



# HURON BEHAVIORAL HEALTH OPERATIONAL POLICY

Policy #: **PM.1.04**  
Issue Date: 01/22/20

Rev. Date: 08/12/21  
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## Title: Provider Network – Performance Based Payment Mechanisms (PBPM) Policy

Prepared By: Chief Finance Officer

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### Purpose:

To define the parameters in which Huron Behavioral Health will utilize Performance Based Payment Mechanisms in provider contracts/agreements.

### Scope:

This policy applies to all provider network contracts/agreements that may include Performance Based Payment Mechanisms (PBPM).

### Information:

Huron Behavioral Health (HBH) strives to ensure that consumers receive services that best meet their needs and promote community inclusion. HBH works with its network of providers to continuously promote positive changes and improve their services and service delivery.

### Policy:

1. It is the policy of Huron Behavioral Health (HBH) to employ Performance Based Payment Mechanisms (PBPM) in order to promote program outcomes that may not otherwise be attempted by providers.
2. Performance Based Payment Mechanisms which are included in HBH provider agreements must be:
  - Specific
  - Measurable
  - Time-limited
3. PBPMs are to be utilized to improve consumers' service experience by improving the:
  - Quality of service received
  - Choice of services
  - Setting of services
4. Performance Based Payment Mechanisms may also be used as a method to incentivize providers to make improvements which support positive service experiences and improved outcomes for HBH consumers.
5. In all cases, any Performance Based Payment Mechanisms defined in provider contracts/agreements shall NOT interfere with any medically necessary services being provided to consumers. In accordance 42 CFR 422.208, HBH contracts/agreements containing PBPMs shall contain language which includes provisions that protect consumers from any practice that results in the withholding of services that would otherwise be provided to consumers in accordance with medical necessity criteria and best practice standards.
6. All contracts/agreements containing PBPMs must be submitted to the Mid-State Health Network (MSHN) for submission and approval from the Michigan Department of Health and Human Services (MDHHS) at least thirty (30) days prior to when the contract/agreement is issued to the provider.

### Definitions/Acronyms:

*CFR* – Code of Federal Regulations  
*COA* – Council On Accreditation  
*HBH* – Huron Behavioral Health  
*MDHHS* – Michigan Department of Health and Human Services  
*MSHN* – Mid-State Health Network  
*PBPM* – Performance Based Payment Mechanisms

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**Forms:**

N/A

**Records:**

Contract//Agreement records are maintained by the finance department in accordance with the "[Organizational Record Retention Policy](#)" (ORI.1.35) and the "[Finance Record Retention Policy](#)" (FM.1.03).

**Reference(s) and/or Legal Authority**

COA standards

42 CFR 422.208 @ [https://www.govregs.com/regulations/expand/title42\\_chapterIV\\_part422\\_subpartE\\_section422.208#title42\\_chapterIV\\_part422\\_subpartE\\_section422.208](https://www.govregs.com/regulations/expand/title42_chapterIV_part422_subpartE_section422.208#title42_chapterIV_part422_subpartE_section422.208)

[FM.1.03 Finance Record Retention Policy](#)

[ORI.1.35 Organizational Record Retention Policy](#)

[PM.2.03 Provider Network – Performance Based Payment Procedure](#)

**Change History:**

| Change Letter | Date of Change(s) | Changes   |
|---------------|-------------------|---|
| None          | 01/22/2020        | New policy  |
| A             | 08/12/21          | Made several minor wording/grammatical changes/corrections throughout policy without changing sentence content. |
|               |                   |   |
|               |                   |   |