



MACOMB COUNTY

COMMUNITY MENTAL HEALTH

Subject: Utilization Management	Procedure: County of Financial Responsibility (COFR)	
Last Updated: 6/12/2026	Owner: Managed Care Operations	Pages: 5

I. PURPOSE

To provide procedural and operational guidance to directly operated and contract providers on COFR determinations and processes.

II. DEFINITIONS

A. Certified Community Behavioral Health Clinic (CCBHC):

A CCBHC is a specially designed organization that ensures access to coordinated, comprehensive behavioral health care. They provide a comprehensive range of mental health and substance use services to people regardless of residency, insurance status, age, or ability to pay.

B. County of Financial Responsibility (COFR):

The Community Mental Health Service Program (CMHSP) that is financially liable for the cost of specialty mental health services provided to a person served. COFR determinations align with the standards set forth in the Michigan Mental Health Code and the Michigan Department of Health and Human Services (MDHHS)/CMHSP Managed Mental Health Supports and Services Contract.

C. Dependent Living Situation:

A dependent living situation for the purpose of COFR is any of the following: a licensed Adult Foster Care (AFC) home, a Child Caring Institute (CCI), a boarding school, a nursing facility, jail or prison, or an unlicensed setting in which the person's Individual Plan of Service (IPOS) provides for eight (8) or more hours per day of specialized staffing supports in the residence.

D. Medical Necessity:

Determination that a specific service is medically (clinically) appropriate; necessary to meet needs; consistent with the person's diagnosis, symptomatology, and functional impairments; is the most cost-effective option in the least restrictive environment; and is consistent with clinical standards of care. The medical necessity of a service shall be documented in the individual plan of service (IPOS).

III. PROCEDURE

A. Community Mental Health Service Programs (CMHSPs) are statutorily responsible for serving people "located" in their jurisdiction.

1. Persons served have the right to choose where they live, unless restricted by court order.
 - a) The choice shall be considered the person's or their guardian's choice when it is not instigated or facilitated by a primary case holder or provider.
 - b) Assistance by a primary case holder in a county to notify another county of the person's decision to move shall not be determined to be facilitation of the choice.
2. A person's requests for a particular provider, regardless of location, must be considered within the person-centered planning process
3. Persons served must be provided with appropriate services without delay resulting from issues of financial responsibility.
4. Capitation payments are intended to be a means of funding Prepaid Inpatient Health Plans (PIHPs) to provide defined benefits to eligible persons within a system of services. They are not intended as payment for services to any identified person, and this payment should not be considered in determining the County of Financial Responsibility (COFR).

B. Establishing County of Financial Responsibility:

1. COFR determinations for persons served by Macomb County Community Mental Health (MCCMH) are made by Managed Care Operations (MCO). To request assistance regarding COFR determinations, an email can be sent to COFR.MCCMH@mccmh.net
2. Medicaid Residency status and the assigned PIHP are not determining factors in establishing COFR.
3. As a general rule, for a person served, the financially responsible CMHSP is the one that served them in the county where they last lived independently.
 - a) The intent of the person served to be a part of the community shall be considered. For example, persons who are unhoused shall be a part of the community when the intent of the person is to remain in that community.
 - b) A person living in locations that are considered transient is not considered living independently. This includes:
 - i. Residing in a motel or hotel rented by the day or week without intent to remain in the community.
 - ii. Residing in a sober living facility.
 - iii. Residing in a halfway house upon release from jail or prison.
 - iv. Living in a vehicle.

- c) When a person who is living dependently chooses to relocate from County A to County B into a dependent living situation, COFR remains the last county in which they lived independently.
 - d) When a person served chooses to obtain services in County B because services have been determined to be unavailable in County A, then County A remains the COFR, provided the services meet eligibility and medical necessity criteria guidelines utilized by County A.
 - e) Migrant workers shall be considered the financial responsibility of the CMHSP in which they are housed.
4. For children, a general rule is that the financially responsible CMHSP is the one where the child and parents have their primary residence.
- a) For temporary and permanent court wards of the State, the COFR is the county where the child currently resides in the community as long as the foster care case remains open.
 - i. For children placed in Child Caring Institutes (CCIs), the COFR is the county where the child entered into foster care.
 - b) In the case of divorced parents, the COFR is the county in which the parent with legal and physical custody resides.
 - i. If the parents have joint legal and physical custody, the COFR is the county of residence of the parent in which the child attends school.
 - c) In the case of a child placed by their parent(s) into the custody of a legal guardian with authority to consent to treatment, the COFR is the county in which the guardian resides.
 - i. If the parent(s) place the child into the custody of an adult without guardianship, the COFR remains the county of residence in which the parent with legal and physical custody resides.
5. Certified Community Behavioral Health Clinic (CCBHC) services are provided regardless of residency and are not dependent on COFR.

B. Persons receiving services through MCCMH in which another CMHSP is the COFR:

- 1. Utilization Management (UM) determinations are made by the financially responsible CMHSP. This includes all eligibility and medical necessity decisions regarding the person's service authorizations and level of care.
- 2. Prior authorization requests, also known as preadmission screenings, for Inpatient Psychiatric Hospitalization, Outpatient Partial Hospitalization Programs (PHP), Crisis Residential Units (CRU), and Intensive Crisis Stabilization Programs (ICSP) must be requested directly through the financially responsible CMHSP.
- 3. Service authorization requests cannot be submitted via the FOCUS Electronic Medical Record (EMR).
- 4. The primary clinical provider submits all prior authorization requests for community-based services or changes in level of care to MCO via email at COFR.MCCMH@mccmh.net up to sixty (60) calendar days, and no less than twenty-one (21) calendar days, prior to the effective date of the authorization. This request must include the following information:

- a) A detailed authorization request that specifies the amount and duration of every service code being requested.
 - b) The current treatment plan or most recent service review. There must be goals/objectives that address the medical necessity of every code being requested.
 - c) The most recent biopsychosocial assessment.
 - d) The most recent LOCUS or MichiCANS assessment, if applicable.
 - e) The most recent psychiatric evaluation and all medication reviews completed since the last time services were requested.
 - f) The current medication list
 - g) Progress notes for the last ninety (90) days.
 - h) Prescriptions and evaluations, if required for the requested service.
 - i) All other relevant assessments that have been completed since the last time services were requested. This includes, but is not limited to, Specialized Nursing Assessments, Nutritional Assessments, Physical Examinations, etc.
 - j) Psychological Testing Evaluation, if applicable.
 - k) Guardianship documentation, if applicable.
 - l) Court Treatment Orders, if applicable.
5. MCO will coordinate with the financially responsible CMHSP to obtain authorization for the requested services. Upon receipt of such authorization, the CMHSP documentation will be uploaded, and MCO will generate authorizations in the FOCUS EMR.
- a) If the financially responsible CMHSP denies all or part of a request, they will send a notice of adverse benefit determination to the person. All appeals will be filed through the COFR county.

C. Persons receiving services through MCCMH who relocate to another county:

1. When a person served chooses to move to another county in Michigan, it is essential that the primary case holder assist in the transition to ensure that the person's treatment needs are met in the new setting.
 - a) The primary case holder must assist the person or their legal guardian in contacting the CMHSP where they will be living to initiate services.
 - b) The primary case holder must coordinate with County B to ensure a seamless transition.
2. If the person is in a dependent living situation in Macomb County and will be moving into a dependent living situation in County B, then they will likely remain the financial responsibility of MCCMH.
 - a) The primary case holder must assist the person or their legal guardian in locating a dependent living situation in County B as needed.
3. The primary case holder must notify MCO via email at COFR.MCCMH@mccmh.net so that COFR can be confirmed and authorizations provided to County B.
 - a) MCO will work with the MCCMH Network Operations division as needed to ensure all necessary contracts are in place for services in County B.

4. Once the person has moved to County B, and it is confirmed that they have attended their initial appointment with the new treatment provider, then the primary case holder early-terminates the authorizations in the FOCUS EMR, assigns the new COFR provider as primary, and closes their program admission layer.
 - a) In cases where MCCMH will not remain the COFR, the primary case holder completes a discharge screening and closes the admission layer.
5. For Habilitation Support Waiver (HSW) enrollees, the HSW certificate will be transferred upon MDHHS receipt of documentation from both the originating and the new PIHP with an effective date of transfer.

IV. REFERENCES

None

V. RELATED POLICIES

A. MCCMH MCO Policy 12-001, “Access, Eligibility, Admission, Discharge”

VI. EXHIBITS

None

Annual Review Attestation / Revision History:

Revision #:	Revision/Review Date:	Revision Summary:	Reviewer/Reviser:
1	6/12/2026	Implementation of Procedure	MCCMH MCO Division