

Date Mailed: December 22, 2025

Docket No.: 25-024016

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.

After due notice, a telephone hearing was held on September 26, 2025, October 28, 2025, and November 25, 2025. Attorney Laura Vokmann appeared on behalf of Petitioner. Attorney Annelore Cannizzaro appeared on behalf of Respondent.

Witnesses:

Petitioner

[REDACTED]

Respondent

Heather Woods
Denise Summers
Cande Rutherford

Exhibits:

Petitioner

1. Not Admitted
2. Not Admitted
3. Not Admitted
4. Not Admitted
5. Community Health Records
6. 2024 Records
7. 2025 Records
8. Dr. Wheeler Neuropsych Report
9. SIS Assessment

Respondent

- A. Hearing Summary

ISSUE

Did Respondent properly deny Petitioner's request for placement at Benjamins Hope?

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 Medicaid beneficiary diagnosed with developmental disabilities. She is non-verbal and functions at an adaptive age equivalent to approximately 2 years and 11 months. (Exhibit 9; Testimony.)
2. Petitioner previously resided in a specialized residential adult foster care (AFC) home in ██████████ County for approximately nine years. (Testimony.)
3. In 2024, the AFC issued a 30-day notice to vacate due to ongoing conflict between staff and Petitioner's guardian, not due to Petitioner's behavior. (Testimony.)
4. Following the discharge, Petitioner transitioned to living with her guardian and began attending Caring Connections five days per week for 5 to 6 hours per day while receiving Community Living Supports (CLS) and case management services. (Exhibit A; Testimony.)
5. On February 18, 2025, an annual assessment was completed. The assessment indicated Petitioner required moderate to extensive assistance with Activities of Daily Living (ADL's), including bathing, grooming, and toileting. At this time, Respondent determined, Petitioner's needs did not rise to the level of requiring 1:2 staffing. (Exhibit A; Exhibit 9; Testimony.)
6. Petitioner's March 4, 2025, Individualized Plan of Service indicated Petitioner would continue residing with her guardian. (Exhibit A; Testimony.)
7. In April 2025, Petitioner requested placement at Benjamin's Hope. (Exhibit A; Testimony.)
8. On May 21, 2025, Respondent met with Benjamin's Hope and learned that the facility requires a 1:2 staffing ratio for non-verbal individuals and further determined Petitioner was assessed at a level of care 3-4 thus not meeting the threshold for placement at Benjamin's Hope. (Testimony.)
9. On May 28, 2025, Respondent issued an Adverse Benefit Determination. The notice indicated Petitioner's request for placement was denied as a result of Petitioner not having a high level of need required for placement and further that Respondent did not have a contract with Benjamin's Hope. (Exhibit A; Testimony.)

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10. Petitioner requested an internal appeal. (Exhibit A.)
 11. On June 24, 2025, Respondent issued an internal appeal denial. The notice indicated Petitioner had no history of elopement, significant aggression, or self-injurious behavior, and therefore could appropriately be placed in a facility with a 1:6 staff-to resident ratio. (Exhibit A; Testimony.)
 12. Respondent offered 15 alternative specialized residential placements. Petitioner declined all options. (Testimony.)

CONCLUSIONS OF LAW

The Medical Assistance Program (Medicaid) 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.

Under the Michigan Medicaid Provider Manual (MPM), the following provisions are relevant to this case:

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 their goals of community inclusion and participation, independence, recovery, or productivity.

2.5.B – Determination Criteria

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

- Based on information provided by the beneficiary, beneficiary's family, and/or other individuals (e.g., friends, personal assistants/aides) who know the beneficiary;

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- 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

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- Employ various methods to determine amount, scope and duration of services, including prior authorization for certain services, concurrent utilization reviews, centralized assessment and referral, gate-keeping arrangements, protocols, and guidelines.¹

In this case, Petitioner argues she requires a higher level of care than Respondent acknowledges, citing profound cognitive impairments, behavioral challenges, and need for extensive assistance with activities of daily living (ADLs). Petitioner also contends that Respondent's internal appeal relied on a limited set of documents and failed to incorporate updated assessments or caregiver input.

However, the record reflects that Respondent conducted a current assessment on February 18, 2025, completed an Individual Plan of Service (IPOS) on March 5, 2025, and issued timely Adverse Benefit Determination (ABD) notices on May 28, 2025, and June 24, 2025. These determinations were based on Petitioner's documented level of care (Level 3–4), her behavioral history, and her successful management in a 1:5 staffing ratio at both her prior AFC home and her current day program.

While Petitioner's caregivers testified to Petitioner's need for more intensive support, the agency's decision was consistent with MPM §2.5.D, which permits denial when other appropriate and cost-effective services exist. Respondent offered 15 alternative placements within its provider network, and Medicaid policy does not require placement in a specific facility, such as Benjamin's Hope, if other suitable options are available.

Additionally, the agency's determination was not based solely on cost or lack of contract, but rather on clinical assessments and the availability of less restrictive, appropriate services. The internal appeal process, while limited in scope, complied with procedural requirements and was supported by the documentation in Petitioner's record.

Accordingly, the Respondent's decision to deny placement at Benjamin's Hope is found to be consistent with applicable Medicaid policy and law.

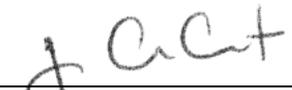
DECISION AND ORDER

The Administrative Law Judge, based on the above findings of fact and conclusions of law, decides that Respondent properly denied Petitioner's request for placement at Bengamin's Hope.

¹ MPM, Behavioral Health and Intellectual and Developmental Disability Supports and Services, July 1, 2025, pp 14-15.

IT IS THEREFORE ORDERED that:

Respondent's decision is **AFFIRMED**.



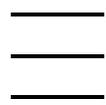
COREY A. ARENDT
ADMINISTRATIVE LAW JUDGE

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 MOAHR-BSD-Support@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 First Class and
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