

## MEDICAID POLICY INFORMATION SHEET

**Policy Analyst:** Monica Erickson

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Initial ☐

Public Comment ☒

Final ☐

### Brief description of policy:

The purpose of this bulletin is to update the Behavioral Health and Intellectual and Developmental Disability Supports and Services chapter of the Michigan Department of Health and Human Services (MDHHS) Medicaid Provider Manual to incorporate the provisions of the approved §1915(i) State Plan Home and Community-Based Services State Plan Amendment (SPA).

### Reason for policy (problem being addressed):

To address changes made in the SPA.

### Budget implication:

☒ budget neutral

☐ will cost MDHHS \$ , and (select one) budgeted in current appropriation

☐ will save MDHHS \$

### Is this policy change mandated per federal requirements?

Updates to conflict free access and planning language and the unbundling of supported employment are based on the guidance received by CMS.

### Does policy have operational implications on other parts of MDHHS?

The §1915(i)SPA authority requirements have significant operational and resource (i.e., staffing, Information Technology [IT], etc.) implications for the Behavioral and Physical Health and Aging Services Administration (BPHASA) that cannot be delegated to the PIHPs under other authorities. These are not new operational implications, as the 1915(i)SPA has been operational since October 1, 2023.

### Does policy have operational implications on other departments?

No.

### Summary of input:

☐ controversial

☒ acceptable to most/all groups

☐ limited public interest/comment

### Supporting Documentation:

State Plan Amendment Required: ☒ Yes ☐ No

If Yes, please provide status:

☒ Approved ☐ Pending ☐ Denied

Date: 1/16/25 Approval Date:

Public Notice Required: ☒ Yes ☐ No

If yes,  
Submission Date:

**DRAFT FOR PUBLIC  
COMMENT**

**Michigan Department of  
Health and Human Services**

**Project Number:** 2507-BH

**Date:** June 24, 2025

**Comments Due:** July 29, 2025

**Proposed Effective Date:** September 1, 2025

**Direct Comments To:** Monica Erickson

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**Policy Subject:** §1915(i) State Plan Home and Community-Based Services

**Affected Programs:** Medicaid, Healthy Michigan Plan, MICHild

**Distribution:** Prepaid Inpatient Health Plans, Community Mental Health Services Programs

**Summary:** The purpose of this bulletin is to update the Behavioral Health and Intellectual and Developmental Disability Supports and Services chapter of the Michigan Department of Health and Human Services (MDHHS) Medicaid Provider Manual to incorporate the provisions of the approved §1915(i) State Plan Home and Community-Based Services State Plan Amendment (SPA).

**Purpose:** To address changes made in the SPA.

**Cost Implications:** Budget neutral

**Potential Hearings & Appeal Issues:**

**State Plan Amendment Required:** Yes ☒ No ☐

**If yes, date submitted:** July 1, 2024

**Public Notice Required:** Yes ☒ No ☐

**Submitted date:** May 13, 2024

**Tribal Notification:** Yes ☒ No ☐ - **Date:** May 1, 2024

**THIS SECTION COMPLETED BY RECEIVER**

☐ **Approved**

☐ **No Comments**

☐ **See Comments Below**

☐ **Disapproved**

☐ **See Comments in Text**

**Signature:**

**Phone Number**

**Signature Printed:**

**Bureau/Administration** (*please print*)

**Date**

# Proposed Policy Draft

Michigan Department of Health and Human Services  
Health Services

**Distribution:** Prepaid Inpatient Health Plans, Community Mental Health Services Programs

**Issued:** August 1, 2025 (Proposed)

**Subject:** §1915(i) State Plan Home and Community-Based Services

**Effective:** September 1, 2025 (Proposed)

**Programs Affected:** Medicaid, Healthy Michigan Plan, MICHild

The §1915(i) State Plan Amendment (SPA) operates concurrently with the §1115 Behavioral Health Demonstration for managed care authority. This establishes the provision of behavioral health community-based services through Michigan's managed care contract with the regional Prepaid Inpatient Health Plans (PIHPs). This bulletin outlines the amendments to the State Plan benefit, and includes the following changes:

- Update of the assessment tools used to identify potential beneficiaries for the 1915(i)SPA.
- Updated Vehicle Modification language.
- Updated Environmental Modification language.
- Updated Family Support and Training language.
- Language change from "Fiscal Intermediary" to "Financial Management Services".
- Updated Housing Assistance language.
- Updated Skill Building language.
- Updated Community Living Supports (CLS) language.
- Separation of Supported Employment services into two distinct services: Individual Supported Employment and Small Group Employment.

Refer to the Behavioral Health and Intellectual and Developmental Disability Supports and Services chapter of the [Michigan Department of Health and Human Services \(MDHHS\) Medicaid Provider Manual](#), General Information section, for an overview of the mental health and developmental disabilities services and supports covered by Medicaid.

## **I. Independent Evaluations and Re-evaluations**

The assessment tools used to identify potential beneficiaries for the 1915(i)SPA have been updated and changes to this section are as follows:

For an independent evaluation/re-evaluation, MDHHS/Behavioral and Physical Health and Aging Services Administration (BPHASA) staff will apply the needs-based criteria to determine whether the beneficiary in the targeted group is eligible for §1915(i) SPA services. The PIHP's provider network, which must adhere to conflict-free requirements, will utilize standardized instruments to assist in identifying level of need, administer other face-to-face assessments related to the individual's functional abilities, and identify services and supports required to reach the expected outcomes of community inclusion and participation. The PIHP's provider network will provide evidence to MDHHS/BPHASA for making the needs-based eligibility determination through a Waiver Support Application (WSA) portal.

MDHHS/BPHASA will make the determination of needs-based criteria through an independent evaluation and re-evaluation of validated instruments specific to each individual's condition that identifies the individual meets all the eligibility requirements for §1915(i) SPA service(s).

- To meet Maintenance of Effort (MOE) requirements, from the revised effective date of the amendment through the state spending and Centers for Medicare & Medicaid Services (CMS) notification of close-out of American Rescue Plan Act (ARP) section 9817 funding, Michigan will continue to use the current evaluation of eligibility for children with serious emotional disturbance (SED), which is the Child and Adolescent Functional Assessment Scale (CAFAS) and Preschool and Early Childhood Functional Assessment Scale (PECFAS) and a new instrument which is the Michigan Child and Adolescent Needs and Strengths (MichiCANS). If the results are different between the two instruments, the state will apply the results of the instrument that establishes eligibility for the individual. For individuals receiving a re-evaluation of eligibility, the state will use the new instrument (MichiCANS) and, if the results indicate that an individual is no longer eligible, the state will use and apply the results of the current eligibility instrument (CAFAS/PECFAS). For children and adolescents with intellectual or developmental disability, the MichiCANS is utilized.
- For adults with mental health and co-occurring mental health and substance use disorder related needs, the Level of Care Utilization System (LOCUS) is applied. For adults with intellectual or developmental disability related needs, the World Health Organization Disability Assessment Schedule 2.0 (WHODAS 2.0), the Supports Intensity Scale-Adult (SIS-A), if still current, or other assessment tool as approved by MDHHS is used. Adults presenting with needs only involving substance use disorders should be assessed using the American Society of Addiction Medicine (ASAM) Continuum.

Re-evaluation for eligibility is conducted annually. Formal review of the Individual Plan of Service (IPOS) will occur no less than annually with the beneficiary and any other person chosen to participate by the beneficiary or guardian. MDHHS/BPHASA will make determination of continuing eligibility based on evidence provided by the PIHP and an independent evaluation that the beneficiary still meets the needs-based criteria.

## **II. Coverage and Provider Qualifications**

### **A. Vehicle Modification**

The following language was added to Vehicle Modification:

The vehicle that is adapted may be owned by the individual, a family member with whom the individual lives or has consistent and on-going contact, or a non-relative who provides primary long-term support to the individual and is not a paid provider of such services.

### **B. Environmental Modifications**

Language referencing “workplace” was removed from the Environmental Modifications service description.

The following bullet point was added under “coverage excludes”:

- Environmental modifications may not be furnished to adapt living arrangements that are owned or leased by providers of 1915(i) SPA services.

### **C. Family Support and Training**

The following language was added regarding training:

The training and counseling goals, content, frequency and duration of the training must be identified in the beneficiary’s IPOS, along with the beneficiary’s goal(s) that is being facilitated by this service. The training that is provided must be directly related to their role in supporting the beneficiary in areas specified in the IPOS.

Under coverage includes, Parent to Parent Support was removed from the 1915(i) SPA as it is now available under the State Plan.

### **D. Financial Management Services**

Language was updated from ‘Fiscal Intermediary Services’ to ‘Financial Management Services’ to align with federal language and the C-waivers.

### **E. Housing Assistance**

Provider qualifications were expanded to include Direct Support Professionals, Certified Peer Support Specialist and Certified Peer Recovery Coach.

Provider Qualifications			
Provider Type	License	Certification	Other Standard
Direct Support Professional	None	None	<p>Individual with specialized training; is able to perform basic first aid procedures; trained in the beneficiary's IPOS, as applicable; is at least 18 years of age; able to prevent transmission of communicable disease; able to communicate expressively and receptively in order to follow individual plan requirements and beneficiary-specific emergency procedures, and to report on activities performed; and in good standing with the law.</p> <p>In addition, must have two years' experience in providing services to tenants in supportive housing or other social services setting or lived experience of homelessness and/or supportive housing.</p>
Certified Peer Support Specialist	None	Peer Support Specialist Certification	<p>Peer Specialist: Certified by MDHHS if providing services to an individual with Serious Mental Illness (SMI).</p> <p>In addition, must have two years' experience in providing services to tenants in supportive housing or other social services setting or lived experience of homelessness and/or supportive housing.</p>
Certified Peer Recovery Coach	None	Peer Recovery Coach Certification	<p>Qualified Peer Recovery Coach must be certified through an MDHHS-approved training program.</p> <p>In addition, must have two years' experience in providing services to tenants in supportive housing or other social services setting or lived experience of homelessness and/or supportive housing.</p>

## F. Skill-Building Assistance

Skill building assistance was clarified to include two pathways to skill development. The service definition is as follows:

Skill-building assistance consists of activities identified in the IPOS that assist a beneficiary to increase their economic self-sufficiency with an emphasis on developing

and teaching skills that lead to the individual competitive integrated employment (ICIE) and to develop skills to successfully engage in meaningful activities such as school, work, and/or volunteering. The services occur in community-based integrated settings and provide knowledge and specialized skill development and/or supports to achieve specific outcomes consistent with the beneficiary's identified goals, as written in the IPOS, with the purpose of furthering habilitation goals that will lead to greater opportunities of community independence, inclusion, participation, and productivity. Skill building assistance is a time-limited service with primary focus on skill development, acquisition, retention or improvement in self-help socialization and adaptive skills.

Services include two pathways to skill development:

1. Skill building as a pathway to develop skills to successfully engage in meaningful activities such as school, work and/or volunteering and includes the following:
  - Developing and teaching skills that lead to successful engagement in meaningful community-based activities, but not limited to, ability to communicate effectively with individuals in the community; generally accepted community conduct and dress; ability to follow directions; ability to attend to tasks; problem-solving skills and strategies; general community safety; and mobility training. May also provide learning experiences through community participation where the beneficiary can develop general strengths and skills to engage in meaningful activities.
  - Are expected to occur over a defined period of time and provided in sufficient amount and scope to achieve the outcome and encourage fading to promote community inclusion, as determined by the beneficiary and their care planning team in the ongoing person-centered planning process.
2. Skill building as a pathway on developing and teaching skills that lead to ICIE:
  - Participation in skill-building is not a required pre-requisite for ICIE or receiving supported employment services.
  - Work preparatory (time-limited work pathway) services to attain ICIE in the community in which an individual is compensated at or above the minimum wage, but not less than the customary wage and level of benefits paid by the employer for the same or similar work performed by individuals without disabilities.
  - Services are intended for the beneficiary to develop, acquire or improve skills that lead to ICIE. Examples of such skills include, but are not limited to, ability to communicate effectively with supervisors, co-workers and customers; generally accepted community workplace conduct and dress; ability to follow directions; ability to attend to tasks; workplace problem solving skills and strategies; general workplace safety and mobility training.
  - Provide learning and work experiences, including volunteering, where the individual can develop general, non-job-task-specific strengths and skills that may contribute to employability in competitive integrated employment.

- Enable an individual to attain ICIE and with the job matched to the individual's interests, strengths, priorities, abilities and capabilities.
- Are expected to occur over a defined period of time and provided in sufficient amount and scope to achieve the outcome and encourage fading to promote ICIE, as determined by the beneficiary and their care planning team in the ongoing person-centered planning process.

Skill-building service components needed for each individual are documented, coordinated, and non-duplicative of other services.

Skill Building is not funded under section 110 of the Rehabilitation Act of 1973 or the Individuals with Disabilities Education Act (IDEA) (20 U.S.C. 1401 et seq.) which will be documented in each individual's file who is receiving the service.

Beneficiaries who are still attending school may receive skill building and other work-related transition services through the school system while also participating in skill building services designed to complement and reinforce the skill being learned in the school program during portions of their day that are not the educational system's responsibility (e.g., after school or on weekends and school vacations).

If a beneficiary has a need for transportation to participate, maintain, or access the skill-building services, the same 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 the Medicaid non-emergency medical transportation policy outlined in the Non-Emergency Medical Transportation chapter of the MDHHS Medicaid Provider Manual.

Provider Qualifications			
Provider Type	License	Certification	Other Standard
Direct Support Professional	None	None	Individual with specialized training; is able to perform basic first-aid procedures; trained in the beneficiary's IPOS, as applicable; is at least 18 years of age; able to prevent transmission of communicable disease; able to communicate expressively and receptively in order to follow IPOS requirements and beneficiary-specific emergency procedures, and to report on activities performed; in good standing with the law; and must be trained in recipient rights.



## **G. Community Living Supports**

Language regarding “expanded home help” was removed.

The following bullet points were revised to provide clarification on Community Living Supports (CLS) assistance, support and/or training with the following activities:

- Non-medical care (not requiring nurse or physician intervention), which includes observing and/or monitoring while preserving the health and safety of the beneficiary as they are waiting for medical care or hospitalization.
- Reminding, observing and/or monitoring of medication administration. For beneficiaries who are unable to self-administer medications, CLS may support the beneficiary with administration. CLS is not intended to replace or supplant what would be the responsibility of a parent or guardian of a minor to provide.

The following language was added regarding children and adults up to age 26 who are enrolled in school:

For children and adults up to age 26 who are enrolled in school, CLS services are not intended to supplant services provided in school or other settings or to be provided during the times when a child or adult would typically be in school but for the parent’s choice to home-school.

The following language was added to the CLS service description:

The case manager will assist the beneficiary in securing CLS services by providing a list of CLS providers and other hiring resources, including education and information on utilizing a self-directed arrangement and opportunities to direct hire staff through this method. This will include referrals to CLS providers, as appropriate, along with monitoring progress to ensure access and delivery of the CLS service is implemented as identified in the IPOS.

Costs associated with room and board are excluded from CLS coverage.

## **H. Supported Employment – Individual Supported Employment**

Supported Integrated Employment has been separated into two distinct services - Individual Supported Employment and Small Group Employment. Individual Supported Employment service description is as follows:

Individual Supported Employment services are services that are provided in a variety of community settings for the purposes of supporting individuals in obtaining and sustaining ICIE. ICIE is individual employment that is found in the typical labor market in the community that anyone can apply for and is the optimal outcome of supported employment services. Supported employment services support achieving 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 customized, and aimed to meet an individual's personal and career goals and outcomes identified in the individualized person-centered service plan. Services may be provided continuously, intermittently, on behalf of, and encourage fading to promote community inclusion and competitive integrated employment.

Supported Employment Services include the following categories:

1. Individual Employment Services are individualized. Services include:

- Job-related discovery
- Person-centered employment/career planning
- Job placement, job development, negotiation with prospective employers
- Job analysis
- Customized employment discovery and job carving, training and systematic instruction
- Job coaching and systematic instruction
- Benefits management, financial literacy, asset development, and career advancement services career planning that supports an individual 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.
- Training and planning
- Transportation
- Other workplace support services, including services not specifically related to job skill training that enable the person to attain a job in a competitive integrated community setting of their choice

2. Self-employment refers to an individual-run, Internal Revenue Service (IRS)-recognized self-employment business and nets the equivalent of a competitive wage, after a reasonable period of start-up, and is either home-based or takes place in a regular integrated business, industry or community-based setting. Services include:

- Vocational/job-related discovery or assessment
- Person-centered employment planning
- Benefits management, financial literacy, asset development and career advancement services
- Relative business planning services

Supported employment service components needed for each beneficiary are documented, coordinated, and are non-duplicative of those services otherwise available to an eligible person through a vocational rehabilitation program funded under the Workforce Innovation and Opportunity Act or the IDEA (20 U.S.C. 1401 et seq.).

If a beneficiary has a need for transportation to participate, maintain, or access the supported 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 of the MDHHS Medicaid Provider Manual.

## **I. Supported Employment – Small Group Employment**

Supported Integrated Employment has been separated into two distinct services - Individual Supported Employment and Small Group Employment. Small Group Employment service description is as follows:

Small Group Employment is not competitive integrated employment. Services instead provide training activities provided in typical business, industry and community settings for groups of two to six workers with disabilities, paying at least minimum wage. The purpose of funding for this service is to support sustained paid employment and work experience that leads to ICIE. Examples include mobile crews, enclaves, and other business-based workgroups employing small groups of workers with disabilities. Supported employment services Small Group Employment support must promote integration into the workplace and interaction between workers with disabilities and people without disabilities in those workplaces.

Services include:

- Job analysis
- Training and systemic instruction
- Training and planning
- Transportation
- Other workplace support services may include services not specifically related to job skill training that enable the beneficiary to be successful in integrating into the workplace

Supported employment service component(s) needed for each individual are documented, coordinated, and are non-duplicative of those services otherwise available to an eligible person through a vocational rehabilitation program funded under the Workforce Innovation and Opportunity Act or the IDEA (20 U.S.C. 1401 et seq.).

If an individual has a need for transportation to participate, maintain, or access supported employment services, the same 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 of the MDHHS Medicaid Provider Manual.