

**STATE OF MICHIGAN  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
FOR THE DEPARTMENT OF COMMUNITY HEALTH**

P.O. Box 30763, Lansing, MI 48909  
(517) 335-2484; Fax: (517) 373-4147

IN THE MATTER OF:

██████████,

Appellant.

\_\_\_\_\_ /

**Docket No.** 2013-52756 EDW

**Case No.** ██████████

**DECISION AND ORDER**

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 42 CFR 431.200 *et seq.*, and upon Appellant's request for a hearing.

After due notice, a hearing was held on ██████████. ██████████ appeared and testified on Appellant's behalf. Appellant was also present during the hearing. ██████████, Assistant Supervisor, represented the Department of Community Health's Waiver Agency, The ██████████ ("Waiver Agency" or ██████████). ██████████, a screener at ██████████, also testified as a witness for the Waiver Agency.

**ISSUE**

Did the Department's MI Choice Waiver Agency properly deny Appellant's request for services through the MI Choice Waiver Program?

**FINDINGS OF FACT**

The Administrative Law Judge, based upon the competent, material and substantial evidence on the whole record, finds as material fact:

1. The Department contracts with Information Center to provide MI Choice waiver services to eligible beneficiaries.
2. ██████████ must implement the MI Choice Waiver Program in accordance to Michigan's waiver agreement, Department policy, and its contract with the Department.
3. On ██████████ Appellant's representative applied for waiver services on Appellant's behalf and a telephone intake was completed. (Respondent's Exhibit A, pages 1-8).
4. Based on the answers given during that intake, the Waiver Agency found that Appellant was probably eligible for the waiver program. (Respondent's Exhibit A, page 8).

5. However, due to a lack of available slots in the program at that time, Appellant was not assessed for services at that time and was placed on a waiting list in chronological order. (Testimony of ██████████).
6. Appellant subsequently rose to the top of the waiting list and, on ██████████, ██████████, ██████████ completed a face-to-face screening with Appellant. In doing so, Lockman utilized the Michigan Medicaid Nursing Facility Level of Care Determination (LOCD) tool. (Respondent's Exhibit B, pages 1-9; Testimony of ██████████).
7. Pursuant to that LOCD, the Waiver Agency found that Appellant did not qualify for the waiver program. (Respondent's Exhibit B, page 8).
8. A second, face-to-face LOCD was completed on ██████████ with Appellant and his representative. The Waiver Agency again determined that Appellant did not qualify for the waiver program. (Respondent's Exhibit C, pages 1-9).
9. The Waiver Agency sent Appellant written notice of the denial. (Testimony of ██████████).
10. On ██████████, the Michigan Administrative Hearing System (MAHS) received a Request for Hearing in this matter. (Petitioner's Exhibit 1, page 1).

### **CONCLUSIONS OF LAW**

The Medical Assistance Program is established pursuant to Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations. It is administered in accordance with state statute, the Social Welfare Act, the Administrative Code, and the State Plan under Title XIX of the Social Security Act Medical Assistance Program.

Federal regulations require that Medicaid pay for services only for those beneficiaries who meet specified level of care criteria. Nursing facility residents must also meet Pre-Admission Screening/Annual Resident Review requirements.

The Medicaid Provider Manual, Nursing Facilities Coverages Section, July 1, 2012, lists the policy for admission and continued eligibility as well as outlines functional/medical criteria requirements for Medicaid-reimbursed nursing facility, MI Choice, and PACE services.

Here, the Waiver Agency decided to deny Appellant's services after finding that he did not meet the medical criteria for the waiver program. Appellant disputes that finding. For the reasons discussed below, this Administrative Law Judge finds that the Waiver Agency's decision should be affirmed.

With respect to functional eligibility for the waiver program, the Medicaid Provider Manual (MPM) provides:

## **2.2 FUNCTIONAL ELIGIBILITY**

The MI Choice waiver agency must verify applicant appropriateness for services by completing the online version of the Michigan Medicaid Nursing Facility Level of Care Determination (LOCD) within 14 calendar days after the date of the participant's enrollment. (Refer to the Directory Appendix for website information.) The LOCD is discussed in the Michigan Medicaid Nursing Facility Level of Care Determination subsection of this chapter. Additional information can be found in the Nursing Facility Coverages Chapter and is applicable to MI Choice applicants and participants.

The applicant must also demonstrate a continuing need for and use of at least one covered MI Choice service. This need is originally established through the Initial Assessment using the process outlined in the Need For MI Choice Services subsection of this chapter.

### **2.2.A. MICHIGAN MEDICAID NURSING FACILITY LEVEL OF CARE DETERMINATION**

MI Choice applicants are evaluated for functional eligibility via the Michigan Medicaid Nursing Facility Level of Care Determination. The LOCD is available online through Michigan's Single Sign-on System. (Refer to the Directory Appendix for website information.)

Applicants must qualify for functional eligibility through one of seven doors. These doors are:

- Door 1: Activities of Daily Living Dependency
- Door 2: Cognitive Performance
- Door 3: Physician Involvement
- Door 4: Treatments and Conditions
- Door 5: Skilled Rehabilitation Therapies
- Door 6: Behavioral Challenges

- Door 7: Service Dependency

The LOCD must be completed in person by a health care professional (physician, registered nurse (RN), licensed practical nurse (LPN), licensed social worker (BSW or MSW), or a physician assistant) or be completed by staff that have direct oversight by a health care professional.

The online version of the LOCD must be completed within 14 calendar days after the date of enrollment in MI Choice for the following:

- All new Medicaid-eligible enrollees
- Non-emergency transfers of Medicaid-eligible participants from their current MI Choice waiver agency to another MI Choice waiver agency
- Non-emergency transfers of Medicaid-eligible residents from a nursing facility that is undergoing a voluntary program closure and who are enrolling in MI Choice

Annual online LOCDs are not required, however, subsequent redeterminations, progress notes, or participant monitoring notes must demonstrate that the participant continues to meet the level of care criteria on a continuing basis. If waiver agency staff determines that the participant no longer meets the functional level of care criteria for participation (e.g., demonstrates a significant change in condition), another face-to-face online version of the LOCD must be conducted reflecting the change in functional status. This subsequent redetermination must be noted in the case record and signed by the individual conducting the determination.

Copies of the LOCD for participants must be retained by the waiver agency for a minimum period of six years. This information is also retained in the MDCH LOCD database for six years. [MPM, MI Choice Waiver Section, April 1, 2012, pages 1-2.]

Regarding Door 1, the LOCD tool states:

**Door 1**  
**Activities of Daily Living (ADLs)**

**Scoring Door 1:** The applicant must score at least six points to qualify under Door 1.

**(A) Bed Mobility, (B) Transfers, and (C) Toilet Use:**

- Independent or Supervision = 1
- Limited Assistance = 3
- Extensive Assistance or Total Dependence = 4
- Activity Did Not Occur = 8

**(D) Eating:**

- Independent or Supervision = 1
- Limited Assistance = 2
- Extensive Assistance or Total Dependence = 3
- Activity Did Not Occur = 8

Regarding Door 2, the LOCD tool states:

**Door 2**  
**Cognitive Performance**

**Scoring Door 2:** The applicant must score under one of the following three options to qualify under Door 2.

1. “Severely Impaired” in Decision Making.
2. “Yes” for Memory Problem, and Decision Making is “Moderately Impaired” or “Severely Impaired.”
3. “Yes” for Memory Problem, and Making Self Understood is “Sometimes Understood” or “Rarely/Never Understood.”

Regarding Door 3, the LOCD tool states:

**Door 3**  
**Physician Involvement**

**Scoring Door 3:** The applicant must meet either of the following to qualify under Door 3.

1. At least one Physician Visit exam AND at least four Physician Order changes in the last 14 days, OR

2. At least two Physician Visit exams AND at least two Physician Order changes in the last 14 days.

Regarding Door 4, the LOCD tool states:

**Door 4**  
**Treatments and Conditions**

**Scoring Door 4:** The applicant must score “yes” in at least one of the nine categories and have a continuing need to qualify under Door 4.

The nine categories of Door 4 include:

- A. Stage 3-4 pressure sores
- B. Intravenous or parenteral feedings
- C. Intravenous medications
- D. End-stage care
- E. Daily tracheostomy care, daily respiratory care, daily suctioning
- F. Pneumonia within the last 14 days
- G. Daily oxygen therapy
- H. Daily insulin with two order changes in last 14 days
- I. Peritoneal or hemodialysis

Regarding Door 5, the LOCD tool states:

**Door 5**  
**Skilled Rehabilitation Therapies**

**Scoring Door 5:** The applicant must have required at least 45 minutes of active [Speech Therapy], [Occupational Therapy] or [Physical Therapy] (scheduled or delivered) in the last 7 days and continues to require skilled rehabilitation therapies to qualify under Door 5

Regarding Door 6, the LOCD tool states:

**Door 6**  
**Behavior**

**Scoring Door 6:** The applicant must score under one of the following 2 options to qualify under Door 6.

1. A “Yes” for either delusions or hallucinations within the last 7 days.
2. The applicant must have exhibited any one of the following behaviors for at least 4 of the last 7 days (including daily): Wandering, Verbally Abusive, Physically Abusive, Socially Inappropriate/Disruptive, or Resisted Care.

Regarding Door 7, the LOCD tool states:

**Door 7**  
**Service Dependency**

**Scoring Door 7:** The applicant must be a current participant and demonstrate service dependency to qualify under Door 7.


Here, the Waiver Agency twice determined that Appellant did not pass through any of the seven doors and was therefore ineligible for the program.

Appellant and his representative bear the burden of proving by a preponderance of the evidence that the Waiver Agency erred in denying services. Given the answers during the LOCD and his representative’s testimony during the hearing, it is clear that the Waiver Agency’s decision should be sustained.

Appellant receives some assistance in his daily activities, but none of that requested assistance relates to the tasks identified in Door 1. Similarly, while Appellant has medical problems, none of his conditions meet the criteria for passing through Doors 2, 4, or 6. Moreover, the medical treatment Appellant receives does not meet the criteria required by Doors 3, 4, or 6. With respect to Door 7, Appellant is not a current participant in the program.

Appellant’s representative does argue that Appellant’s health has deteriorated and that he now meets the criteria for the waiver program through Door 1. However, this Administrative Law Judge’s jurisdiction is limiting to reviewing the Waiver Agency’s decision in light of the information available at the time of that decision. Here, it is undisputed that Appellant did not pass through Door 1 at the time of the denial. To the extent Appellant’s circumstances have changed, he is free to re-apply for the program.

At the times relevant to this action, the Waiver Agency properly found that Appellant did not meet the criteria for the waiver program and its decision to deny Appellant’s application on that basis must be sustained.

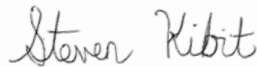
  
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Decision and Order

**DECISION AND ORDER**

The Administrative Law Judge, based on the above findings of fact and conclusions of law, decides that the MI Choice Waiver Agency properly denied Appellant's application for services through the MI Choice program.


**IT IS THEREFORE ORDERED** that:

The Department's decision is **AFFIRMED**.



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Steven J. Kibit  
Administrative Law Judge  
for James K. Haveman, Director  
Michigan Department of Community Health

  
Date Signed: 8/23/2013

Date Mailed: 8/23/2013

cc:



**\*\*\* NOTICE \*\*\***

The Michigan Administrative Hearing System may order a rehearing on either its own motion or at the request of a party within 30 days of the mailing date of this Decision and Order. The Michigan Administrative Hearing System will not order a rehearing on the Department's motion where the final decision or rehearing cannot be implemented within 90 days of the filing of the original request. The Appellant may appeal the Decision and Order to Circuit Court within 30 days of the receipt of the Decision and Order or, if a timely request for rehearing was made, within 30 days of the receipt of the rehearing decision.