the administrative capacity to cover a delegated function area for any length of time, they are to report the situation to the DAO in writing within 48 hours of onset.
3. The DAO will require the affiliate to submit a Corrective Action Plan (CAP) within 10 business days that addresses the situation immediately. After reviewing the CAP, the DAO will approve it as written and begin to monitor its implementation or reject it with recommendations. An approved CAP is necessary to avoid sanctions.

#### **V. APPLICATION:**

This procedure applies to all CMHAMM CMHSP's and CA's.

#### **VI. MONITOR AND REVIEW:**

The DAO will monitor administrative capacity throughout the year and review/update this procedure on an annual basis and as needed.

#### **VII. RELATED POLICIES AND PROCEDURES:**

CMHAMM Policy            1.0      PIHP Administration