

## MEDICAID POLICY INFORMATION SHEET

**Policy Analyst:** Angelo Powell

**Phone Number:**

Initial ☐

Public Comment ☒

Final ☐

### Brief description of policy:

The purpose of this policy is integrate the Waiver for Children with Serious Emotional Disturbance (SEDW) changes that were made with the renewal application, which has been approved by the Centers for Medicare & Medicaid Services (CMS). Changes include: removal of Wraparound and Family Support and Training to State Plan services, updates to Overnight Health and Safety Services, and the addition of Equine therapy.

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

To align current SEDW policy with the changes approved by CMS in the waiver renewal.

### 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?

No

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

No

### 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: Approval Date:

Public Notice Required: ☐ Yes ☒ No

If yes,  
Submission Date:

<b>DRAFT FOR PUBLIC COMMENT</b>  <b>Michigan Department of Health and Human Services</b>		
	<b>Project Number:</b> 2525-BCCHPS	<b>Date:</b> June 30, 2025

**Comments Due:** August 4, 2025  
**Proposed Effective Date:** October 1, 2025  
**Direct Comments To:** Angelo Powell  
**Address:**  
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**Policy Subject:** Waiver for Children with Serious Emotional Disturbance Policy Updates

**Affected Programs:** Medicaid

**Distribution:** Community Mental Health Services Programs (CMHSP), Prepaid Inpatient Health Plans (PIHP)

**Summary:** The purpose of this policy is integrate the Waiver for Children with Serious Emotional Disturbance (SEDW) changes that were made with the renewal application, which has been approved by the Centers for Medicare & Medicaid Services (CMS). Changes include: removal of Wraparound and Family Support and Training to State Plan services, updates to Overnight Health and Safety Services, and the addition of Equine therapy.

**Purpose:** To align current SEDW policy with the changes approved by CMS in the waiver renewal.

**Cost Implications:** Budget neutral.

**Potential Hearings & Appeal Issues:** None known.

<b>State Plan Amendment Required:</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <b>If yes, date submitted:</b>	<b>Public Notice Required:</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <b>Submitted date:</b>
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**Tribal Notification:** Yes ☒ No ☐ - **Date:** May 1, 2024

**THIS SECTION COMPLETED BY RECEIVER**

<input type="checkbox"/> <b>Approved</b>	<input type="checkbox"/> <b>No Comments</b>
	<input type="checkbox"/> <b>See Comments Below</b>
<input type="checkbox"/> <b>Disapproved</b>	<input type="checkbox"/> <b>See Comments in Text</b>

<b>Signature:</b>	<b>Phone Number</b>
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**Signature Printed:**

<b>Bureau/Administration</b> <i>(please print)</i>	<b>Date</b>
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# Proposed Policy Draft

Michigan Department of Health and Human Services  
Health Services

**Distribution:** Prepaid Inpatient Health Plans (PIHP), Community Mental Health Services Programs (CMSHP)

**Issued:** August 29, 2025 (Proposed)

**Subject:** Waiver for Children with Serious Emotional Disturbance Policy Updates

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

**Programs Affected:** Medicaid

The purpose of this bulletin is to update policy for Michigan Medicaid coverage of the Waiver for Children with Serious Emotional Disturbance (SEDW) Program in relation to the October 1, 2024 approved waiver renewal by the Centers for Medicare & Medicaid Services (CMS).

## I. Eligibility

For the purposes of determining eligibility for SEDW, the Michigan Department of Health and Human Services (MDHHS) will use the recommendations from the Michigan Child and Adolescent Needs and Strengths (MichiCANS) Decision Support Model tool to identify functional limitation as supported by the informed clinical decision making.

The following MichiCANS Comprehensive Decision Support Model criteria will be used to determine eligibility for the SEDW for children ages birth through 5 years (day prior to 6).

### **SEDW: Age 0-5**

**A child will be recommended for SEDW: Age 0-5 if they meet Criterion A AND Criterion B AND Criterion C**

#### Treatment Need/Eligibility

Criterion A		
A rating of '3', or two or more ratings of '2' on any of the following 'Challenges' items:		
<ul style="list-style-type: none"><li>• Impulsivity/ Hyperactivity (36+ months)</li><li>• Depression</li><li>• Anxiety</li></ul>	<ul style="list-style-type: none"><li>• Oppositional Behavior (36+ Months)</li><li>• Attachment Difficulties</li></ul>	<ul style="list-style-type: none"><li>• Regulatory</li><li>• Atypical Behaviors</li><li>• Adjustment to Trauma</li></ul>

### Complexity

Criterion B		
A rating of '3', or two or more ratings of '2' on any of the following 'Challenges' and 'Risk Behaviors' items:		
<ul style="list-style-type: none"> <li>Aggression</li> <li>Substance Exposure in Utero</li> </ul>	<ul style="list-style-type: none"> <li>Self-Harm (12+ months)</li> <li>Flight Risk/Bolting</li> </ul>	<ul style="list-style-type: none"> <li>Fire Setting (36+ months)</li> </ul>
Criterion C		
A rating of '3', or two or more ratings of '2' on any of the following 'Life Functioning', 'Challenges', 'Developmental module', and 'Child Strengths' items or item groups*:		
<ul style="list-style-type: none"> <li>Family Functioning</li> <li>Social &amp; Emotional Functioning</li> </ul>	<ul style="list-style-type: none"> <li>Sleep (12+ Months)</li> <li>Involvement with Care</li> </ul>	<ul style="list-style-type: none"> <li>Caregiver Capacity</li> </ul>

The following MichiCANS Comprehensive Decision Support Model criteria will be used to determine eligibility for the SEDW for youth and young adults ages 6 years through 20 years (day prior to 21).

### SEDW: Age 6+

**A youth will be recommended for 'SEDW: Age 6+' if they meet Criterion A AND Criterion B AND Criterion C**

### Treatment Need/Eligibility

Criterion A		
At least one rating of '3', or two or more ratings of '2' on any of the following 'Behavioral/Emotional Needs' items:		
<ul style="list-style-type: none"> <li>Psychosis</li> <li>Impulsivity/ Hyperactivity</li> <li>Depression</li> <li>Anxiety</li> </ul>	<ul style="list-style-type: none"> <li>Oppositional Behavior</li> <li>Conduct (Antisocial Behavior)</li> <li>Attachment Difficulties</li> <li>Anger Control</li> </ul>	<ul style="list-style-type: none"> <li>Eating Disturbance</li> <li>Adjustment to Trauma</li> <li>Substance Use</li> </ul>

### Complexity

Criterion B		
At least one rating of '3', or two or more ratings of '2' on any of the following 'Risk Behaviors' items:		
<ul style="list-style-type: none"> <li>Suicide Risk</li> <li>Non-Suicidal Self-Injurious Behavior</li> <li>Other Self Harm (Recklessness)</li> </ul>	<ul style="list-style-type: none"> <li>Victimization/Exploitation</li> <li>Intentional Misbehavior</li> <li>Danger to Others</li> </ul>	<ul style="list-style-type: none"> <li>Runaway</li> <li>Delinquent Behavior</li> <li>Fire Setting</li> </ul>

Criterion C		
At least one rating of '3', or two or more ratings of '2' on any of the following 'Life Functioning', items or item groups*:		
<ul style="list-style-type: none"> <li>• Family Functioning</li> <li>• Living Situation</li> <li>• Social Functioning</li> <li>• Recreational</li> </ul>	<ul style="list-style-type: none"> <li>• Legal (11+)</li> <li>• Sexual Development</li> <li>• Sleep</li> <li>• Decision Making</li> </ul>	<ul style="list-style-type: none"> <li>• Medical/Physical</li> <li>• School Behavior</li> <li>• Caregiver Capacity</li> <li>• Involvement with Care</li> </ul>

MDHHS is currently using the Child and Adolescent Functional Assessment Scale (CAFAS), Preschool and Early Childhood Functional Assessment Scale (PECFAS), and Devereaux Early Childhood Assessment (DECA) for this purpose. MDHHS will continue to use the current assessment tools until MDHHS has received CMS notification of the close-out of American Rescue Plan Act Section 9817 funding as listed below:

- For new applicants, MDHHS will continue to use both the current assessment tools and the MichiCANS. If the results are different and one tool indicates that the applicant is eligible, MDHHS will apply the results that establish that the individual is eligible.
- For participants receiving a re-evaluation of eligibility, MDHHS will use the MichiCANS. If the results indicate that a participant is no longer eligible, MDHHS will use the results of the current assessment tools.

For children or youth ages birth through 5 (day before age 6), MDHHS will use the scores in the concern range across DECA Clinical Version scales to determine eligibility:

- Protective factor scales (initiative, self-control, and attachment) that are in the Concern Range with a Total Protective Factor T-score of 40 or below; and/or
- Elevated scores on one or more of the behavioral concerns 32 scales (attention problems, aggression, withdrawal/depression, emotional control problems) with a T-score of 60 or above

## A. Children's Therapeutic Family Care

Children's Therapeutic Family Care (CTFC) is an intensive community-based mental health service alternative to inpatient psychiatric treatment. CTFC provides an intensive therapeutic living environment for children and youth with serious emotional and behavioral health needs.

CTFC is a voluntary service which requires consent for services by the youth's parent or guardian. Active participation of the youth's parent or identified caregiver for the duration of services, including transition home and commitment to aftercare, is a requirement for service eligibility. The Prepaid Inpatient Health Plan (PIHP) must also determine that CTFC is an appropriate level of care option for the youth.

Program Components:

- CTFC involves a temporary treatment, typically 6-9 months in a Therapeutic Home.
- CTFC is treatment not a placement because there is no transfer of guardianship to therapeutic parents.
- Therapeutic Parents assist in delivering CTFC using a prescriptive clinical model or Evidence Based Practice.
- CTFC is a 24 hours per day, 7 days per week operation with on-call support from CTFC clinical team members.
- Only one child/youth unrelated to the Therapeutic Parent can reside in the home and receive this service.

i. Provider and Program Certification Criteria

MDHHS will manage certification and enrollment of CTFC providers. All CTFC programs are to be certified by MDHHS to ensure they meet the requirements set forth in this policy. Program re-certification must be submitted when there are significant program or staffing changes. Separate payment will not be made for homemaker or chore services, for community living services provided by the Therapeutic Families, or for respite care furnished for the Therapeutic Families to a child receiving CTFC services since these services are integral to, and inherent in, the provision of CTFC. Therapeutic homes are required to be licensed foster homes.

ii. Transition Home

Planning for the child's return to the parent's or designated caregiver's home should begin at the onset of treatment. The plan should include therapeutic goals and action steps related to the child's return home as directed by the family according to Family Driven, Youth Guided planning process.

**B. Community Living Supports**

Community Living Supports (CLS) are used to increase or maintain personal self-sufficiency, facilitating a child or youth's achievement of his goals of community inclusion and participation, independence or productivity. The supports may be provided in the participant's residence or in community settings (including, but not limited to, libraries, city pools, camps, etc.). Coverage includes assisting (that exceeds state plan for adults), prompting, reminding, cueing, observing, guiding and/or training in the following activities:

- Meal preparation
- Laundry
- Routine, seasonal, and heavy household care and maintenance

- Activities of daily living (e.g., bathing, eating, dressing, personal hygiene)
- Shopping for food and other necessities of daily living

CLS services may not supplant services otherwise available to the child or youth through a local educational agency under the Individuals with Disabilities Education Act (IDEA) or the Rehabilitation Act of 1973 or state plan services, (e.g., Personal Care [assistance with ADLs in a certified specialized residential setting] and Home Help or Expanded Home Help [assistance in the individual's own, unlicensed home with meal preparation, laundry, routine household care and maintenance, activities of daily living and shopping]). If such assistance appears to be needed, the child or youth must request Home Help and, if necessary, Expanded Home Help from MDHHS. CLS may be used for those activities while the child or youth awaits determination by MDHHS of the amount, scope and duration of Home Help or Expanded Home Help. If the child or youth requests it, the PIHP (i.e., case manager, ICCW care coordinator, or supports coordinator) entity must assist him/her in requesting Home Help or in filling out and sending a request for Fair Hearing when the child or youth believes that the MDHHS authorization of amount, scope and duration of Home Help does not appear to reflect the child or youth's needs based on the findings of the MDHHS assessment.

Staff assistance, support and/or training with activities such as:

- Money management.
- Non-medical care (not requiring nurse or physician intervention), which includes observing and/or monitoring while preserving the health and safety of the child or youth as they are waiting for medical care or hospitalization
- Socialization and relationship building.
- Transportation from the child or youth's residence to community activities, among community activities, and from the community activities back to the child or youth's residence (transportation to and from medical appointments is excluded).
- Participation in regular community activities and recreation opportunities (e.g., attending classes, movies, concerts and events in a park; volunteering; voting).
- Attendance at medical appointments.
- Acquiring or procuring goods, other than those listed under shopping, and non-medical services.
- Reminding, observing and/or monitoring of medication administration. For children and youth who are unable to self-administer medications, CLS may support the child or youth 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.
- Observing and/or monitoring with preserving the health and safety of the individual in order that he/she may reside or be supported in the most integrated, independent community setting.

CLS may be provided in a licensed specialized residential setting as a complement to, and in conjunction with, state plan coverage Personal Care in Specialized Residential Settings. Transportation to medical appointments is covered by Medicaid through MDHHS or the Medicaid Health Plan. Payment for CLS services may not be made, directly or indirectly, to responsible relatives (i.e., spouses, or parents of minor children), or guardian of the child or youth receiving community living supports. CLS assistance with meal preparation, laundry, routine household care and maintenance, activities of daily living and/or shopping may be used to complement Home Help or Expanded Home Help services when the individual's needs for this assistance have been officially determined to exceed MDHHS allowable parameters. CLS may also be used for those activities while the child or youth awaits the decision from a Fair Hearing of the appeal of a MDHHS decision. Reminding, observing, guiding, and/or training of these activities are CLS coverages that do not supplant Home Help or Expanded Home Help.

CLS provides support to a child or youth younger than 18, and the family in the care of their child, while facilitating the child's independence and integration into the community. This service provides skill development related to activities of daily living, such as bathing, eating, dressing, personal hygiene, household chores and safety skills; and skill development to achieve or maintain mobility, sensory-motor, communication, socialization and relationship-building skills, and participation in leisure and community activities. These supports must be provided directly to, or on behalf of, the child. These supports may serve to reinforce skills or lessons taught in school, therapy, or other settings. For children and young adults up to age 21 who are enrolled in the SEDW who are also enrolled in school, CLS services are not intended to supplant services provided in school or other settings.

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

Family Support and Training has been removed from the SEDW service array, and Parent Support Partner services have been added to the state plan. The implementation of Parent Support Partner services as a state plan service is being addressed via a separate bulletin.

### **D. Financial Intermediary Services**

Fiscal Intermediary Services has been renamed Financial Management Services.

### **E. Family Home Care Training**

Family Home Care Training has been renamed Home Care Training - Family



## **F. Overnight Health and Safety Support Services**

MDHHS updated the eligibility criteria for Overnight Health and Safety Support Services (OHSS). OHSS may be appropriate when:

- Service is necessary to safeguard against injury, hazard, or accident, including monitoring for non-life-threatening self-harm behaviors that require redirection.
- Service will allow beneficiary to remain at home safely after all other available preventive interventions have been undertaken, and the risk of injury, hazard or accident remains

## **G. Respite Care**

Respite care services are provided to children or youth on a short-term basis because of the need for relief of those persons normally providing care. The purpose of respite care is to relieve the child or youth's family from daily stress and care demands. "Short-term" means the respite service is provided during a limited period of time (e.g., a few hours, a few days, weekends, or for vacations). Decisions about the methods and amounts of respite are decided during the person-centered, family driven youth guided, planning process and are specified in the individual plan of service (IPOS). Paid respite care may not be provided by a parent or legal guardian of an SEDW child or youth.

Respite care can be provided in the following locations:

- The child or youth's home or place of residence
- The home of a relative or family friend's home in the community
- Licensed Foster Family Home
- Licensed Foster Family Group Home
- Licensed Children's Camp
- Licensed Children's Therapeutic Group Home.

Federal financial participation is not to be claimed for the cost of room and board except when provided as part of respite care furnished in a facility approved by the state that is not a private residence.

## **H. Therapeutic Activities**

Equine Therapy has been added to the therapeutic activity array. An equine therapist must hold a current license in the State of Michigan as an occupational therapist, physical therapist, speech pathologist, clinical social worker, psychologist, or professional counselor. The equine therapist must have appropriate specialized training and experience and must deliver services within their scope of practice. Specialized training includes (but is not limited to) the following credentials:

- Certification by the American Hippotherapy Certification Board
- Certification by other MDHHS-approved certification boards
- Completion of documented coursework in an applicable training program that is administered by an accredited university and approved by MDHHS

Equine services are limited to four therapy sessions per month.

Therapeutic Recreation Specialist, Music Therapist, and Art Therapist are not required to be board certified to provide services in their field but must have completed all educational coursework requirements and be under the appropriate supervision working toward board certification in their respective fields.

#### **I. Therapeutic Overnight Camp**

Frequency is three sessions per year. Each session can encompass several days and nights.

#### **J. Intensive Care Coordination with Wraparound and Targeted Case Management**

##### **i. Requirement for Participation in Intensive Care Coordination with Wraparound or Targeted Case Management**

Each child or youth must have an ICCW care coordinator or targeted case manager who is responsible to assist the child, youth and family in identifying, planning and organizing the Child and Family Team, developing the IPOS, and coordinating services and supports. ICCW is the recommended model to support SEDW youth and families. However, if the preference of the child/youth/young adult and their family is to receive TCM, TCM can be utilized instead. The PIHP SEDW lead must inform the family about the ability to receive ICCW or TCM and obtain the family's consent to opt out of ICCW through department approved form.

Wraparound has been removed as a required service to retain eligibility.

Wraparound Facilitators have been removed as members of the planning team. ICCW coordinators or targeted case manager will be members of the planning team. All references to Wraparound and/or facilitator title will be updated to reflect ICCW and TCM services.

##### **ii. Requirements for Delivery of Intensive Care Coordination with Wraparound and Targeted Case Management**

The SEDW PIHP lead will continue to complete the application for SEDW in the Waiver Support Application (WSA).

For information on the requirements for delivery of ICCW, refer to the Intensive Care Coordination with Wraparound Services for Children and Adolescents section of the Behavioral Health and Intellectual and Developmental Disability Supports and Services chapter within the [MDHHS Medicaid Provider Manual](#).

The targeted case manager must determine, on an ongoing basis, if the services and supports have been delivered and if they are adequate to meet the needs and wants of the child or youth. Frequency and scope (face-to-face and telephone) of case management and supports coordination monitoring activities must reflect the intensity of the child or youth's health and welfare needs identified in the individual plan of services.

The targeted case manager will be responsible for the following tasks specific to youth on the SEDW, in addition to the duties already listed in the MDHHS Medicaid Provider Manual:

- The targeted case manager or supports coordinator will provide orientation to the SEDW.
- Assuring the plan of service identifies services and supports to be provided, who will provide them, and how the case manager will monitor (i.e., interval of face-to-face contacts) the services and supports identified under each goal and objective.
- Ensuring that youth receiving the SEDW must receive one SEDW service per month in addition to TCM or ICCW.
- Assisting the child or youth to access programs that provide financial, medical, and other assistance.
- Monitoring to ensure the Medicaid application is completed in a timely manner for all youth that are utilizing the SEDW as a pathway to Medicaid.
- Gathering information and submitting to the SEDW Lead for initial certification, recertification, or disenrollment of the SEDW.
- Providing updates/changes to the PIHP SEDW lead as appropriate including (but not limited to the following:
  - Address placement changes
  - Changes in court-wardship
  - Adoption
  - Any events that cause the youth to be placed out of the community (hospitalization, detention etc.)
- Ensure a smooth transition of services if the youth moves to a new county.

(Refer to the Targeted Case Management Support and Service Coordination sections of the Behavioral Health and Intellectual and Developmental Disability Supports and Services chapter within the MDHHS Medicaid Provider Manual for additional information.)

iii. Provider Qualifications:

Due to the intense needs and level of risk for children or youth and their families served in the SEDW, all SEDW ICCW care coordinators and targeted case managers and those who provide supervision to coordinators/case managers must attend additional training (16 hours) related to provision of support to children and youth and their families served in the waiver annually as required by MDHHS. This training is in addition to identified requirements for all SEDW ICCW care coordinators and those who provide supervision to coordinators.

**II. Enrollment and Disenrollment**

Eligibility for SEDW includes the requirement for the child or youth to reside in a home or community-based setting at the time of enrollment into the waiver. It is also the requirement that the family agree to receive intensive home and community-based waiver services.

MDHHS will no longer make an adverse determination on waiver enrollment based on the family's intent to pursue institutionalization or hospitalization. MDHHS will not deny enrollment or hold enrollment for the SEDW if the family is seeking residential services. If a youth who is enrolled in one of the waiver programs is admitted to a residential program or hospital for a full calendar month, the PIHP should switch the child or youth's waiver status to inactive using the WSA. For inactive SEDW children or youth who have not received waiver services in three months, the PIHP should proceed with disenrollment.