



Date Mailed: May 23, 2025

Docket No.: 25-010935

Case No.: [REDACTED]

Petitioner: [REDACTED]

[REDACTED]
MI [REDACTED]

This is an important legal document. Please have someone translate the document.

هذه وثيقة قانونية مهمة. يرجى أن يكون هناك شخص ما يترجم المستند.

এটি একটি গুরুত্বপূর্ণ আইনি ডকুমেন্ট। দয়া করে কেউ দস্তাবেজ অনুবাদ করুন।

Este es un documento legal importante. Por favor, que alguien traduzca el documento.

这是一份重要的法律文件。请让别人翻译文件。

Ky është një dokument ligjor i rëndësishëm. Ju lutem, kini dikë ta përktheni dokumentin.

Date Mailed: May 23, 2025

Docket No.: 25-010935

Case No.: [REDACTED]

Petitioner: [REDACTED]

DECISION AND ORDER

This matter is before the Michigan Office of Administrative Hearings and Rules (MOAHR) and the undersigned Administrative Law Judge (ALJ) pursuant to MCL 400.9 and upon a request for hearing filed on behalf of Petitioner [REDACTED] (Petitioner).

After due notice, a telephone hearing was held on April 30, 2025. [REDACTED] Petitioner's legal guardian/mother, appeared and testified on Petitioner's behalf. [REDACTED] a family friend, also testified as a witness for Petitioner. April Higgins, Provider Network Manager, appeared and testified on behalf of Respondent Community Mental Health for Central Michigan (Respondent). Kate Pickens, Employment Services Supervisor, and Chena Coss, Program Team Lead for Case Management, also testified as witnesses for Respondent.

During the hearing, Petitioner's request for hearing was admitted into the record without objection as Exhibit #1, pages 1-59. Respondent also submitted an evidence packet that was admitted into the record without objection as Exhibit A, pages 1-63. No other proposed exhibits were submitted by either party.

ISSUE

Did Respondent properly deny Petitioner's request for reauthorization of supported/integrated employment services?

FINDINGS OF FACT

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

1. Petitioner is a [REDACTED] year-old Medicaid beneficiary who has a legal guardian and who has been diagnosed with autism spectrum disorder. (Exhibit #1, pages 54-59; Exhibit A, pages 22, 25, 34).
2. Due to his diagnoses and need for assistance, Petitioner has been approved for services through Respondent. (Exhibit #1, pages 11-40).

-
-
3. As part of his services, Petitioner was approved for supported/integrated employment services at the Hope Network West Michigan Day Program ('Hope Network'). (Exhibit #1, page 17).
 4. Those services included Petitioner working as a vendor at Hope Network while he received employment training. (Testimony of Petitioner's representative; Testimony of Program Team Lead for Case Management).
 5. Petitioner has also been working as a vendor, unloading and stocking shelves on truck days, at a grocery store. (Exhibit A, page 23; Testimony of Petitioner's representative; Testimony of Program Team Lead for Case Management).
 6. Petitioner's hours at the grocery store can be inconsistent. (Testimony of Petitioner's representative).
 7. He has had difficulty finding other jobs that fit. (Testimony of Petitioner's representative).
 8. In Petitioner's person-centered plan (PCP) for the period of May 2, 2024, through May 1, 2025, Petitioner was reauthorized for 2.5 hours per week of supported/integrated employment services, specifically employment training, for an additional six months. (Exhibit A, page 40).
 9. After that six-month period, Petitioner's representative requested that supported/integrated employment services be reauthorized. (Testimony of Petitioner's representative).
 10. On November 25, 2024, Respondent sent Petitioner's representative an Adverse Benefit Determination stating that Petitioner's request for the reauthorization of supported/integrated employment services had been denied on the basis that the provided clinical documentation did not establish medical necessity. (Exhibit A, pages 3-9).
 11. On November 26, 2024, Petitioner's representative filed an Internal Appeal with Respondent regarding that decision. (Exhibit A, page 10).
 12. On December 17, 2024, Respondent sent Petitioner's representative written notice that the Internal Appeal had been denied. (Exhibit A, pages 10-16).
 13. Regarding the reason for the denial, the notice stated in part:

[Petitioner] has shown that he can do well in a community job. He started working in 2022 and had

25-010935

another job for over 7 years until the company closed in 2018. When looking at his progress, it seems [Petitioner] still finds it hard to work a full shift and to call in when he's sick. His current boss either doesn't see these as problems or is trying to work around them.

Since 2018, [Petitioner] has been doing vending work with Hope Network. He is now safely crossing the street and sharing his concerns. However, it looks like continuing H2023 won't help him handle longer shifts or improve his ability to call in when he needs to.

Per state direction, authorizations must be time limited to ensure that a consumer continues to move forward in the process towards Individual Competitive Integrated Employment as it aligns with HCBS (Home and Community Based Services) rule.

Exhibit A, page 10

14. On March 24, 2025, MOAHR received the request for hearing filed in this matter with respect to that decision. (Exhibit A, pages 1-59).

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:

Title XIX of the Social Security Act, enacted in 1965, authorizes Federal grants to States for medical assistance to low-income persons who are age 65 or over, blind, disabled, or members of families with dependent children or qualified pregnant women or children. The program is jointly financed by the Federal and State governments and administered by States. Within broad Federal rules, each State decides eligible groups, types and range of services, payment levels for services, and administrative and operating procedures. Payments for services are made directly by the State to the individuals or entities that furnish the services.

25-010935

The State plan is a comprehensive written statement submitted by the agency describing the nature and scope of its Medicaid program and giving assurance that it will be administered in conformity with the specific requirements of title XIX, the regulations in this Chapter IV, and other applicable official issuances of the Department. The State plan contains all information necessary for CMS to determine whether the plan can be approved to serve as a basis for Federal financial participation (FFP) in the State program.

Section 1915(b) of the Social Security Act provides:

The Secretary, to the extent he finds it to be cost-effective and efficient and not inconsistent with the purposes of this subchapter, may waive such requirements of section 1396a of this title (other than subsection (s) of this section) (other than sections 1396a(a)(15), 1396a(bb), and 1396a(a)(10)(A) of this title insofar as it requires provision of the care and services described in section 1396d(a)(2)(C) of this title) as may be necessary for a State...

The State of Michigan has opted to simultaneously utilize the authorities of the 1915(b) and 1915(c) programs to provide a continuum of services to disabled and/or elderly populations. Under approval from the Centers for Medicare and Medicaid Services (CMS) the Department of Health and Human Services (DHHS) operates a section 1915(b) Medicaid Managed Specialty Services and Support program waiver in conjunction with a section 1915(c).

Here, as discussed above, Petitioner has been receiving supported/integrated employment services through Respondent. With respect to such services, the applicable version of the Medicaid Provider Manual (MPM) provides in part:

17.4.J. SUPPORTED/INTEGRATED EMPLOYMENT SERVICES

NOTE: This service is a State Plan EPSDT service when delivered to children birth-21 years.



25-010935

Supported/integrated employment services are services that are provided in a variety of community settings for the purposes of supporting beneficiaries in obtaining and sustaining ICIE. ICIE refers to full- or part-time work at minimum wage or higher, with wages and benefits similar to workers without disabilities performing the same work, and fully integrated with co-workers without disabilities. Supported employment services promote self-direction, are often customized, and are aimed to meet a beneficiary's personal and career goals and outcomes identified in the IPOS. Services may be provided continuously, intermittently, or on behalf of a beneficiary. Services may be delivered to promote community inclusion and competitive integrated employment.

Coverage includes:

- Job-related discovery, person-centered employment/career planning, job placement, job development, negotiation with prospective employers, job analysis, job carving, training and systematic instruction, job coaching, benefits and work incentives planning and management, asset development, career advancement services, career planning that supports the beneficiary to make informed choices about ICIE or self-employment. The outcome of this service is sustained ICIE at or above the minimum wage in an integrated setting in the general workforce and in a job that meets personal and career goals as outlined in the beneficiary's IPOS.

Supported employment services include the following categories:

- Individual supported employment supports to attain or sustain paid employment at or above the minimum wage, and career development in an integrated, competitive setting in the general workforce in a job that meets personal and career goals.
- Self-employment refers to an individual-run business that nets the equivalent of a competitive wage, after reasonable period for start-up, and is either home-based or takes place in regular integrated business,

25-010935

-
-
- industry or community-based settings.
 - Small group supported employment support are services and training activities, provided in typical business, industry and community settings for groups of two to six workers with disabilities, paying at least minimum wage that leads to ICIE. The purpose of funding for this service is to support sustained paid employment and work experience that leads to ICIE. Examples include mobile crews and other business-based workgroups employing small groups of workers with disabilities. Small group supported employment must promote integration into the workplace and interaction between workers with disabilities and people who do not have disabilities. Participation in small group supported employment is not a required prerequisite for ICIE or receiving supported employment services.
 - Supported/integrated employment service components needed for each beneficiary are documented, coordinated, and non-duplicative of other services otherwise available under a program funded under IDEA (20 U.S.C. 1401 et seq.).
 - If a beneficiary has a need for transportation to participate, maintain, or access the supported/integrated employment services, the same service provider may be reimbursed for providing this transportation only after it is determined that it is not otherwise available (e.g., volunteer, family member) and is the least expensive available means suitable to the beneficiary's need, in accordance with Medicaid non-emergency medical transportation policy outlined in the Non-Emergency Medical Transportation chapter.

*MPM, October 1, 2024 version
Behavioral Health and Intellectual and
Developmental Disability Supports and Services Chapter
Pages 160-161*

Moreover, while supported/integrated employment services are covered services, Medicaid beneficiaries are still only entitled to medically necessary Medicaid covered services. See 42 CFR 440.230.

25-010935



25-010935

Regarding medical necessity, the MPM also provides:

2.5 MEDICAL NECESSITY CRITERIA

The following medical necessity criteria apply to Medicaid mental health, developmental disabilities, and substance abuse supports and services.

2.5.A. MEDICAL NECESSITY CRITERIA

Mental health, developmental disabilities, and substance abuse services are supports, services, and treatment:

- Necessary for screening and assessing the presence of a mental illness, developmental disability or substance use disorder; and/or
- Required to identify and evaluate a mental illness, developmental disability or substance use disorder; and/or
- Intended to treat, ameliorate, diminish or stabilize the symptoms of mental illness, developmental disability or substance use disorder; and/or
- Expected to arrest or delay the progression of a mental illness, developmental disability, or substance use disorder; and/or
- Designed to assist the beneficiary to attain or maintain a sufficient level of functioning in order to achieve his goals of community inclusion and participation, independence, recovery, or productivity.

2.5.B. DETERMINATION CRITERIA

The determination of a medically necessary support, service or treatment must be:

- Based on information provided by the beneficiary, beneficiary's family, and/or other

25-010935

individuals (e.g., friends, personal assistants/aides) who know the beneficiary;

- Based on clinical information from the beneficiary's primary care physician or health care professionals with relevant qualifications who have evaluated the beneficiary;
- For beneficiaries with mental illness or developmental disabilities, based on person-centered planning, and for beneficiaries with substance use disorders, individualized treatment planning;
- Made by appropriately trained mental health, developmental disabilities, or substance abuse professionals with sufficient clinical experience;
- Made within federal and state standards for timeliness;
- Sufficient in amount, scope and duration of the service(s) to reasonably achieve its/their purpose; and
- Documented in the individual plan of service.

2.5.C. SUPPORTS, SERVICES AND TREATMENT AUTHORIZED BY THE PIHP

Supports, services, and treatment authorized by the PIHP must be:

- Delivered in accordance with federal and state standards for timeliness in a location that is accessible to the beneficiary;
- Responsive to particular needs of multi-cultural populations and furnished in a culturally relevant manner;
- Responsive to the particular needs of beneficiaries with sensory or mobility

impairments and provided with the necessary accommodations;

- Provided in the least restrictive, most integrated setting. Inpatient, licensed residential or other segregated settings shall be used only when less restrictive levels of treatment, service or support have been, for that beneficiary, unsuccessful or cannot be safely provided; and
- Delivered consistent with, where they exist, available research findings, health care practice guidelines, best practices and standards of practice issued by professionally recognized organizations or government agencies.

2.5.D. PIHP DECISIONS

Using criteria for medical necessity, a PIHP may:

- Deny services:
 - that are deemed ineffective for a given condition based upon professionally and scientifically recognized and accepted standards of care;
 - that are experimental or investigational in nature; or
 - for which there exists another appropriate, efficacious, less-restrictive and cost-effective service, setting or support that otherwise satisfies the standards for medically-necessary services; and/or
- Employ various methods to determine amount, scope and duration of services, including prior authorization for certain services, concurrent utilization reviews, centralized assessment and

25-010935

referral, gate-keeping arrangements, protocols,
and guidelines.



A PIHP may not deny services based **solely** on preset limits of the cost, amount, scope, and duration of services. Instead, determination of the need for services shall be conducted on an individualized basis.

*MPM, October 1, 2024 version
Behavioral Health and Intellectual and
Developmental Disability Supports and Services Chapter
Pages 13-15*

Here, as discussed above, Respondent denied Petitioner's request for reauthorization of supported/integrated employment services.

In appealing that decision, Petitioner bears the burden of proving by a preponderance of the evidence that Respondent erred. Moreover, the undersigned ALJ is limited to reviewing the Respondent's decision in light of the information it had at the time it made the decision.

Given the record and applicable policies in this case, the undersigned ALJ finds that Petitioner has not met his burden of proof, and that Respondent's decision must therefore be affirmed.

The purpose of supported/integrated employment services is to support beneficiaries in obtaining and sustaining competitive integrated employment, and Petitioner was previously authorized for such services in the past for assistance with employment training.

However, the fact that such services were authorized in the past is insufficient on its own to meet Petitioner's burden of proof in this case, and the record does not reflect any further need for employment training.

Instead, Petitioner's representative only seeks the reauthorization of Petitioner's services so that Petitioner can continue to work at Hope Network in addition to his work at the grocery store, where his work hours and days can be inconsistent. She did not identify any further employment training he needs there and, while working at Hope Network undoubtedly has its benefits, it is not intended to be a permanent position that is paid for as a covered benefit.

The parties discussed other services during the hearing that may be beneficial to Petitioner, but, regardless of what other services may be available, Petitioner has failed to demonstrate any error with respect to the decision in this case and the denial of further supported/integrated employment services must be affirmed.

25-010935

DECISION AND ORDER

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, decides that Respondent properly denied Petitioner's request for reauthorization of supported/integrated employment services.

IT IS THEREFORE ORDERED that:

Respondent's decision is **AFFIRMED**.

SK/sj



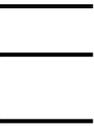
Steven Kibit
Administrative Law Judge

APPEAL RIGHTS: Petitioner may appeal this Hearing Decision to the circuit court. Rules for appeals to the circuit court can be found in the Michigan Court Rules (MCR), including MCR 7.101 to MCR 7.123, available at the Michigan Courts website at courts.michigan.gov. The Michigan Office of Administrative Hearings and Rules (MOAHR) cannot provide legal advice, but assistance may be available through the State Bar of Michigan at <https://irs.michbar.org> or Michigan Legal Help at <https://michiganlegalhelp.org>. A copy of the circuit court appeal should be sent to MOAHR. A circuit court appeal may result in a reversal of the Hearing Decision.

Either party who disagrees with this Hearing Decision may also send a written request for a rehearing and/or reconsideration to MOAHR within 30 days of the mailing date of this Hearing Decision. The request should include Petitioner's name, the docket number from page 1 of this Hearing Decision, an explanation of the specific reasons for the request, and any documents supporting the request. The request should be sent to MOAHR

- by email to LARA-MOAHR-DCH@michigan.gov, **OR**
- by fax at (517) 763-0155, **OR**
- by mail addressed to
Michigan Office of Administrative Hearings and Rules
Rehearing/Reconsideration Request
P.O. Box 30639
Lansing Michigan 48909-8139

Documents sent via email are not secure and can be faxed or mailed to avoid any potential risks. Requests MOAHR receives more than 30 days from the mailing date of this Hearing Decision may be considered untimely and dismissed.



Via Electronic Mail:

Department Contact

BELINDA HAWKS
MDHHS-BPHASA
320 S WALNUT ST 5TH FL
LANSING, MI 48933
HAWKSB@MICHIGAN.GOV
MDHHS-BHDDA-HEARING-
NOTICES@MICHIGAN.GOV

Community Health Representative

CMH FOR CENTRAL MICHIGAN
C/O APRIL HIGGINS
301 S CRAPO STE 100
MOUNT PLEASANT, MI 48858
AHIGGINS@CMHCM.ORG

Authorized Hearing Representative

[REDACTED]
[REDACTED] MI [REDACTED]
[REDACTED]

Via First Class Mail:

Petitioner

[REDACTED]
[REDACTED] MI [REDACTED]