



STATE OF MICHIGAN

GRETCHEN WHITMER
GOVERNOR

DEPARTMENT OF HEALTH AND HUMAN SERVICES
LANSING

ELIZABETH HERTEL
DIRECTOR

MEMORANDUM

DATE: April 18, 2023

TO: Chief Financial Officers of Pre-Paid Inpatient Health Plans and
Community Mental Health Service Programs

FROM: Jeffery Wieferich, MA, LLP
Director Bureau of Specialty Behavioral Health Services
Behavioral and Physical Health and Aging Services Administration

SUBJECT: Ability-to-Pay (ATP) Guidelines

Effective September 27, 2022, Michigan Administrative Code R 330.8005, R 330.8239, R 330.8240, R 330.8242, and R 330.8279 was amended regarding Part 8, Financial Liability for Behavioral Health Services. (Commonly referred to as Ability-to-Pay (ATP) guidelines.)

After the effective date, Michigan Department of Health and Human Services (MDHHS) formed a stakeholder workgroup to address the changes in the ATP guidelines.

Providers must comply with the updated administrative code and guidance by October 1, 2023.

Provider contracts include audit and compliance exam requirements related to ATP. MDHHS recognizes the timing of issuing guidance after the effective date and the potential lapse where providers might use prior ATP guidelines and methodology, and potentially be “out of compliance” with the revised rules.

During this transition period providers are still required to comply with ATP and their documented methodology. However, MDHHS does not consider this a contract violation or non-compliance with audit and compliance exam criteria.

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