COMMUNITY MENTAL HEALTH AUTHORITY

ADMINISTRATIVE POLICY AND PROCEDURES MANUAL				
Chapter **Program Quality**	**Section** **Provider Network Management**	**Chapter** **05**	**Section** **05**	**Subject** **03**
Subject **Sanctions**	**Authorization**		**Approved: 01/30/18** **Replaces: None**	

Reviewed/No Updates: October 2024; October 2025

I. PURPOSE: To outline a process for addressing outstanding contract violations and performance concerns of network providers.

II. APPLICATION: Gogebic Community Mental Health Authority (GCMHA) providers employed directly, contracted, or subcontracted by GCMHA.

III. DEFINITIONS: None

IV. POLICY:

GCMHA utilizes a variety of means to assure compliance with applicable requirements. Remedial action and sanctions, including intermediate sanctions as described in 42 CFR 438.700, as needed to resolve outstanding contract violations and performance concerns will be imposed. The use of remedies and sanctions typically follows a progressive approach; however, GCMHA reserves the right to deviate from the progression, as needed, to seek correction of serious, repeated, or patterns of substantial non-compliance or performance problems. The application of remedies and sanctions shall be a matter of public record.

V. PROCEDURE:

Sanctions may be invoked if GCMHA makes a determination that a provider is not in compliance with promulgated standards and with established federal or state regulations, that the provider has misrepresented or falsified information reported to GCMHA, State, or to the Federal Government, or that the provider has failed substantially to provide necessary covered services to recipients under the terms of the contract. Sanctions may include intermediate actions including, but not limited to, a monetary penalty imposed on the administrative and management operation of the provider or termination of the GCMHA/Provider contract. Additional sanctions may be imposed as outlined in the GCMHA/Provider contract.

A. A range of contract remedies and sanctions GCMHA may utilize include:

1. Issuing a notice of the contract violation and conditions to the network provider with copies to the Board and/or CEO.
2. Requiring a plan of correction and status reports that become a contract performance objective.
3. Imposing a monetary penalty on the administrative and management operation of the network provider.
4. Imposing intermediate sanctions as described in 42 CFR 438.700 that may include civil monetary penalties.

5. For sanctions related to reporting compliance issues, GCMHA may delay up to 25% of scheduled payment amount to the provider until after compliance is achieved. GCMHA may add time to the delay on subsequent uses of this provision. (NOTE: GCMHA may apply this sanction in a subsequent payment cycle and will give prior written notice to the network provider.)
6. Initiate contract termination.

B. The implementation of any of these actions does not require a contract amendment to implement. The sanction notice to the Network Provider is sufficient authority.

C. Before imposing a sanction on a Network Provider, GCMHA shall provide the Network Provider with timely written notice that explains both of the following:

1. The basis and nature of the sanction along with its statutory/regulatory/contractual basis and the objective evidence upon which the finding of fault is based.
2. The opportunity for a hearing to contest or dispute GCMHA's finding and intended sanction, prior to the imposition of the sanction. A hearing under this section is subject to the provisions governing a contested case under the Administrative Procedures Act of1969, 1969 P.A. 306, MCL.24.201 to 24.328, unless otherwise agreed to in the contract with the Network Provider.

D. The following are examples of compliance or performance problems for which remedial actions, including sanctions, can be applied to address repeated or substantial breaches, or reflect a pattern of non-compliance or substantial poor performance. This listing is not meant to be exhaustive, but only representative:

1. Reporting timeliness, quality, and accuracy.
2. Performance Indicator Standards.
3. Repeated Site Review non-compliance (repeated failure on same item).
4. Failure to complete or achieve contractual performance objectives.
5. Substantial inappropriate denial of services required by this contract or substantial services not corresponding to condition. Substantial can be a pattern, large volume, or small volume but severe impact.
6. Repeated failure to honor appeals/grievance assurances.
7. Substantial or repeated health and/or safety negligence.

E. Network providers shall have access to GCMHA's grievance and appeal process as outlined in GCMHA's *Network Provider Grievance and Dispute Resolution Process-Non-compliance, Competence, or Conduct* policy #05-05-13.

F. When MDHHS-OIG sanctions (suspends and/or terminates from the Medicaid Program) providers, including for a credible allegation of fraud under 42 CFR 455.23, the CMHSP must, at minimum, apply the same sanction to the provider upon receipt of written notification of the sanction from MDHHS-OIG. The CMHSP may pursue additional measures/remedies independent of the State. If MDHHS OIG lifts a sanction, the CMHSP may elect to do the same.

VI. REFERENCES AND LEGAL AUTHORITY: 42 CFR §438.700, §438.702, §438.704, §438.706; PIHP/MDHHS Medicaid Managed Specialty Supports and Services Contract; MDCH 2013 Application for Participation for Specialty Prepaid Inpatient Health Plans; NorthCare Network Compliance Plan and Policies; NorthCare Network Code of Conduct; Northcare Network Sanctions Policy

VII. EXHIBITS: None