

## **ISSUE**

Did the Department properly deny Petitioner's request for MI Health Link Home and Community Based Waiver Services (HCBS)?

25-008838

2

---

## FINDINGS OF FACT

---

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

1. Since April 1, 2024, Petitioner has enrolled in the MI Health Link program and has been authorized for services through UPHP, an Integrated Care Organization (ICO) contracted by the Department and the Centers for Medicare & Medicare Services (CMS) to provide covered services. (Testimony of Waiver Analyst).
2. Petitioner also subsequently requested MI Health Link HCBS Waiver Services through Respondent. (Testimony of Waiver Analyst).
3. On December 11, 2024, UPHP staff conducted a Michigan Medicaid Nursing Facility Level of Care Determination (LOCD) with respect to Petitioner. (Exhibit A, pages 10-19).
4. In the LOCD, Petitioner was found to be ineligible for a Medicaid reimbursable nursing facility level of care or MI Health Link HCBS Waiver Services based upon her failure to qualify via entry through any of the doors of that tool. (Exhibit A, pages 10-19).
5. On December 13, 2024, the Department sent Petitioner an Adequate Action Notice stating that she had been found ineligible to receive MI Health Link HCBS Waiver Services due to the results of the LOCD. (Exhibit A, page 6).
6. A secondary review was then requested for Petitioner and that review was completed by iMPROve Health, an entity designated by the Department to conduct such reviews. (Exhibit A, pages 20-27; Testimony of RN).
7. In that review, iMPROve Health likewise determined that Petitioner did not qualify for MI Health Link HCBS Waiver Services. (Exhibit A, pages 20-27; Testimony of RN).
8. On March 10, 2025, MOAHR received the request for hearing filed in this matter with respect to the decision to deny her request for MI Health Link HCBS Waiver Services. (Exhibit A, pages 7-9).

25-008838

---

## CONCLUSIONS OF LAW

---

The Medical Assistance Program (MA) is established pursuant to Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). 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.

As discussed above, Petitioner, who was already been enrolled in the MI Health Link program, requested MI Health Link HCBS through the Department and UPHP, a contracted ICO. With respect to such services, the Medicaid Provider Manual (MPM) states in part:

### 5.3 MI HEALTH LINK HCBS WAIVER SERVICES

These services are intended for individuals who meet all of the following criteria:

- are enrolled in the MI Health Link program,
- meet nursing facility level of care as determined by the Michigan Medicaid Nursing Facility Level of Care Determination (LOCD) tool,
- demonstrate a need for one or more of the services listed below, which must be identified in the IICSP.

Individuals must receive at least one waiver service each month to remain on the waiver. The ICO and direct service providers must adhere to the service definition and operating standards to be eligible to receive payment of waiver expenses.

*MPM, October 1, 2024 version  
MI Health Link Chapter, page 13*

Moreover, regarding the required LOCD referenced in the above policy, the MPM also states in part:

### SECTION 1 — GENERAL INFORMATION

The Michigan Department of Health and Human Services (MDHHS) is required to assess all individuals seeking Medicaid-funded long-term services and supports (LTSS)

25-008838

that require level of care eligibility to determine their functional need for those services.

The determination is an essential component of eligibility for services provided in nursing facilities, the MI Choice Waiver Program, the Program of All-Inclusive Care for the Elderly (PACE), and the MI Health Link Home and Community Based Services (HCBS) Waiver Program. Policies contained herein apply equally and consistently to each of these programs except as noted.

MDHHS uses a standard assessment and process for all programs and services that require an individual meet the nursing facility level of care. Programs may not use any other assessment in place of the Level of Care Determination (LOCD) tool for this determination. The LOCD assures a consistent and reliable process for determining that individuals meet the functional eligibility requirements.

Providers may access the LOCD online in the Community Health Automated Medicaid Processing System (CHAMPS) through the MILogin application. (Refer to the Directory Appendix for website information.) LOCD assessment data is entered and processed in CHAMPS.

The LOCD is a "point in time" assessment; that is, it determines the individual's functional eligibility at the time of the assessment. MDHHS assumes that beneficiaries will maintain functional eligibility until they are determined otherwise through a reassessment or the LOCD's End Date. An LOCD is an in-person meeting between the qualified and licensed health professional and the individual seeking functional eligibility.

\* \* \*

### **SECTION 3 - NURSING FACILITY LEVEL OF CARE DETERMINATION PROCESS**

#### **3.1 LOCD ASSESSMENT REQUIREMENT FOR REIMBURSEMENT**

The LOCD must be conducted prior to or on the day of an individual's admission to a nursing facility or enrollment in MI Choice Waiver Program, PACE, or MI Health Link HCBS

Waiver Program to ensure reimbursement for a Medicaid eligible beneficiary. The LOCD must be conducted in person by a qualified and licensed health professional.

The qualified and licensed health professional conducting the LOCD or a designated employee of the organization must enter the assessment findings online in the CHAMPS system. Except where otherwise noted, only LOCDs entered in CHAMPS are considered valid for establishing functional eligibility.

The LOCD is considered payable when all the following conditions are met:

- the beneficiary meets LOCD criteria;
- the LOCD is entered online in CHAMPS;
- the LOCD is active on the date of service (meaning the date of service is on or after the LOCD Start Date and before the LOCD End Date); and
- the beneficiary is receiving LTSS and meets all program-specific eligibility criteria.

### **3.2 PERSONS AUTHORIZED TO CONDUCT THE LOCD**

A qualified and licensed health professional must be a physician, registered nurse, licensed practical nurse, licensed social worker (Limited License Bachelor of Social Work, Limited License Master Social Worker, Licensed Bachelor Social Worker, or Licensed Master Social Worker), physician's assistant, nurse practitioner, licensed psychologist, physical therapist, respiratory therapist, occupational therapist or speech therapist. Once the LOCD is completed by a qualified and licensed health professional, a clinical or non-clinical staff person may enter the LOCD information in CHAMPS. When the LOCD data are entered, CHAMPS applies the MDHHS algorithm to determine eligibility.

### **3.3 INITIAL LOCD ASSESSMENT**

The LOCD must be conducted in person by a qualified and licensed health professional (as defined in the Persons

Authorized to Conduct the LOCD subsection) before the provider is eligible for Medicaid reimbursement for services rendered to the beneficiary. The LOCD must be conducted prior to or on the day of admission or enrollment.

The LOCD assessment findings for all LOCDs conducted, including Door 0 (zero), which indicate the individual does not meet LOCD criteria must be entered online in CHAMPS. (LOCD Doors are described in the Nursing Facility Level of Care Determination Criteria section.)

\* \* \*

## **SECTION 4 - NURSING FACILITY LEVEL OF CARE DETERMINATION CRITERIA**

The Michigan Nursing Facility Level of Care Determination criteria includes seven domains of need, called Doors. The Doors include: (1) Activities of Daily Living; (2) Cognitive Performance; (3) Physician Involvement; (4) Treatments and Conditions; (5) Skilled Rehabilitation Therapies; (6) Behaviors; and (7) Service Dependency. The Doors and the assessment items are listed below. Guidance on administering the LOCD, including definitions and methods, is provided in the Michigan Medicaid Nursing Facility Level of Care Determination Field Definition Guidelines.

The LOCD should be an accurate reflection of an individual's current functional status. This information is gathered in an in-person meeting by speaking to the individual and those who know the individual well, observing the individual's activities, and reviewing an individual's medical documentation. Refer to the Michigan Medicaid Nursing Facility Level of Care Determination Field Definition Guidelines on the MDHHS website for more information. (Refer to the Directory Appendix for website information.)

### **4.1 DOOR 1: ACTIVITIES OF DAILY LIVING**

Door 1 assesses four ADLs: (1) Bed Mobility; (2) Transfers; (3) Toilet Use; and (4) Eating.

### **4.2 DOOR 2: COGNITIVE PERFORMANCE**

Door 2 assesses short-term memory, cognitive skills for daily decision-making and making self-understood.

#### **4.3 DOOR 3: PHYSICIAN INVOLVEMENT**

Door 3 assesses the frequency of physician visits and physician order changes.

#### **4.4 DOOR 4: TREATMENTS AND CONDITIONS**

Door 4 assesses a set of nine treatments and conditions that may be a predictor of potential frailty or increased health risk. The treatments and conditions include: Stage 3-4 Pressure Sores; Intravenous or Parenteral Feeding; Intravenous Medications; End-stage Care; Daily Tracheostomy Care, Daily Respiratory Care, Daily Suctioning; Pneumonia within the Last 14 Days; Daily Oxygen Therapy; Daily Insulin with Two Order Changes in the Last 14 Days; and Peritoneal or Hemodialysis.

#### **4.5 DOOR 5: SKILLED REHABILITATION THERAPIES**

Door 5 assesses the presence of rehabilitation interventions, including physical therapy, occupational therapy, and speech therapy.

#### **4.6 DOOR 6: BEHAVIOR**

Door 6 assesses behavioral challenges. It includes five behavioral symptoms: wandering, verbal abuse, physical abuse, socially inappropriate or disruptive behavior, and resistance to care. Door 6 also assesses for the presence of delusions and hallucinations.

#### **4.7 DOOR 7: SERVICE DEPENDENCY**

Door 7 applies to beneficiaries currently receiving other services and supports in nursing facilities, MI Choice, PACE, or the MI Health Link HCBS Waiver program. It assesses the beneficiary's dependence on services to maintain the current level of functioning and whether there are options for maintaining the level of functioning with services and supports available in the community.

#### **4.8 DOOR 8: FRAILITY**

MDHHS or its designee determined that the beneficiary is eligible for Medicaid LTSS services based upon the Frailty Criteria. Individuals who exhibit certain behaviors and treatment characteristics that indicate frailty may be admitted or enrolled to LTSS programs requiring an LOCD. The individual needs to trigger one element of this criteria to be considered for Frailty.

Refer to the Michigan Medicaid Nursing Facility Level of Care Determination Exception Process on the MDHHS website for more information. (Refer to the Directory Appendix for website information.) For the MI Health Link program, the Frailty Criteria are applied by the Integrated Care Organization.

#### **4.9 DOOR 0: INELIGIBLE**

The LOCD was conducted and the beneficiary did not meet the criteria for any of the doors. The beneficiary is not eligible for Medicaid LTSS services at this time. (Refer to the Individual Does Not Meet LOCD Criteria, Action Notices, and Appeal Rights section for additional information.)

\* \* \*

### **SECTION 6 - INDIVIDUAL DOES NOT MEET LOCD CRITERIA, ACTION NOTICES, AND APPEAL RIGHTS**

If an individual does not meet LOCD criteria for Doors 1 through 7, the provider must provide notice to the individual. The individual may request a Secondary Review from MDHHS or its third-party designee and request a Medicaid Fair Hearing before an Administrative Law Judge.

#### **6.1 ISSUING AN ADVERSE ACTION NOTICE**

When a qualified and licensed health professional determines that an individual does not qualify for nursing facility level of care services based on the online LOCD, and the provider does not contact the MDHHS designee to request a Secondary Review, the provider must issue an adverse action notice to the individual or their legal representative. The provider must also offer the individual

referral information about other services that may meet the individual's needs.

## **6.2 ADEQUATE ACTION NOTICE**

For individuals who are not currently receiving LTSS in a program or setting that requires an LOCD, an adequate action notice is provided when the initial LOCD determines the individual does not meet LOCD criteria.

The adequate action notice must include all the language in the sample adequate action notices for LTSS available on the MDHHS LOCD website. (Refer to the Directory Appendix for website information.)

## **6.3 ADVANCE ACTION NOTICE**

The advance action notice is applicable to beneficiaries who met their initial LOCD, but based upon a significant change in condition, did not meet their subsequent LOCD. The advance action notice must include all of the language in the sample advance action notices for LTSS available on the MDHHS LOCD website. (Refer to the Directory Appendix for website information.)

\*\*\*

## **6.4 LOCD SECONDARY REVIEW**

The provider or the individual (or their legal representative) may request an LOCD Secondary Review. This review is completed by MDHHS or its designee to ensure full consideration of LOCD eligibility options. The Secondary Review is available only when an LOCD is entered in CHAMPS and results in a Door 0, indicating ineligibility. The review is a secondary review of documentation for all LOCD Doors, including Door 8.

The LOCD Secondary Review Process is conducted as follows:

- A Secondary Review may be initiated by the provider, individual or their legal representative after the qualified and licensed health professional issues an

---

---

adverse action notice based on a finding of ineligibility. The provider, individual or their legal representative may request a Secondary Review from MDHHS or its designee. The individual will have three business days to make a request following written notice of the adverse action.

- In the action notice, the provider who conducted the ineligible LOCD must provide the individual with information on how to timely request a Secondary Review following an ineligible LOCD.
- Following the individual's request for review, the MDHHS designee will contact the provider who conducted the LOCD and inform them to upload documentation in CHAMPS for review.
- The provider who conducted the LOCD will upload the relevant documentation in CHAMPS within one business day of being notified to do so.
- The MDHHS designee will review the documentation, obtain information from the individual or their legal representative, if requested, and notify the provider and the individual or their legal representative of the decision.
- If the Secondary Review determines that the individual is eligible, MDHHS or its designee will contact the provider and the individual or their legal representative.
- If the Secondary Review determines that the individual is ineligible, MDHHS or its designee will issue an adverse action notice and inform the individual of their appeal rights.
- MDHHS or its designee will enter the appropriate LOCD in CHAMPS.

*MPM, October 1, 2024 version  
Nursing Facility LOCD Chapter, pages 1, 3, 9-10, 13-14*

25-008838

---

A LOCD is therefore mandated for approval for MI Health Link HCBS Waiver Services.

The December 11, 2024 LOCD and subsequent secondary review were the basis for the action at issue in this case. To be found eligible for Medicaid nursing facility coverage the Petitioner must have met the requirements of at least one door or identified exception:

**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

\* \* \*

**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."

\* \* \*

**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

25-008838

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

\* \* \*

**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.

\* \* \*

**Scoring Door 5:** The applicant must have required at least 45 minutes of active ST, OT or PT (scheduled or delivered) in the last 7 days and continues to require skilled rehabilitation therapies to qualify under Door 5.

\* \* \*

**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.

\* \* \*

**Scoring Door 7:** The applicant must be a current participant, demonstrate service dependency, and meet all three criteria [participant for at least one consecutive year (no break in coverage); requires ongoing services to maintain current functional status; no other community, residential, or informal services are available to meet the applicant's needs] to qualify under Door 7.

*Exhibit A, pages 33, 37-40, 41-42*

Applicants who exhibit the following characteristics and behaviors may be admitted to programs requiring the

25-008838

Nursing Facility Level of Care definition. An applicant need trigger only one element to be considered for an exception.

### Frailty

The applicant has a significant level of frailty as demonstrated by at least one of the following categories:

- Applicant performs late loss ADLs (bed mobility, toileting, transferring, and eating) independently but requires an unreasonable amount of time
- Applicant's performance is impacted by consistent shortness of breath, pain, or debilitating weakness during any activity
- Applicant has experienced at least two falls in the home in the past month
- Applicant continues to have difficulties managing medications despite the receipt of medication set-up services
- Applicant exhibits evidence of poor nutrition, such as continued weight loss, despite the receipt of meal preparation services
- Applicant meets criteria for Door 3 when emergency room visits for clearly unstable conditions are considered

### Behaviors

The applicant has at least a one month history of any of the following behaviors, and has exhibited two or more of any these behaviors in the last seven days, either singly or in combination:

- Wandering
- Verbal or physical abuse
- Socially inappropriate behavior
- Resists care

---

---

## **Treatments**

The applicant has demonstrated a need for complex treatments or nursing care.

Here, acting for the Department, UPHP and iMPROve Health determined that Petitioner did not pass through any of the above doors in the December 11, 2024 LOCD or subsequent secondary review, and that she was therefore ineligible for MI Health Link HCBS Waiver Services.

In appealing that decision, Petitioner bears the burden of proving by a preponderance of the evidence that the Department erred. Moreover, the undersigned Administrative Law Judge is limited to reviewing the decision in light of the information that was available at the time the decision was made.

Given the available information and applicable policies in this case, Petitioner has failed to meet her burden of proof, and the Department's decision must therefore be affirmed.

Petitioner's husband generally testified about Petitioner's need for a stair lift and, while that testimony was undisputed, Petitioner still has to show that Petitioner passes through a specific door or qualifies for a specific exception, and she has failed to make such a showing here.

For example, there is no evidence that, at the time of the LOCD in this case, Petitioner needed sufficient assistance with the specific tasks identified in Door 1 to pass through that door.

Moreover, nothing suggests that, during the relevant look-back periods, that Petitioner's medical conditions, or the effects of those conditions, met the criteria for passing through Doors 2, 4, or 6.

Similarly, there is also no evidence that any treatment Petitioner received met the criteria required by Doors 3, 4, 5, or 6.

Additionally, Petitioner had not been a participant in the MI Health Link program, or any other applicable program, for over a year at the time of the LOCD and she therefore did not pass through Door 7.

Finally, the RN/LTC Reviewer from iMPROve Health credibly testified regarding the secondary review conducted with respect to Door 8 and why Petitioner did not pass through it, with her testimony uncontradicted and neither Petitioner nor her witness testifying how Petitioner met any of the specific criteria found in Door 8.

## **DECISION AND ORDER**

25-008838

The Administrative Law Judge, based on the above findings of fact and conclusions of law, decides that the Department properly denied Petitioner's request for MI Health Link HCBS Waiver Services.

**IT IS, THEREFORE, ORDERED** that:

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