

MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES

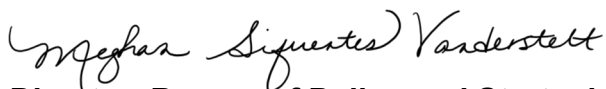
NOTICE OF PROPOSED POLICY

Public Act 280 of 1939, as amended, and consultation guidelines for Medicaid policy provide an opportunity to review proposed changes in Medicaid policies and procedures.

Please review the policy summary and the attached materials that describe the specific changes being proposed. Let us know why you support the change or oppose the change.

Submit your comments to the analyst by the due date specified. Your comments must be received by the due date to be considered for the final policy bulletin.

Thank you for participating in the consultation process.



**Director, Bureau of Policy and Strategic Engagement
Health Services Administration**

Project Number:	2545-BH	Comments Due:	November 21, 2025	Proposed Effective Date:	As Indicated
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Policy Subject: Medicaid Health Plan (MHP) Provider Mental Health Assessment Requirements for Comprehensive Health Care Program (CHCP) Enrollees

Affected Programs: Medicaid, Healthy Michigan Plan, MIChild

Distribution: All Providers, Medicaid Health Plans, Community Mental Health Services Programs

Policy Summary: This policy establishes standardized mental health assessment requirements for mental health providers who serve beneficiaries enrolled in an MHP.

Purpose: Standardizing and strengthening these requirements will support an ongoing transition to a more transparent, consistent, and person-centered mental health coverage for MHP enrollees.

Proposed Policy Draft

Michigan Department of Health and Human Services
Health Services

Distribution: All Providers, Medicaid Health Plans, Community Mental Health Services Programs

Issued: December 1, 2025 (Proposed)

Subject: Medicaid Health Plan (MHP) Provider Mental Health Assessment Requirements for Comprehensive Health Care Program (CHCP) Enrollees

Effective: As Indicated (Proposed)

Programs Affected: Medicaid, Healthy Michigan Plan, MIChild

This policy establishes standardized mental health assessment requirements for mental health providers who serve beneficiaries enrolled in an MHP. Standardizing and strengthening these requirements will support an ongoing transition to a more transparent, consistent, and person-centered mental health coverage for MHP enrollees as part of the Michigan Department of Health and Human Services (MDHHS) Mental Health Framework Initiative. The information in this bulletin is effective for dates of services on or after October 1, 2025.

I. General Information

Providers who serve MHP beneficiaries and whose scope of practice includes assessment of mental health need must start incorporating the required standardized assessments into their practice as of October 1, 2025. These standardized assessment tools will help determine the MHP beneficiary's level of mental health need. In the future, this information will more clearly determine which payer (i.e., the beneficiary's Medicaid Health Plan [MHP] or Prepaid Inpatient Health Plan [PIHP]) is responsible for their mental health coverage and related services. In support of these new requirements, MDHHS will issue a corresponding Standardized Mental Health Assessment Guide that describes expectations around timeliness of assessment, reassessment, and documentation. A copy of the guide will be made available on the MDHHS website at www.michigan.gov/mdhhs/mihealthylife >> Mental Health Framework.

II. Assessment Tools

The following assessment tools must be incorporated into the assessment and reassessment process for all beneficiaries who are seeking mental health supports and services from a qualified provider. These assessments will be conducted upon initial mental health service use, with reassessment required every 12 months or more frequently upon change in condition (e.g., due to a significant change in life circumstances, a behavioral

health event, and/or a change in the level of behavioral health care needed according to the beneficiary's provider).

A. Michigan Child and Adolescent Needs and Strengths (MichiCANS) Screener

The MichiCANS Screener is the standardized mental health assessment tool for all infants, toddlers, children, youth, and young adults ages birth to 21. The MichiCANS is a Michigan-specific version of the Child and Adolescent Needs and Strengths (CANS), a comprehensive information integration tool for use with infants, toddlers, children, youth and young adults, designed to summarize and organize information gathered from assessments and other sources. Additional information about the MichiCANS Screener, including training resources and reference guides, can be found on the MDHHS website at www.michigan.gov/mdhhs/mihealthylife >> Mental Health Framework.

B. Level of Care Utilization System (LOCUS)

LOCUS is the state-designated tool required for assessing the level of mental health need for beneficiaries aged 21 and older. LOCUS is a multi-dimensional assessment instrument used to determine the appropriate level of care for adults with mental health needs or co-occurring mental health and substance use disorder-related needs. More information on LOCUS can be found in the Standardized Mental Health Assessment Guide available at www.michigan.gov/mdhhs/mihealthylife >> Mental Health Framework.

III. Allowable Providers

LOCUS and MichiCANS Screener assessments must be completed by a Medicaid-enrolled Qualified Mental Health Professional (QMHP), Child Mental Health Professional (CMHP), or Qualified Intellectual Disability Professional (QIDP) whose scope of practice includes assessment of mental health need. QMHPs are individuals who have specialized training or one year of experience in treating or working with a person who has mental illness. CMHPs are individuals who are trained and have one year of experience in the examination, evaluation, and treatment of minors and their families. QIDPs are individuals who have specialized training or one year of experience in treating or working with a person who has an intellectual disability. Allowable QMHPs, CMHPs, and QIDPs include the following licensed practitioners:

- Physician
- Psychiatrist
- Nurse Practitioner
- Physician's Assistant
- Licensed or Limited Licensed Psychologist/Clinical Psychologist
- Licensed or Limited Licensed Master's Level Social Worker
- Licensed or Limited Licensed Professional Counselor
- Licensed or Limited Licensed Marriage and Family Therapist

Evidence of specialized training would include fieldwork and/or internships associated with the academic curriculum where the student works directly with persons receiving mental health services as part of that experience. The time spent in fieldwork or internship can be counted toward the one-year experience requirement and must be documented by the student's supervisor or the program's coordinator for fieldwork/internships.

Limited licensed providers may only perform assessment services under the supervision of a fully licensed provider of the same profession. Supervision for limited licensed providers is defined by Section 333.16109 of the Public Health Code when required. Master's Level Limited Licensed Psychologists are excluded from supervision requirements when employed by certain organizations as specified within Section 333.18223 of the Public Health Code (Act 368 of 1978). MHP network limited licensed providers performing assessments are required to be enrolled in the Community Health Automated Medicaid Processing System (CHAMPS) on the date of service reported on the claim but are not eligible to be directly reimbursed. (Refer to the Behavioral Health and Intellectual and Developmental Disability Supports and Services Chapter; Non-Physician Behavioral Health Appendix of the [MDHHS Medicaid Provider Manual](#) for complete billing information.)

All services performed by an assessment provider must be in compliance with the provider enrollment agreement, MHP contracts, Medicaid policies, and all applicable county, state, and federal laws and regulations governing the delivery of health care services.

IV. Training

Prior to performing and billing for LOCUS and MichiCANS Screener assessments, QMHPs, CMHPs, and QIDPs must complete an MDHHS training program and pass the associated certification tests. (Refer to the Standardized Mental Health Assessment Guide available at www.michigan.gov/mdhhs/mihealthylife >> Mental Health Framework for complete training details.)

V. Billing Guidelines and Reimbursement Considerations

A. MHP Beneficiaries

MHPs or PIHPs will reimburse enrolled eligible providers for LOCUS and MichiCANS Screener assessments provided to MHP enrolled beneficiaries. Assessment services for MHP beneficiaries should be reported with the following Healthcare Common Procedure Coding System (HCPCS) codes and modifiers:

Assessment Type	Procedure Code	Modifier
MichiCANS Screener	H0002	7Y
LOCUS	H0031	WX

These procedure code and modifier combinations have been established by Medicaid to represent the LOCUS/MichiCANS Screener completion. All qualified provider types should report these HCPCS codes regardless of the procedure code's national description. Clinical evaluation or other services provided to the beneficiary in addition to the LOCUS/MichiCANS Screener completion may be reported and reimbursed separately.

MHP-contracted providers will be reimbursed for services according to their MHP contract specified rates. MHPs will reimburse out-of-network providers at their usual and customary charges.

MHP providers should refer to the Standardized Mental Health Assessment Guide available at www.michigan.gov/mdhhs/mihealthylife >> Mental Health Framework for additional billing and reimbursement information.

B. Medicaid FFS Program Beneficiaries

MHP QMHPs, CMHPs, and QIDPs who provide mental health care services for Medicaid FFS beneficiaries are not required to perform LOCUS and MichiCANS Screener assessments for FFS beneficiaries; however, providers may choose to perform these assessments for FFS beneficiaries.

All mental health assessment services, including LOCUS and MichiCANS Screener completion, should be billed to Medicaid FFS using a psychiatric diagnostic evaluation or other applicable behavioral screening and testing procedure code represented by an American Medical Association (AMA) Healthcare Common Procedure Coding System (HCPCS) Level I code. Modifiers WX or 7Y should not be reported. Providers will be reimbursed according to the practitioner or non-physician behavioral health provider (as applicable) Michigan Medicaid fee schedule published at www.michigan.gov/medicaidproviders >> Billing & Reimbursement >> Provider Specific Information.

C. Federally Qualified Health Center (FQHC), Rural Health Clinic (RHC), Tribal Health Center (THC) and Tribal FQHC Providers

QMHPs, CMHPs, and QIDPs providing services within a FQHC, RHC, THC, or Tribal FQHC must complete the LOCUS or MichiCANS Screener assessments on MHP beneficiaries who are seeking or receiving mental health supports and services from a qualifying provider.

LOCUS/MichiCANS Screener assessment services billed by clinics should be billed on the institutional claim form using the Group/Organizational - Type 2 clinic specialty enrolled National Provider Identifier (NPI). The Attending Provider field line should include an eligible Individual – Type 1 provider who is responsible for the overall care of the beneficiary at the clinic. The NPI of the provider performing the assessment at the clinic should be listed in the Other/Rendering field line (referring/rendering/ordering).

(Refer to the various clinic chapters within the [MDHHS Medicaid Provider Manual](#) for complete billing instructions.)