



HURON BEHAVIORAL HEALTH PROCEDURE

Procedure #: **PM.2.03**
Issue Date: 01/22/20
Rev. Date: 11/05/23
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Title: Provider Network – Performance Based Payment Mechanism (PBPM) Procedure

Prepared By: Chief Finance Officer

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Purpose:

To define the process for fulfilling the Performance Based Payment Mechanisms (PBPM) defined in provider contracts and agreements and ensuring that the costs associated with these payments are properly accounted for.

Scope:

This procedure applies to all provider network contracts and agreements that include Performance Based Payment Mechanisms.

Information:

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 include language to include 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.

Procedure:

1. In accordance with the "[Provider Network – Performance Based Payment Policy](#)" (PM.1.04), all Performance Based Payment Mechanisms (PBPMs) included in any HBH contract/agreement must be specific, measurable, and time-limited.
2. Determination of which contracts/agreements will include PBPMs is determined by the Executive Director, Chief Operations Officer, and Chief Finance Officer. Opportunities to incorporate PBPMs into contracts will be addressed on a case-by-case basis in order to promote program outcomes that may not otherwise be attempted by providers.
3. All contracts/agreements containing PBPMs must be submitted to the Mid-State Health Network (MSHN) for submission to and approval from the Michigan Department of Health and Human Services (MDHHS) at least thirty (30) days prior to the contract/agreement being issued to the provider.
4. Once the PBPMs have been determined, the Chief Finance Officer (CFO), Contract Manager, or designee will assess the Performance Based Payment Mechanisms defined in provider contracts/agreements to identify the required documentation necessary to determine successful performance.
5. The CFO, Contract Manager, or designee will work with the provider to ensure they understand what documentation will be required.
6. The CFO, Contract Manager, or designee will monitor performance of providers regarding the PBPM over the time-frame specified in the contract/agreement.
7. The CFO, Contract Manager, or designee will collect the required performance documentation and assess whether the defined required performance targets have been achieved.
8. Upon successful completion of PBPM documentation, the CFO (or designee) will prepare a payment voucher and attach the required supporting documentation to evidence successful achievement of the required targets.
9. If all documentation is complete and the provider is in "full compliance" with the required performance criteria, payment will be approved. (See also "[Provider Network - Quality Monitoring of Purchased Services Policy](#)" PM.1.02).
10. If any documentation is missing or identifies that the required documentation terms have not been met, the CFO and Executive Director will determine an appropriate action plan.

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11. Where applicable, the expense payment will be apportioned to the appropriate funding source based on the services received by consumers involved with the PBPMs.
12. Where a PBPM is more general in nature, the expense payment will be apportioned to the appropriate funding source based on the overall services provided to consumers being served by that provider.
13. At the discretion and approval of the Executive Director, HBH may make a PBPM payment where the provider is in “substantial compliance” with the required performance criteria. (See also “[Provider Network - Quality Monitoring of Purchased Services Policy](#)” PM.1.02).

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

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

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

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

[PM.1.02 Provider Network - Quality Monitoring of Purchased Services Policy](#)

[PM.1.04 Provider Network – Performance Based Payment Policy](#)

Change History:

Change Letter	Date of Change(s)	Changes
None	01/22/20	New procedure
A	12/12/21	Made several minor wording/grammatical changes/corrections throughout procedure without changing sentence content.
B	11/05/23	Made several minor wording/grammatical changes/corrections throughout procedure without changing sentence content.