



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ORLENE HAWKS  
DIRECTOR

[REDACTED]  
[REDACTED], MI [REDACTED]

Date Mailed: April 20, 2022  
MOAHR Docket No.: 22-001213  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Steven Kibit**

**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 Petitioner's request for hearing.

After due notice, a telephone hearing was held on April 14, 2022. [REDACTED], Petitioner's son and power of attorney, appeared and testified on Petitioner's behalf. Krystn Hartner, Intake and Waitlist Supervisor, appeared and testified on behalf of the Respondent Area Agency on Aging 1-B.

During the telephone hearing, Petitioner's request for hearing was admitted into the record as Exhibit #1, pages 1-5. Respondent also submitted an evidence packet that was admitted into the record as Exhibit A, pages 1-25.

**ISSUE**

Did the Respondent properly place Petitioner on a waiting list for 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. Respondent is a contract agent of the Michigan Department of Health and Human Services (MDHHS) and is responsible for waiver eligibility determinations and the provision of MI Choice Waiver services in its service area.
2. On March 16, 2022, Petitioner applied for waiver services through Respondent and a telephone intake was completed. (Exhibit A, pages 16-25).
3. During the intake assessment, Petitioner was determined to be potentially eligible for the waiver program. (Exhibit A, page 23).

4. However, given a lack of available slots in the program, Petitioner was placed on Respondent's waiting list. (Exhibit A, page 23; Testimony of Respondent's representative).
5. On March 17, 2022, Respondent sent Petitioner written notice that she had been placed on the waiting list because Respondent was currently at program capacity. (Exhibit A, pages 12-13).
6. On March 28, 2022, the Michigan Office of Administrative Hearings and Rules (MOAHR) received the request for hearing filed in this matter. (Exhibit #1, pages 1-5).
7. The intake assessment also found that Petitioner was not currently enrolled in Medicaid. (Exhibit A, page 23).
8. While this matter has been pending, Respondent also worked with Petitioner on applying for Medicaid. (Testimony of Petitioner's representative; Testimony of Respondent's representative).
9. However, on April 1, 2022, Petitioner's application for Medicaid was denied by MDHHS. (Testimony of Petitioner's representative; Testimony of Respondent's representative).
10. Since that denial, Petitioner and Respondent have continued to work with MDHHS on Petitioner's Medicaid application, with the request escalated to a supervisor review and still pending. (Testimony of Petitioner's representative; Testimony of Respondent's representative).
11. On April 5, 2022, Petitioner also completed an Imminent Risk Assessment with Petitioner and given the results of that assessment, moved her to priority status on the waiting list. (Testimony of Respondent's representative).

### **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.

Petitioner is seeking services through the Department's Home and Community Based Services for Elderly and Disabled. The waiver is called MI Choice in Michigan. The program is funded through the federal Centers for Medicare and Medicaid (formerly

HCFA) to the Department. Regional agencies, in this case Respondent, function as the Department's administrative agency.

Waivers are intended to provide the flexibility needed to enable States to try new or different approaches to the efficient and cost-effective delivery of health care services, or to adapt their programs to the special needs of particular areas or groups of recipients. Waivers allow exceptions to State plan requirements and permit a State to implement innovative programs or activities on a time-limited basis, and subject to specific safeguards for the protection of recipients and the program. Detailed rules for waivers are set forth in subpart B of part 431, subpart A of part 440 and subpart G of part 441 of this chapter.

*42 CFR 430.25(b)*

Regarding eligibility for the program, the Medicaid Provider Manual (MPM) provides in part:

## **SECTION 2 – ELIGIBILITY**

The MI Choice program is available to persons who are either elderly (age 65 or older) or adults with disabilities aged 18 or older and meet the following eligibility criteria:

- An applicant must establish their financial eligibility for Medicaid services as described in the Financial Eligibility subsection of this chapter.
- Must be categorically eligible for Medicaid as aged or disabled.
- The applicant must meet functional eligibility requirements through the online version of the Michigan Medicaid Nursing Facility Level of Care Determination (LOCD).
- It must be established that the applicant requires at least two waiver services, one of which must be Supports Coordination, and that the service needs of the applicant cannot be fully met by existing State Plan or other services.

All criteria must be met to establish eligibility for the program. MI Choice participants must continue to meet these eligibility

requirements on an ongoing basis to remain enrolled in the program.

## **2.1 FINANCIAL ELIGIBILITY**

*Medicaid reimbursement for MI Choice services requires a determination of Medicaid financial eligibility for the applicant by MDHHS.* As a provision of the waiver, MI Choice applicants benefit from an enhanced financial eligibility standard compared to basic Medicaid eligibility. Specifically, MI Choice is available to participants in the special home and community-based group under 42 CFR §435.217 with a special income level up to 300% of the Supplemental Security Income (SSI) Federal Benefit Rate. Medicaid eligibility rules stipulate that participants are not allowed to spend-down to the income limit to become financially eligible for MI Choice.

To initiate a financial eligibility determination, MI Choice waiver agencies must enter enrollment notifications electronically in the Community Health Automated Medicaid Processing System (CHAMPS). Once the electronic enrollment is completed in CHAMPS, the participant will be assigned an associated MI Choice Program Enrollment Type (PET) code. MI Choice waiver agencies must enter disenrollment notifications electronically in CHAMPS to notify MDHHS of participants who are no longer enrolled in MI Choice. Once an electronic disenrollment is completed in CHAMPS, the participant's PET code will end to reflect a disenrollment date. Proper recordkeeping requirements must be followed and reflected in the applicant's or participant's case record.

## **2.2 FUNCTIONAL ELIGIBILITY**

The MI Choice waiver agency must verify an applicant's functional eligibility for program enrollment using the LOCD application in CHAMPS. Waiver agencies must conduct an LOCD in person with an applicant and submit that information in the LOCD application in CHAMPS, or the agency may adopt the current existing LOCD conducted by another provider. The information submitted is put through an algorithm within the application to determine whether the applicant meets LOCD criteria. Only the LOCD application in CHAMPS can determine functional eligibility for the nursing facility level of care. Additional information can be found in

the Nursing Facility Level of Care Determination Chapter and is applicable to MI Choice applicants and participants.

*MPM, January 1, 2022 version  
MI Choice Waiver Chapter, pages 6-8  
(italics added for emphasis)*

Moreover, the MPM also outlines the approved evaluation and the MI Choice waiting list policies:

### **3.2 MI CHOICE INTAKE GUIDELINES**

The MI Choice Intake Guidelines is a list of questions designed to screen applicants for eligibility and further assessment. Additional probative questions are permissible when needed to clarify eligibility. The MI Choice Intake Guidelines does not, in itself, establish program eligibility. *A properly completed MI Choice Intake Guidelines is mandatory for MI Choice waiver agencies prior to placing applicants on a MI Choice waiting list when the waiver agency is operating at its capacity. Individuals who score as Level C, Level D, Level D1 or Level E are those applicants determined potentially eligible for program enrollment and will be placed on the waiver agency's MI Choice waiting list. The date of the MI Choice Intake Guidelines contact establishes the chronological placement of the applicant on the waiting list.* The MI Choice Intake Guidelines may be found on the MDHHS website. (Refer to the Directory Appendix for website information.)

When the waiver agency is at capacity, applicants requesting enrollment in MI Choice must either be screened by telephone or in person using the MI Choice Intake Guidelines at the time of their request for proper placement on the waiting list. If a caller is seeking services for another individual, the waiver agency will either contact the applicant for whom services are being requested or complete the MI Choice Intake Guidelines to the extent possible using information known to the caller. For applicants who are deaf, hearing impaired, or otherwise unable to participate in a telephone interview, the waiver agency must use the applicant's preferred means of communication. It is acceptable to use an interpreter, a third-party in the interview, or assistive technology to facilitate the exchange of information.

As a rule, nursing facility residents who are seeking to transition into MI Choice are not contacted by telephone but rather are interviewed in the nursing facility. For the purposes of establishing a point of reference for the waiting list, the date of the initial nursing facility visit (introductory interview) shall be considered the same as conducting a MI Choice Intake Guidelines, so long as the functional objectives of the MI Choice Intake Guidelines are met. (Refer to the Waiting Lists subsection for additional information.) Specifically, the introductory meeting must establish a reasonable expectation that the applicant will meet the functional and financial eligibility requirements of the MI Choice program within the next 60 days.

Applicants who are expected to be ineligible based on MI Choice Intake Guidelines information may request a face-to-face evaluation using the Michigan Medicaid Nursing Facility Level of Care Determination and financial eligibility criteria. Such evaluations should be conducted as soon as possible, but must be done within 10 business days of the date the MI Choice Intake Guidelines was administered. MI Choice waiver agencies must issue an adverse action notice advising applicants of any and all appeal rights when the applicant appears ineligible either through the MI Choice Intake Guidelines or a face-to-face evaluation.

*When an applicant appears to be functionally eligible based on the MI Choice Intake Guidelines but is not expected to meet the financial eligibility requirements, the MI Choice waiver agency must place the applicant on the waiting list if it is anticipated that the applicant will become financially eligible within 60 days.*

The MI Choice Intake Guidelines is the only recognized tool accepted for telephonic screening of MI Choice applicants and is only accessible to MI Choice waiver agencies. It is not intended to be used for any other purpose within the MI Choice program, nor any other Medicaid program. MI Choice waiver agencies must collect MI Choice Intake Guidelines data electronically using software through the MDHHS contracted vendor.

### 3.3 ENROLLMENT CAPACITY

*MI Choice capacity is limited to a maximum number of participants served at any point in the fiscal year as specified in the approved waiver application. Waiver agencies are allocated a specific number of slots each fiscal year and are responsible for managing enrollment so as not to exceed the maximum number of participants served at any point in the fiscal year. MDHHS reserves the right to reallocate slots as necessary to best meet MI Choice program demands.*

### 3.4 WAITING LISTS

Whenever the number of participants receiving services through MI Choice exceeds the existing program capacity, any screened applicant must be placed on the MI Choice waiting list. The waiting list must be actively maintained and managed by each MI Choice waiver agency. The enrollment process for the MI Choice program is not ever actually or constructively closed. The applicant's place on the waiting list is determined by priority category in the order described below. Within each category, an applicant is placed on the list in chronological order based on the date of their request for services. This is the only approved method of accessing waiver services when the waiver program is at capacity.

Each waiver agency must follow these waiting list removal guidelines when removing an applicant from the MI Choice waiting list. A MI Choice waiver agency may remove an applicant from the MI Choice waiting list if the applicant:

- Enrolled in MI Choice;
- Enrolled in another community-based service or program;
- Was admitted to a nursing facility and is no longer interested in MI Choice;
- Is deceased;
- Moved out of state;
- Is not eligible for MI Choice;
- Is no longer interested in or refuses MI Choice enrollment; or
- Is unable to be contacted by the waiver agency using all of the following methods:
  - The waiver agency called at least three times with a varied day of week and time of day.

- If the waiver agency was able to leave a message, and the applicant did not return the call within 10 business days.
- The waiver agency sent a letter to the applicant with a deadline to contact the waiver agency within 12 business days, and the applicant either did not respond or mail was returned.

An Adequate Action Notice must be sent to the applicant no later than the date of removal from the MI Choice waiting list. MI Choice waiver agencies can obtain a template for the Adequate Action Notice on the MDHHS website. (Refer to the Directory Appendix for website information.)

### **3.4.A. PRIORITY CATEGORIES**

Applicants will be placed on the waiting list by priority category and then chronologically by date of request of services. Enrollment in MI Choice is assigned on a first-come/first-served basis using the following categories, listed in order of priority given.

Waiver agencies are required to conduct follow-up phone calls to all applicants on the waiting list. The calls are to determine the applicant's status, offer assistance in accessing alternative services, identify applicants who should be removed from the list, and identify applicants who might be in crisis or at imminent risk of admission to a nursing facility. Each applicant on the waiting list is to be contacted at least once every 90 days. Applicants in crisis or at risk require more frequent contacts. Each waiver agency is required to maintain a record of these follow-up contacts.

#### **3.4.A.1. STATE PLAN PRIVATE DUTY NURSING AGE EXPIRATIONS**

This category includes only those applicants who continue to require Private Duty Nursing services at the time such coverage ends due to age restrictions.

#### **3.4.A.2. NURSING FACILITY TRANSITIONS**

Nursing facility residents who desire to transition to the community and will otherwise meet enrollment requirements for MI Choice qualify for this priority status.



Priority status is not given to applicants whose service and support needs can be fully met by existing State Plan services.

#### **3.4.A.3. ADULT PROTECTIVE SERVICES (APS) AND DIVERSIONS**

An applicant with an active Adult Protective Services (APS) case is given priority when critical needs can be addressed by MI Choice services. It is not expected that MI Choice waiver agencies solicit APS cases, but priority is given when necessary.

An applicant is eligible for diversion priority if they are living in the community or are being released from an acute care setting and are found to be at imminent risk of nursing facility admission. Imminent risk of placement in a nursing facility is determined using the Imminent Risk Assessment (IRA), an evaluation developed by MDHHS. Use of the IRA is essential in providing an objective differentiation between those applicants at risk of a nursing facility placement and those at imminent risk of such a placement. Only applicants found to meet the standard of imminent risk are given priority status on the waiting list. Applicants may request that a subsequent IRA be performed upon a change of condition or circumstance.

Supports coordinators must administer the IRA in person. The design of the tool makes telephone contact insufficient to make a valid determination. Waiver agencies must submit a request for diversion status for an applicant to MDHHS. Please refer to the Directory Appendix for details. A final approval of a diversion request is made by MDHHS.

#### **3.4.A.4. CHRONOLOGICAL ORDER BY SERVICE REQUEST DATE**

This category includes applicants who do not meet any of the above priority categories or for whom prioritizing information is not known. As stated, applicants will be placed on the waiting list in the chronological order that they requested services as documented by the date of MI Choice Intake Guidelines completion or initial nursing facility introductory meeting.

### 3.5 ENROLLMENT SLOTS

CMS approves a given number of enrollment slots for the MI Choice program in the waiver application process. A slot consists of the enrollment of a participant for the duration of the fiscal year or, in other words, the total number of slots used is an unduplicated count of participants for the fiscal year. Therefore, a participant who might be enrolled and disenrolled from MI Choice numerous times throughout a given fiscal year utilizes only a single slot. Similarly, a participant might be disenrolled from the program at any given time, yet continues to occupy a slot until the conclusion of the fiscal year. It is an important distinction between that which constitutes enrollment and what is counted as a slot. Having a slot does not infer current enrollment.

*MPM, January 1, 2022 version  
MI Choice Waiver Chapter, pages 6-8  
(italics added for emphasis)*

Here, Respondent's representative testified that while the intake assessment indicated that Petitioner was potentially eligible for the MI Choice Waiver Program, Respondent was at program capacity for MI Choice Waiver enrollees at the time of the decision at issue in this case, and that it therefore placed Petitioner on its waiting list in chronological order pursuant to the above policies.

She also testified that, since the initial decision in this matter, Respondent performed an Imminent Risk Assessment and moved Petitioner up its waitlist, but that Petitioner cannot be assessed for the program further because she has not been found financially eligible for the program by MDHHS, with her most recent request still pending.

In response, Petitioner's representative testified as to why Petitioner needs the waiver program. He also testified that Respondent has been accurate and helpful in its dealings with Petitioner, with everything except financial eligibility approved on their end, but that there have been discrepancies in figures with MDHHS, with Petitioner's funds misidentified. He further testified that MDHHS denied Petitioner's application on April 1, 2022, and that the review of that denial is still pending. Petitioner's representative also asked for any assistance the undersigned Administrative Law Judge can provide.

Given the above policies and record, the undersigned Administrative Law Judge finds that Respondent's decision to place Petitioner on its waiting list was proper and must be affirmed.

Pursuant to the above policies, Respondent maintains a waiting list when it is at capacity, and it contacts individuals on the list on a priority and first come, first served, basis when sufficient resources became available to serve additional individuals. Therefore, while Petitioner was determined to be eligible for the program, she was properly placed on the waiting list as Respondent was at program capacity.

Petitioner has subsequently moved up the waiting list and the issue with her approval now involves her financial eligibility, but that issue is also beyond the scope of this proceeding. The parties appear to be working with MDHHS on resolving that issue, but, regardless, the undersigned Administrative Law Judge cannot review it at this time. He would also note that Petitioner and her representative may appeal any denial they did receive from MDHHS.

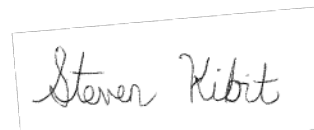
Accordingly, whatever issues have arisen since the action in this case or other avenues of relief that Petitioner can pursue, Respondent properly placed Petitioner on its waiting list pursuant to the applicable policy and its decision to do so is affirmed.

### **DECISION AND ORDER**

The Administrative Law Judge, based on the above findings of fact and conclusions of law, decides that Respondent properly placed Petitioner on a waiting list for the MI Choice Waiver Program.

**IT IS THEREFORE ORDERED** that

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

A rectangular box containing a handwritten signature in cursive script that reads "Steven Kibit".

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**Steven Kibit**  
Administrative Law Judge

SK:tem

**NOTICE OF APPEAL:** A party may appeal this Order in circuit court within 30 days of the receipt date. A copy of the circuit court appeal must be filed with the Michigan Office of Administrative Hearings and Rules (MOAHR).

A party may request a rehearing or reconsideration of this Order if the request is received by MOAHR within 30 days of the date the Order was issued. The party requesting a rehearing or reconsideration must provide the specific reasons for the request. MOAHR will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MOAHR. If submitted by fax, the written request must be faxed to (517) 763-0155; Attention: MOAHR Rehearing/Reconsideration Request.

If submitted by mail, the written request must be addressed as follows:

Michigan Office of Administrative Hearings and Rules  
Reconsideration/Rehearing Request  
P.O. Box 30763  
Lansing, Michigan 48909-8139

**DHHS Department Rep.**

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**DHHS -Dept Contact**

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**Petitioner**

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