

May 4, 2026

<Provider Name>
 <Provider Address 1>
 <Provider Address 2>
 <City> <State> zipcode5-zipcode4

Dear Provider:

RE: Overview of Behavioral Health Home Updates for State Fiscal Year (SFY) 2026

The Michigan Department of Health and Human Services (MDHHS) has received approval from the Centers for Medicare & Medicaid Services (CMS) for a state plan amendment (SPA). A key change reflected in the SPA includes revised staffing requirements for the Behavioral Health Home (BHH) program. This program provides federally required health home services to Medicaid beneficiaries with select diagnoses who are enrolled in a health home program. To align with the revised staffing requirements outlined in the SPA, MDHHS updated the underlying assumptions that drive the health home case rates effective October 1, 2025. In addition to the staffing requirement updates, the revised case rates also reflect updates to other assumptions (primarily wage levels) to better align case rate assumptions with the costs in the current environment.

Figure 1 illustrates the BHH case rate buildup that incorporates the revised staffing requirements and underlying assumption updates. Additional health home program metrics and payment timelines are explained in further detail in the BHH Handbook¹.

Figure 1: Composite BHH And SUDHH Case Rate Development

BHH ACUITY TIERS	ASSUMED ACUITY DISTRIBUTION	CASE RATE BY TIER	CASE RATE COMPONENT
Moderate Acuity	74.30%	\$ 437.58	\$ 325.12
Intensive Acuity	25.70%	\$ 558.33	\$ 143.49
BHH Case Rate			\$ 468.61

New Staffing Requirements

MDHHS determined the SSDI/SSI, Outreach, Access, and Recovery (SOAR) Navigator and Housing Specialist job positions should be included as possible positions used to administer BHH services in SFY 2026. As outlined in the SPA, MDHHS will not be defining a specific set of provider types for these job positions and has instead included them in the Peer Specialist staffing assumption. The minimum number of full-time equivalents (FTEs) that are assumed to meet the necessary requirements of providing BHH services were updated to reflect these new staffing requirements. Figure 2 illustrates each position’s FTE by acuity tiers for the BHH program.

¹ https://www.michigan.gov/mdhhs/assistance-programs/medicaid/behavioral-health-home/-/media/Project/Websites/mdhhs/Folder1/Folder101/BHH_Handbook_700355_7.pdf

Updated Case Rates

In addition to the new staffing requirements outlined in the SPA, updates were made to the underlying case rate assumptions to reflect expected statewide SFY 2026 experience. Figure 2 illustrates the BHH program’s case rate buildup by acuity tier. Note that state-level policies related to increases in minimum wage standards were not given explicit consideration when updating the case rate wages given each of the job positions has an assumed salary that is materially higher than the proposed minimum wage updates. Similarly, state-level policies related to increases in sick time standards were not considered when updating the fringe benefits case rate component.

Figure 2: Behavioral Health Home Case Rate Buildups By Acuity Level

BHH MODERATE ACUITY	FTE	SALARY	FRINGE	TOTAL
Health Home Director	0.25	\$ 106,000	\$ 40,000	\$ 36,500
Nurse Care Manager	1.00	\$ 93,000	\$ 35,000	\$ 128,000
Behavioral Health Clinician/ Behavioral Health Specialist	0.25	\$ 74,000	\$ 28,000	\$ 25,500
Peer Specialist†	3.00	\$ 46,000	\$ 17,000	\$ 189,000
Medical Consultant	0.10	\$ 203,000	\$ 77,000	\$ 28,000
Psychiatric Consultant	0.10	\$ 360,000	\$ 136,000	\$ 49,600
Total Staff				4.70
Total Staff Cost				\$ 456,600
Indirect (15.0%)				\$ 68,490
Total Costs				\$ 525,090
Total Costs per 100 Beneficiaries per Month				\$ 437.58
Caseload Efficiency				100.0%
Total Costs per Encounter Month				\$ 437.58

BHH INTENSIVE ACUITY	FTE	SALARY	FRINGE	TOTAL
Health Home Director	0.25	\$ 106,000	\$ 40,000	\$ 36,500
Nurse Care Manager	1.00	\$ 93,000	\$ 35,000	\$ 128,000
Behavioral Health Clinician/ Behavioral Health Specialist	0.25	\$ 74,000	\$ 28,000	\$ 25,500
Peer Specialist†	5.00	\$ 46,000	\$ 17,000	\$ 315,000
Medical Consultant	0.10	\$ 203,000	\$ 77,000	\$ 28,000
Psychiatric Consultant	0.10	\$ 360,000	\$ 136,000	\$ 49,600
Total Staff				6.70
Total Staff Cost				\$ 582,600
Indirect (15.0%)				\$ 87,390
Total Costs				\$ 669,990
Total Costs per 100 Beneficiaries per Month				\$ 558.33
Caseload Efficiency				100.0%
Total Costs per Encounter per Month				\$ 558.33

†Peer Specialist can reflect any of the following provider types: Peer Recovery Coach/ Peer Support Specialist/ Youth Peer Support Specialist/ Parent Support Partner/ Community Health Worker/ Medical Assistant/ SOAR Navigator/ Housing Specialist

An electronic copy of this document is available at www.michigan.gov/medicaidproviders >>
Policy, Letters & Forms.

Sincerely,

A handwritten signature in black ink that reads "Meghan E. Groen". The signature is written in a cursive style with a large, stylized "M" and "G".

Meghan E. Groen, Chief Deputy Director
Health Services