



HURON BEHAVIORAL HEALTH
OPERATIONAL POLICY

Policy #: **PM.1.01**
Issue Date: 08/08/17

Rev. Date: 09/05/25
Page: 1 of 4

Title: Provider Network Policy

Prepared By: Executive Director

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Purpose:

To define the guidelines for the development and management of contracts with external providers and organizations (provider network) at Huron Behavioral Health (HBH).

Scope:

This policy applies to all providers and organizations which Huron Behavioral Health (HBH) contracts with for services or goods.

Information:

1. HBH maintains a network of appropriate service providers supported by written agreements and/or contracts which is sufficient to provide adequate access to services covered under agreement with the Mid-State Health Network (MSHN) and the Michigan Department of Health and Human Services (MDHHS) based upon:
 - The anticipated number of referrals
 - The expected utilization of services, including health care needs and local populations
 - The number and types of providers needed to furnish the medically necessary services
 - The geographic location of consumers and providers considering distance, travel time, transportation and physical access
2. HBH conducts annual Needs Assessments in an effort to determine the Huron County population's service needs and will develop or redistribute resources as necessary to accommodate the population needs and assure a sufficient service array and timely access to services to address area needs.
3. HBH will make good faith efforts to develop all contracts based on a consistent procurement method that is in accordance with requirements set forth by federal and state procurement regulations, the Michigan Mental Health Code, Michigan Department of Health and Human Services, the Balanced Budget Act (BBA), and the Mid-State Health Network (MSHN) who serves as the Pre-paid Inpatient Health Plan (PIHP), applicable governing authorities, and applicable accreditation bodies. HBH staff strives to consistently function with integrity, in compliance with all applicable laws, utilizing sound business practices, and the highest standards of excellence.
4. When there are shared providers within the MSHN region, HBH will share information and reports with other CMHSPs (Community Mental Health Services Programs), as applicable (see "[Reciprocity Policy](#)" ORI.1.33). Effective with the 10/01/24 MDHHS contract attachment for credentialing guidelines, HBH will also comply with the MDHHS Universal Credentialing requirements and utilize the web-based shared database for all clinical provider's credentialing information (see also "Provider Network – Contract Provider Privileging/Credentialing Policy" PM.1.03).
5. HBH will not discriminate against any provider or individual based on race, color, or national origin.
6. The Chief Financial Officer (CFO) has overall responsibility for the provider network function and works with the Contract Manager to develop, oversee, and manage contractual agreements maintaining compliance and consistency with applicable standards and requirements.

Policy:

A. General Guidelines:

1. The Board of Huron Behavioral Health is authorized by MDHHS and the Mental Health Code to enter into subcontracts for mental health services. When entering such subcontracts, HBH will be consistent with MDHHS's Administrative Rules, the Mental Health Code, the MDHHS Contract, and other applicable state and federal laws and regulations including title VI of the Civil Rights Act of 1964, title IX of the Education Amendments of 1972, the

Title: Provider Network Policy

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Policy #: **PM.1.01**
Issue Date: 08/08/17
Rev. Date: 09/05/25
Page: 2 of 4

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Age Discrimination Act of 1975, the Rehabilitation Act of 1973, the Health Insurance Portability and Accountability Act (HIPAA) of 1996, and the Americans with Disabilities Act (ADA) of 1990.

2. In accordance with the Balanced Budget Act 42 CFR Part 400 (438.214)(c), HBH will establish uniform non-discrimination policies for its provider network, regarding provider selection and will not discriminate against any provider that serves high-risk populations or specializes in conditions that require a more costly treatment. HBH will ensure compliance with MSHN's policies for non-discrimination in the selection of network providers ([see also "Competitive Bids Procedure" FM.2.22](#)).
3. To the extent possible, HBH encourages open competition in the selection of contracted providers. Contracted providers are selected based upon their qualifications, capability, capacity, experience, stability, reputation, and financial aspects and must be credentialed and licensed as necessary (including primary source verification of professional staff) for the specific areas of service (see also ["Provider Network - Privileging/Credentialing Policy" PM.1.03](#)). This is accomplished by seeking proposals, obtaining open competitive bids, assessing best value for services provided, etc, using both competitive and non-competitive negotiations, as appropriate, to secure the needed contracted services.
4. HBH excludes any providers during the selection process who have been debarred, suspended, excluded, or have any convictions relative to healthcare fraud in accordance with Social Security Act 1128 and 1128A. At the time of the initial contract and monthly thereafter, HBH searches the Office of Inspector General (OIG) website's exclusion database to ensure contract providers and any individuals with ownership or control interests have not been excluded from participating in federal healthcare programs (Medicaid and Medicare). (See also ["List of Excluded Individuals/Entities \(LEIE\) Procedure" ORI.2.07](#)).
5. If HBH denies/excludes an individual provider or group of providers from its service network, they will be notified of the reason for its' decision in writing.
6. When HBH management determines that a mental healthcare service contract is needed as part of the annual assessment process, bids may be solicited from available competent, licensed practitioners or agencies in a public, fair, and open process. Consumer input is may be solicited in the provider selection process, especially where new program development or service array expansion is indicated to meet community needs (see also ["Consumer Advisory Council Policy" RR.1.11](#)).
7. As deemed necessary to the situation and terms of the contract, provider orientation and training is provided for specific service delivery needs that meet requirements and conform to applicable best practices/methods (see also ["Training Requirements for HBH Employees and Contract Providers Procedure" TR.2.03](#)). New providers are given HBH's ["Grievance and Appeals Procedure" \(RR.2.36\)](#) which defines grievance, appeal, fair hearing requirements and timeframes.
8. Licenses are confirmed to verify credentials prior to the issuance or renewal of contracts.
9. The Contract Manager will maintain a current list of active contracts with expiration dates and will assure that contracts requiring renewal will be generated prior to their expiration.
10. In accordance with the period defined in the contract, the Contract Manager and other executive and/or finance and clinical employees (as appropriate) will review the contracts for changes in costs, etc. and revise/amend as necessary. The review includes analyzing the costs of the contracted services for effectiveness and efficiencies. Since most HBH contracts are written for a one (1) year period, this is typically conducted annually.

B. Network Management and Monitoring Plan:

The responsibility of assessing needs and deciding on purchase of services as a means of meeting those needs generally resides with various program and/or administrative staff. Several individuals and areas of responsibility within the agency may be involved in developing contracts and selecting providers and organizations using the following guidelines.

1. Program and administrative staff will evaluate a potential contract provider to ensure that sufficient financial and human resources are available and that they possess any required licenses or are otherwise legally authorized to deliver the purchased services.

Title: Provider Network Policy

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Policy #: **PM.1.01**
Issue Date: 08/08/17
Rev. Date: 09/05/25
Page: 3 of 4

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2. HBH will establish a mechanism to ensure compliance and will:
 - Monitor providers regularly to determine compliance
 - Ensure annual site visits are completed and tracked as required (see also "[Provider Network – Monitoring of Purchased Services Policy](#)" PM.1.02)
 - Take corrective action if there is failure to comply
3. HBH will maintain a documented process for privileging/credentialing and re-privileging/re-credentialing that is aligned with the Pre-paid Inpatient Health Plan's privileging/credentialing policies. (See also "[Provider Network Privileging/Credentialing Policy](#)" PM.1.03).
4. HBH will ensure the documented process for privileging/credentialing and re-privileging/re-credentialing of its direct and contract agency providers (individual or organization) is followed.
5. HBH will establish and maintain uniform provider selection policies/procedures for provider network that aligns with PIHP policies.
6. HBH will not employ or contract with providers or organizations that have been excluded from participation in any of the federal healthcare programs.
7. HBH has developed a network management and monitoring policy for the management of contract providers (see "[Provider Network – Monitoring of Purchased Services Policy](#)" PM.1.02). This policy aligns with MSHN's regional provider network plan. HBH will adopt the network's management and monitoring plan which includes:
 - a. an assessment of the performance of the existing network
 - b. assessing deficits with respect to the capacity of the existing network
 - c. goals for the network with respect to:
 - the contractual relationship between the agency and service providers, including those who are directly employed by the agency
 - the mechanisms for monitoring the operations and performance of the provider network
 - process for rewarding and sanctioning providers
8. If any contracts are terminated with providers who provide services to HBH consumers, HBH will make a good faith effort to notify the consumer (in writing), of the termination of those services within fifteen (15) days of issuance/receipt of the termination notice. Additionally, HBH will make a good faith effort to notify consumers when there is a new provider and/or significant changes to an existing provider which impacts the provision of their services.
9. If HBH does not have the capacity to provide a particular medically-necessary service to a consumer as mandated to provide under contract, HBH will expeditiously develop a contract with an out-of-network provider to provide the needed service at no additional cost to the consumer.

Definitions/Acronyms:

ADA – Americans with Disabilities Act
BBA – Balanced Budget Act
CFO – Chief Financial Officer
CFR – Code of Federal Regulations
CMHSP – Community Mental Health Services Program
COA – Council on Accreditation
FY – Fiscal Year
HBH – Huron Behavioral Health
HIPAA - Health Insurance Portability and Accountability Act of 1996
MDHHS – Michigan Department of Health and Human Services
MSHN – Mid-State Health Network
OIG – Office of the Inspector General
PIHP – Prepaid Inpatient Health Plan

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Page: 4 of 4

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USC – United States Code

Forms:

N/A

Records:

Contracts are retained by the HBH Contract Manager for the life of the contract period plus seven (7) years (see also [“Financial Record Retention Policy” FM.1.03](#)).

Reference(s) and/or Legal Authority

COA standards

Michigan Mental Health Code

MDHHS Procurement Technical Requirement (Contract Attachment P.6.4.1.1)

ADA (28 CFR/42U.S.C./Public Law 336) @ www.usdoj.gov42 CFR (438.6 – *Contract Requirements*) Balanced Budget Act of 1997 @ www.cms.hhs.govTitle VI of the Civil Rights Act of 1964 @ www.usdoj.govTitle IX of the Education Amendments of 1972 @ www.dol.govAge Discrimination Act of 1975 @ www.ed.govRehabilitation Act of 1973 @ www.eeoc.govAmericans with Disabilities Act (ADA) of 1990. @ www.usdoj.govHealth Insurance Portability and Accountability Act of 1996 @ <http://aspe.hhs.gov/admsimp/pl104191.htm>Health Information Technology for Economic and Clinical Health (HITECH) Act of 2009 @ <http://www.hhs.gov/ocr/privacy/hipaa/administrative/enforcementrule/hitech/enforcementrule.htm>Social Security Act 1128 & 1128A @ http://www.ssa.gov/OP_Home/ssact/title11/1128.htm & http://www.ssa.gov/OP_Home/ssact/title11/1128A.htm[FM.1.03 Financial Record Retention Policy](#)[FM.2.22 Competitive Bids Procedure](#)[ORI.1.33 Reciprocity Policy](#)[PM.1.02 Provider Network – Monitoring of Purchased Services Policy](#)[PM.1.03 Provider Network - Provider Privileging/Credentialing Policy](#)[RR.1.11 Consumer Advisory Council Policy](#)[RR.2.07 Confidentiality and Disclosure of Information Procedure](#)[RR.2.36 Grievance and Appeals Procedure](#)[TR.2.03 Training Requirements for HBH Employees and Contract Providers Procedure](#)**Change History:**

Change Letter	Date of Change(s)	Changes
None		This policy was renumbered from originally released policy. Was RM.1.01. For previous versions of this policy or for complete history of changes, see Controlled Documentation Manager (or designee).
A	04/23/19	Added reference to “ORI.1.33 “Reciprocity Policy” (2 places).
B	09/11/19	In “Policy” section #4 added last sentence (“At the time of.....”), in “Acronyms” section added “OIG”.
C	08/12/21	In “References” section added FM.1.03, PM.1.03, FM.2.22, & TR.2.03 and removed HR.1.01, made several minor wording/grammatical changes/corrections throughout policy without changing sentence content.
D	06/28/23	Reviewed by Contract Manager – no content changes made.
E	09/08/23	In “Policy” section under “Network Management and Monitoring Plan” changed “plan” to “policy” and added reference to PM.1.02, in “References” section added PM.1.02, made several minor wording/grammatical changes/corrections throughout policy without changing sentence content.
F	10/16/23	In “Policy” section #8 changed “give direct care” to “provide services” and added “Additionally, HBH will make a good faith effort to notify consumers when there is a new provider and/or significant changes to an existing provider which impacts the provision of their services.” As part of HBH’s POC from DMC audit.
G	10/26/23	In “Network Management and Monitoring Plan” section added second bullet in #2
H	09/05/25	In “Information” section #1 added “and the Michigan Department of Health and Human Services (MDHHS)”, in #4 added “Effective with the 10/01/24 MDHHS contract attachment for credentialing guidelines, HBH will also comply with the MDHHS Universal Credentialing requirements.....Contract Provider Privileging/Credentialing Policy” PM.1.03.”, in “Policy” section #4 added reference to ORI.2.07, in # 6 added reference to RR.1.11, in “References” section added RR.1.11, made numerous minor wording/grammatical changes/corrections throughout policy without changing sentence content.