



Date Mailed: October 28, 2025

Docket No.: 25-033311

Case No.: 100000101000

Petitioner: [REDACTED]

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

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Docket No.: 25-033311

Case No.: [REDACTED]

Petitioner: [REDACTED]

DECISION AND ORDER

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and upon Petitioner's request for a hearing.

After due notice, a telephone hearing was held on October 16, 2025. [REDACTED] Petitioner's mother appeared on behalf of Petitioner. Dr. Jennifer Wood, Child and Adolescent Psychologist, appeared as a witness. Stacy Coleman, Fair Hearings Officer, appeared on behalf of Respondent, Macomb County (Department).

Exhibits:

Petitioner	None
Department	A – Hearing Summary

ISSUE

Did Department properly terminate Petitioner's enrollment in the Children's Serious Emotional Disturbance Home and Community-Based Services Waiver (SEDW)?

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] Medicaid beneficiary who has been diagnosed with generalized anxiety disorder, attention-deficit/hyperactivity disorder; hyperactive/impulsive presentation, social anxiety disorder, post-traumatic stress disorder and autism spectrum disorder. (Exhibit A).
2. In approximately June of 2023, following an inpatient hospitalization, Petitioner was approved for the SEDW and approved for wraparound services. (Exhibit A; Testimony.)
3. On or around April 25, 2025, Petitioner participated in a re-assessment; and it was determined Petitioner no longer met the eligibility requirements for the SEDW. (Exhibit A; Testimony.)
4. On May 5, 2025, the Department sent Petitioner a Notice of Adverse Benefit Determination. The notice indicated Petitioner's intensive care

coordination with wraparound was terminating May 31, 2025, following a determination that Petitioner met their goals and completed the four stages of the wraparound process. It was recommended Petitioner continue psychiatry through Dr. Youngs through the Center for Exceptional Families and outpatient therapy through United Psychological Services. (Exhibit A; Testimony).

5. On May 29, 2025, Petitioner submitted to Department an internal appeal. (Exhibit A).
6. On June 27, 2025, the Department sent Petitioner a Notice of Appeal Denial. The notice indicated Petitioner's SEDW services were being terminated after it was determined Petitioner had made progress and is no longer at risk to need a higher level of care; records not showing Mental Health SED Waiver services as necessary. (Exhibit A; Testimony).

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.¹

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

¹ 42 CFR 430.0.

determine whether the plan can be approved to serve as a basis for Federal financial participation (FFP) in the State program.²

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...

42 USC 1396n(b)

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 services through Respondent pursuant to the SEDW. With respect to that waiver, the applicable version of the Medicaid Provider Manual (MPM) provides in part:

SECTION 1 – GENERAL INFORMATION

The Children's Serious Emotional Disturbance Home and Community-Based Services Waiver (SEDW) Program provides services that are enhancements or additions to Medicaid state plan coverage for children up to age 21 with serious emotional disturbance (SED) who are enrolled in the SEDW. MDHHS operates the SEDW through contracts with the CMHSPs. The SEDW is a fee-for-service program administered by the CMHSP in partnership with other community agencies. The CMSHP will be held financially responsible for any costs authorized by the CMHSP and incurred on behalf of a SEDW beneficiary.

1.1 KEY PROVISIONS

² 42 CFR 430.10.

The SEDW enables Medicaid to fund necessary home and community-based services for children up to age 21 with SED who meet the criteria for admission to a state inpatient psychiatric hospital and who are at risk of hospitalization without waiver services. The CMHSP is responsible for assessment of potential waiver candidates.

Application for the SEDW is made through the CMHSP. The CMHSP is responsible for the coordination of the SEDW services. The Wraparound Facilitator, the child and his family and friends, and other professional members of the planning team work cooperatively to identify the child's needs and to secure the necessary services. All services and supports must be included in an IPOS.

A SEDW beneficiary must receive at least one SED waiver service per month in order to retain eligibility.

1.2 ELIGIBILITY

To be eligible for this waiver, the child must meet all of the following criteria.

- Live in a participating county (refer to the Coverage Area subsection in this chapter); OR
- Live in foster care in a non-participating county pursuant to placement by MDHHS or the court of a participating county, with SEDW oversight by a participating county's CMHSP; AND
- Reside with the birth or adoptive family or have a plan to return to the birth or adoptive home; OR
- Reside with a legal guardian; OR
- Reside in a foster home with a permanency plan; OR
- Be age 18 or age 19 and live independently with supports; AND
- Meet current MDHHS criteria for the state psychiatric hospital for children; AND
- Medicaid eligibility criteria and become a Medicaid beneficiary; AND

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- Demonstrate serious functional limitations that impair the ability to function in the community. As appropriate for age, functional limitation will be identified using the Child and Adolescent Functional Assessment Scale (CAFAS®) or the Preschool and Early Childhood Functional Assessment Scale (PECFAS®):
 - CAFAS® score of 90 or greater for children age 7 to 12; OR
 - CAFAS® score of 120 or greater for children age 13 to 18; OR
 - For children age 3 to 7, elevated PECFAS® subscale scores in at least one of these areas: self-harmful behaviors, mood/emotions, thinking/communicating or behavior towards others; AND
 - Be under the age of 18 when approved for the waiver. If a child on the SEDW turns 18, continues to meet all non-age-related eligibility criteria, and continues to need waiver services, the child can remain on the waiver up to their 21st birthday.³

The Medicaid Provider Manual, defines an Intermediate Care Facility for Individuals with Intellectual Disabilities as the following:

- The facility primarily provides health-related care and services above the level of custodial care to individuals with intellectual disabilities, but does not provide the level of care or treatment available in a hospital or SNF.⁴

Here, pursuant to the above policies, Department terminated Petitioner's enrollment in the SEDW. Petitioner then appealed that decision.

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

³ Medicaid Provider Manual, Behavioral Health and Intellectual and Developmental Disability Supports and Services SEDW Appendix, July 1, 2025, pp B1-B2.

⁴ Medicaid Provider Manual, Beneficiary Eligibility, July 1, 2025, p 12.

Given the record and applicable policies in this case, the undersigned Administrative Law Judge finds that Petitioner has failed to meet her burden of proof; and Department's decision must, therefore, be affirmed.

The MPM sets clear requirements that must be met on an ongoing basis in order for beneficiaries to remain eligible for the SEDW and, for someone Petitioner's age, those requirements include meeting MDHHS criteria for the state psychiatric hospital for children.

Moreover, while Petitioner argues, Petitioner does meet the criteria, Petitioner was not hospitalized at all during the prior year and had shown improvement over the year prior as well as met each of the goals and completed the four stages of the wrap-around process.

The evidence does not indicate Petitioner requires health-related care and services above the level of custodial care.

Accordingly, while Petitioner may still be eligible for services through Department, she no longer meets criteria for the SEDW and Department properly terminated her enrollment for that waiver.

DECISION AND ORDER

The Administrative Law Judge, based on the above findings of fact and conclusions of law, decides that Respondent properly terminated Petitioner's enrollment in the SEDW.

IT IS THEREFORE ORDERED that

The 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://lrs.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

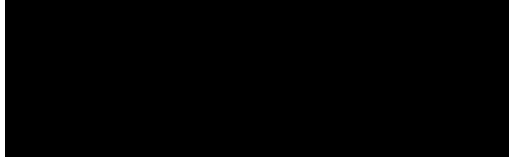
Documents sent via email are not secure and can be faxed or mailed to avoid any potential risks. Requests MOAHR receives more than 30 days from the mailing date of this Hearing Decision may be considered untimely and dismissed.

Via Electronic Mail:

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