

# Are you a Self-Determination Participant on the HAB Waiver?

As of October 1, 2025, you have  
important new rights

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But it's up to **you** to take advantage of them

# ***Your New Rights:***

- Your CLS budget must now be determined in the Person-Centered Planning Process with your CMH, ***not*** by the Fiscal Intermediary
- Your CLS Budget must now be “Costed Out” from the IPOS on a Line-by-Line Basis
- You may list transportation and medically necessary CLS activities in the IPOS and have them “costed out” as part of the CLS rate in the budget
- You are entitled to a Fair Hearing if the CMH disagrees with you about the budget

See, MMP 25-31, p. 6 (fiscal); MMP 25-41, p. 2 (costing out and Fair Hearing).

# ***How to Take Advantage of These Rights:***

- Plan for the PCP Meeting
  - Write down what you want/need
  - Cost it out line-by-line
  - Write out medical necessity justification for each CLS activity
  - Send it to the CMH ***before the PCP Meeting***, together with a copy of Bulletin MMP 25-41
- At the PCP Meeting
  - Go through your list; keep notes on what's agreed and what's not
  - Consider recording the meeting; there are some good AI transcribers
  - Be prepared to talk about “medical necessity”: how does each item relate to your goals?
- After the PCP Meeting
  - Document, document, document

# **“Costing Out” the Budget:**

Staff wages and compensation

+

Costs for activities and tasks included in the IPOS  
as part of the scope of CLS services

+

Costs for transportation (*i.e.*, mileage) to and from  
community activities

= CLS Budget

# ***“Costing Out” the Budget:***

## **Activities and Tasks**

Include specific costs and other charges for CLS community activities (for both recipient and staff), such as:

- Gym fees
- Movie tickets
- Theme park admissions
- Meals at restaurants
- Fees for bowling
- Etc.

Include the expected frequency of each activity to estimate total cost.

# “*Costing Out*” the Budget:

## Activities Are a New Pressure Point: Be Ready

- Recent experience, at least in Washtenaw County, indicates that there can be **a lot** of pushback on activities
- Activities — at least as much as staff wages — feel like “new costs” to CMHs that previously rolled everything into a single, bundled CLS rate
- In other words, the CMH previously did not push back hard on activities, because whatever you did was likely to cost them the same amount of money

# ***“Costing Out” the Budget:*** **Things to Be Alert to as to Activities**

- “Medical necessity” is going to be the battleground
- This is mostly about drafting the IPOS and getting the language you need to support “medical necessity” for each activity.
- The activity’s cost will probably be readily ascertainable. The action now will mostly be around “Is this activity medically necessary at all?”

# *The “Medically Necessary” Discussion*

## *The Criteria in the Medicaid Provider Manual*

### **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.**

See, MPM § 2.5.A, Behavioral Health and Intellectual and Developmental Disability Supports and Services.

# *The Key Words and Phrases*

- “Ameliorate” or “Stabilize” the symptoms of I/DD
- “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.”
- As applied to community inclusion activities, these provisions work together. Each activity should be tied to goals of community inclusion, skills, and/or health/safety needs. The combined activities may also work together to promote inclusion, social, and interpersonal relationship skills and thus “ameliorate” or “stabilize” I/DD symptoms. CMHSPs are likely to take very restrictive views of how activities relate to goals, and what goals are permissible, and this is a place where preparation and knowing the recipient really well matter.

See, MPM § 2.5, Behavioral Health and Intellectual and Developmental Disability Supports and Services.

# An Example

- The “Community Inclusion Activities” Section of the IPOS Might Say:  
CLS Staff
  - will assist XYZ with planning activities that XYZ will enjoy, once every week.
  - will ensure XYZ follows clear directions and redirection given to keep him safe in the community.
  - will remind XYZ to look both ways when crossing the street
  - will accompany XYZ in at least 4 community activities per week of his choosing such as:
    - bowling
    - going to a movie at a sensory-friendly showing at [preferred movie theater]
    - working out at the gym
    - concerts
    - going to out to eat (such as [favorite restaurant 1] or [favorite restaurant 2]),
  - Bowling allows XYZ to practice interpersonal skills, danger recognition, safety skills, and coping with unpredictable environments and sounds. XYZ loves bowling, which reinforces the skills practiced. [repeat for each activity]
- The key here is that the activities are all medically necessary for community inclusion **and that the IPOS says so and says why.**

# “Costing Out” the Budget:

## Transportation

Costs for transportation (*i.e.*, mileage) to and from community activities:

- \$0.70 per mile is the standard reimbursement rate if your car or the CLS staffer’s car is being used
- BUT . . . You should expect pushback to use public transportation. WCCMH, in particular, is making a big point of this
- ***Be prepared***: If public transportation works for you, fine. But it may not. Be prepared to explain why, whether it’s a bus, or a mini-van, or whatever. **Come with anecdotes; experience counts!!**

# “Costing Out” Staff Wages

- Your focus should be on the answer to one, ultra-important question: ***What do I need to pay (including benefits) to hire and retain staff***
  - There are specific criteria to refer to (next slide), but it’s the practical question that really matters
- If you’ve been doing Self-D for a while, you probably have a good idea as to the answer to that question
  - Be prepared to talk about your experience
  - The criteria can help structure your thoughts
- If you’re new to Self-D, you’ll need to focus more on the actual criteria

See, MMP 25-31, p. 6; MMP 25-41, p. 2 (appropriate staff wage considerations).

# **“Costing Out” Staff Wages (2)**

## **Appropriate staff wage considerations**

- CLS staff wages charged by Self-D providers in the community for similarly situated CLS recipients
- Staff wages for your Self-D providers for other similar services
- Wages you previously paid to CLS Self-D staff
- Wages requested by CLS Self-D staff you want to hire
- Wages requested by possible CLS Self-D staff in response to job advertisements
- Your efforts to locate staff at any given wage

***You do NOT have to pay the same wage to every staffer.  
Whether you do is up to you and them***

## “Costing Out” Staff Wages (3)

- Be reasonable. If you’ve had low staff turnover for a long time, it may be difficult to ask for big raises and new benefits.
- On the other hand, if staff have been sticking with you and taking below-market wages out of loyalty, you might consider modest raises and adding a benefits package. Maintaining loyal, long-term relationships with trusted staff DOES count, particularly for folks with complicated care needs.
- Again, the key is to ***be prepared***. Be ready to discuss, in detail, why the wage/benefit package you propose is a prudent use of Medicaid funds

# ***“Costing Out” Staff Wages (4)***

## **Additional Pieces of the Wage Component**

**The budget must also include certain additional mandatory staffing costs:**

- Unemployment insurance (FUTA & SUTA)
- Social Security taxes
- Medicare taxes
- Workers’ compensation
- Sick time required by Michigan’s Earned Sick Time Act (“ESTA”)

**The budget can also include other staff benefits and costs:**

- Additional paid time off
- Health coverage
- Retirement contributions
- Training costs

# “Costing Out” Staff Wages (5)

## Putting It All Together

- Now that you have the components of staffing cost, you need to put them together into a budget line
  - Some costs are hourly (wages, most taxes, UI (subject to a cap))
  - Some costs are fixed (workers comp admin fee)
  - Some costs are per worker (workers comp)
  - Some are mixed (benefits, depending on how you structure them)
- ***Talk to your FI.***
  - The FI no longer “does” your budget, but they have lots of experience with how to build up a budget from cost elements
  - The FI is required to be a resource for you in this process. ***USE IT!!***

# **“Costing Out” Staff Wages (6)**

## **A Concrete Example**

### ***Payroll Expenses:***

<b><i>Employee</i></b>	<b><i>Hours per week</i></b>	<b><i>Wage</i></b>	<b><i>Per week</i></b>
[NAME]	40	\$30.00	\$1,200.00
[NAME]	35	\$25.00	\$875.00
[NAME]	35	\$25.00	\$875.00
[NAME]	25	\$27.50	\$687.50
[NAME]	20	\$25.00	\$500.00
<b><i>Total</i></b>			<b>\$4,137.50</b>
<b><i>Yearly Total (365 day year)</i></b>			<b>\$215,741.07</b>

# “Costing Out” Staff Wages (7)

## A Concrete Example

### Non-Payroll Expenses:

<i>Item</i>	<i>Formula</i>	<i>Period</i>	<i>Cost / Period</i>	<i>Extended Cost</i>
Workers' Compensation	Get information from FI	1	\$2,875.00	\$2,875.00
Payroll Taxes (12.5%)	$wage \times total\ hours \times 0.125$	1	\$26,967.63	\$26,967.63
ESTA (paid time off)	$wage \times total\ hours \times 1/30$	1	\$7,191.37	\$7,191.37
Overtime (5%)	$wage \times total\ hours \times 0.05$	1	\$10,787.05	\$10,787.05
Staff Training	$wage \times total\ hours +$ $conferences/seminars$	1	\$1,250.00	\$1,250.00

**Total Non-Payroll: \$49,071.05**

**Payroll: \$215,741.07**

**Total Staff Budget: \$264,812.12**

# “Costing Out” Staff Wages (8)

## Some Expenses Not Included

### ***Non-CLS Rate Expense:***

<b><i>Item</i></b>	<b><i>Formula</i></b>	<b><i>Period</i></b>	<b><i>Cost / Period</i></b>	<b><i>Extended Cost</i></b>
Supports Broker	12 hours a month @ \$93	12	\$1,116.00	\$13,392.00
<b><i>Total</i></b>				\$62,463.06

- Supports coordinators and supports brokers are **not** part of the CLS rate.
  - **T1017:** Targeted Case Management
- In general, the CMH pays supports brokers directly; they are part of the IPOS but not part of the CLS budget

# “Costing Out” Activities and Transportation

## A Concrete Example: Activities

### Activities

<b>Activity</b>	<b>Cost / period</b>	<b>Extended Cost</b>
Weekly music lessons	\$35.00 (week)	\$1,825.00
Gym membership	\$336.00 (one-time)	\$336.00
Misc. Community Inclusion Activity (Golf, Movies, Dining out)	\$200.00 (month)	\$2,400.00
<b>Total</b>		<b>\$4,561.00</b>

Every activity in the budget, including community inclusion activities which may be less structured and occur on the beneficiary’s schedule, must be tied to a specific IPOS goal (including community integration goals and health/safety needs) or skill. Document the medical necessity for each activity. For more detail regarding this process, see slide 10.

# “Costing Out” “Activities and Transportation

## A Concrete Example: Transportation

### *Transportation (\$0.70 per mile)*

<b>Activity</b>	<b>Estimated Mileage / week</b>	<b>Cost / week</b>	<b>Annual Cost</b>
Weekly music lessons	8 miles roundtrip	\$5.60	\$292.00
Gym membership	2 miles/trip, 2-3 trips a week	\$3.50	\$182.50
Misc. Community Inclusion Activity (Golf, Movies, Dining out)	Average 12 miles a week	\$8.40	\$438.00
<b>Total</b>			\$912.50

# ***Building the Budget***

## **A Concrete Example**

### ***Total CLS Budget***

<b><i>Line Items</i></b>	<b><i>Yearly Cost</i></b>
Payroll Expenses	\$215,741.07
Non-Payroll Expenses	\$49,071.05
Activities	\$4,561.00
Mileage	\$912.50
<b><i>Total</i></b>	<b>\$270,285.62</b>

At 155 CLS Hours a Week (see employee chart), this comes to a “CLS Rate” of \$33.44 an hour, or \$8.36 a unit

# ***Planning and Execution***

- **Request** a Person-Centered Planning meeting to adjust your plan and budget
- **Plan** for the PCP Meeting

# ***Plan for the PCP Meeting***

- Gather any documentation relevant to the determination of :
  - Staff wages
  - Activity costs
  - Transportation
- Use these documents to calculate the budget prior to the PCP meeting
  - Cost it out line-by-line
  - Send it to the CMH supports coordinator ***before the PCP Meeting***, together with a copy of Bulletin MMP 25-41
- ***Plan for the discussion of “medically necessary”***

# ***At the PCP Meeting***

- Bring your budget and any documents relied upon
- Document as much as you can
  - Record the meeting and, if feasible, use transcription software
  - Take notes on what's agreed and what's denied
- “**Medical necessity criteria,**” as set forth in the Behavioral Health chapter of the MI Medicaid Provider Manual, should guide what activities and tasks are included in the IPOS
- The CMH is required to engage in a discussion of the budget and its various components, and ***the budget must be set as part of the PCP process, not by utilization management after the fact***

See, MPM § 2.5, Behavioral Health and Intellectual and Developmental Disability Supports and Services; MMP 25-31, p. 7 (discussion of all components of services).

# ***After the PCP Meeting***

## **If the CMH denies specific hours or budget requests:**

- The CMH is required to write denials into the IPOS as “Requests not Approved”
- The determination must be made on an individual basis and based on **medical necessity**, not cost
- Prior to a reduction of the SD budget, the CMHSP/PIHP must provide you with a **written** and **specific justification**
  - The written notice must include **why** the CMH determined the beneficiary does not need the same amount, scope, and duration of services.

See, MMP 25-31, p. 3 (requests not approved and notice requirements); MMP 25-41, p. 2 (medical necessity).

# ***After the PCP Meeting***

## **If the PCP process does not result in an agreed upon budget:**

- Next Steps:
  - Local Appeal
  - State Fair Hearing
- If you do not agree to a budget and choose to appeal, the PIHP/CMHSP must set the budget equal to the immediately preceding budget pending the appeal

# After the PCP Meeting

## When you receive your budget, confirm that:

- you received both your IPOS and budget. They are supposed to be done “in conjunction with one another”;

**Don't let the CMH get away with separating them. Scream loudly.**

- your IPOS includes a “Requests Not Approved” section that accurately reflects the requests you made;
- you received the requisite ABDs; and
- you received the “Medical Necessity Justification Form” (from WCCMH protocol) for your wage and activity requests.

If you did not receive any of the above, do not sign the budget or IPOS. Email your SC and request what you are missing.

# ***Examples of process issues***

- The CMH made budget decisions outside the person-centered planning process.
- The CMH applied impermissible wage ranges.
- The CMH applied impermissible medical necessity criteria.
- The CMH did not include a “requests not approved” section in the IPOS.
- The CMH did not issue an ABD explaining why it denied certain requests.
- The CMH did not give you both the budget and IPOS.

# ***A note about “Goods and Services”***

## **Goods and Services are not a replacement for costing out CLS**

- **CLS activity and transportation cost should be included in your requested CLS rate, not requested as “Goods and Services”**
- Goods and Services should “facilitate creative use of funds to accomplish [IPOS goals] through better value [or] outcome”
- Currently, the Medicaid Provider Manual says:
  - “Goods and Services must increase independence, facilitate productivity, or promote community inclusion **and substitute for human assistance** ([like CLS, OHSS or Adult Home Help]) to the extent that individual budget expenditures **would otherwise be made** for the human assistance.”
- The “substitute for human assistance” language was **removed** from proposed future policy language, but official policy has not changed yet

# ***New Self-Determination Rights:***

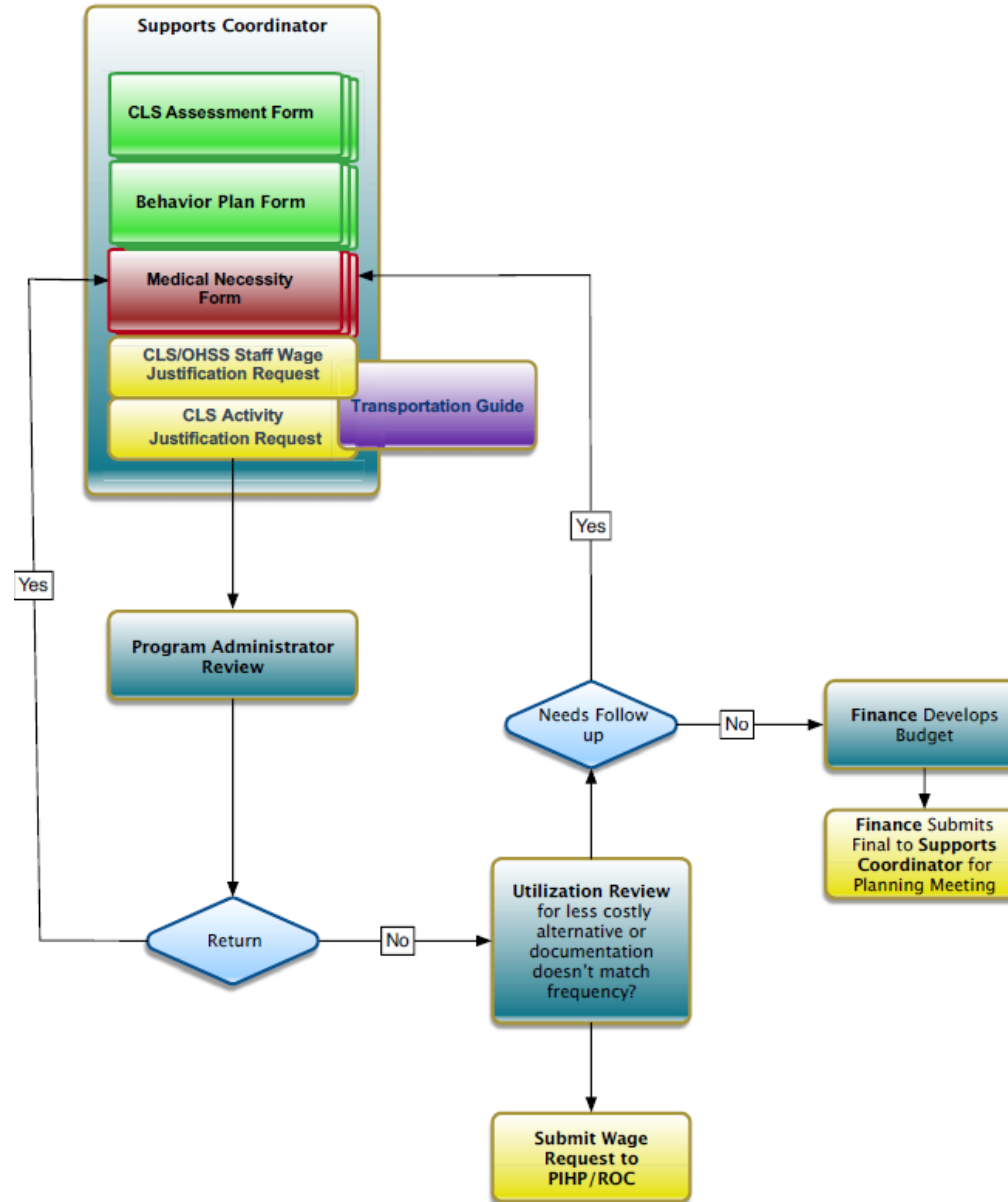
- You must be given the option to self-direct your services, unless you were previously terminated from self-determination
- Termination:
  - Before the CMHSP/PIHP can end your Self-Directed services, it must inform you of the issues leading to the termination **in writing**
  - It must provide opportunities for meaningful **problem solving**
  - Ending Self-Directed services should only be done if all potential solutions have been exhausted
  - Terminations can be **appealed** through the Medicaid Fair Hearing process, and the CMH is required to provide **advance** notice of the termination with the right to timely request a hearing and continue the self-determination arrangement pending a hearing decision
  - If the administrative law judge determines that the termination was without cause, s/he must order continuation of the self-determination arrangement

# ***New ALJ Authority:***

- Beneficiaries may challenge the CLS and OHSS portions of the budget and/or number of authorized units. The ALJ has the authority to **reverse** determination as to budget and number of hours authorized and to **direct** entry of a specific budget level or number of authorized units of SD CLS or SD OHSS
  - This includes challenging the ratio of CLS to OHSS if it does not reflect the beneficiary's real-life sleep schedule and overnight needs

# WCCMH's Protocol

# WCCMH's "Self-Determination CLS Process Flow"



# WCCMH's "Person-Centered Planning Procedure" (1)

## For Existing Participants:

<i>WHO</i>	<i>DOES WHAT</i>
Supports Coordinator (SC)	<ul style="list-style-type: none"><li>▪ Completes BPS</li><li>▪ Conducts pre-planning process</li><li>▪ Assesses medically necessary CLS/OHSS hours, supportive services</li><li>▪ Completes CLS Assessment Tool, and CLS Request/Review Form (if necessary) following current process</li><li>▪ <b>Completes Medical Necessity Justification Form</b></li><li>▪ Sends CLS Assessment Tool, CLS Request/Review Form, and Medical Necessity Justification Form (known as "determination packet") to Supervisor/PA within 5 business days of the pre-planning meeting</li></ul>
Supervisor/PA	<ul style="list-style-type: none"><li>▪ Reviews determination packet</li><li>▪ If necessary, sends back to SC for clarification</li><li>▪ Sends reviewed determination packet to UR within 5 business days of initial receipt of packet</li></ul>

# WCCMH's "Person-Centered Planning Procedure" (2)

UR	<ul style="list-style-type: none"><li>▪ Reviews the service request for medical necessity</li><li>▪ If necessary, sends back to Supervisor/PA for less costly alternatives</li><li>▪ Authorizes CLS/OHSS, following current process</li><li>▪ Sends completed determination packet to Self Determination Coordinator within 5 business days</li></ul>
Self Determination Coordinator (SDC)	<ul style="list-style-type: none"><li>▪ Reviews Medical Necessity Justification Form</li><li>▪ Creates draft Budget Template</li><li>▪ Sends determination packet and completed draft Budget Template to SC within 3 business days after receiving completed determination packet from UR</li></ul>

# WCCMH's "Person-Centered Planning Procedure" (3)

<p>SC</p> <p>If service amount, scope, duration, and budget <b>are</b> agreed to:</p> <p>If service amount, scope, duration, and budget <b>are not</b> agreed to:</p>	<ul style="list-style-type: none"><li>▪ Conducts Person-Centered Planning meeting</li><li>▪ Reviews service requests with consumer</li><li>▪ Shares draft Budget Template with consumer</li> <li>▪ Sends agreed upon budget to SDC</li><li>▪ If applicable, documents "Requests Not Approved" and finalizes IPOS</li><li>▪ Attaches agreed upon budget to IPOS</li><li>▪ Documents "Requests Not Approved" in IPOS</li><li>▪ Notifies Supervisor to provide appropriate notice, following current appeal/Fair Hearing process</li><li>▪ Sets budget equal to the immediately preceding WCCMH approved budget</li></ul>
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# WCCMH's "Person-Centered Planning Procedure" (4)

Supervisor (if <u>no</u> agreement with budget)	<ul style="list-style-type: none"> <li>▪ Provides appropriate notice, following current appeal/Fair Hearing process</li> </ul>
SDC (if agreement with budget)	<ul style="list-style-type: none"> <li>▪ Attaches agreed upon budget to SD Agreement</li> <li>▪ Sends agreed upon budget to Financial Management Services (FMS)</li> </ul>
Fiscal Management Services (FMS)	<ul style="list-style-type: none"> <li>▪ Ensures the agreed upon budget is implemented as planned</li> <li>▪ Maintains supporting documentation</li> <li>▪ Processes and pays invoices for goods and services approved in IPOS</li> <li>▪ Provides Employer of Record and WCCMH a monthly report of expenditures</li> <li>▪ Flags expenditures that are over or under the expected amount by ten percent or more</li> </ul>
SC	<ul style="list-style-type: none"> <li>▪ Reviews monthly expenditure report from FMS</li> <li>▪ Addresses any concerns with individual/EOR, documents discussions</li> <li>▪ Ensures monthly expenditure report is scanned into EMR</li> </ul>

## ***Key Points about WCCMH's Process:***

- WCCMH's process violates MDHHS Person-Centered Planning policies.
  - Supports Coordinators merely ask a pre-set list of questions ("Medical Necessity Justification Form") and then take the information back to the actual decisionmakers.
  - The PCP Process is about discussion and give-and-take.

Object loudly every time the SC says, "I'll take that back".  
Say, "No, I want to discuss it NOW. What is CMH's position on that?"
  - The budget is presented to recipients on a take-it-or-leave-it basis.
  - Utilization management's signoff authority on "medically necessity" is exterior to the PCP process.

# WCCMH's "Medical Necessity Justification Form"

	New Hires	Seasoned Staff		
Washtenaw wage range for similarly situated individuals	\$17.13 – \$19.13	\$17.50 – \$25.00		
<p>Does the wage request exceed the established comparative wage range for similarly situated individuals?</p> <div style="display: flex; justify-content: space-between;"> <div style="border: 1px solid #f08080; padding: 5px; width: 45%;"> <p><input type="checkbox"/> <b>IF NO</b> Continue below to "CLS Activity Justification Request"</p> </div> <div style="border: 1px solid #90ee90; padding: 5px; width: 45%;"> <p><input type="checkbox"/> <b>IF YES</b> Continue to Step 1 of "CLS/OHSS Staff Wage Justification Request"</p> </div> </div>				
Staff	Anticipated Hours / Week	Full Time or Part Time (< 20 hrs = PT)	Requested Wage	Anticipated OT Hours / Week
Staff 1	Enter text...	Enter text...	Enter text...	Enter text...
Staff 2	Enter text...	Enter text...	Enter text...	Enter text...
Staff 3	Enter text...	Enter text...	Enter text...	Enter text...
Staff 4	Enter text...	Enter text...	Enter text...	Enter text...
<p><b>Additional staff cost not noted above (additional evidence must be documented below)</b> Type justification/rationale here...</p>				

# ***Key Points about WCCMH's Wage Justification Process:***

- WCCMH's wage request form impermissibly:
  - establishes wage ranges based on agency provider rates; and
  - places the burden on recipients to justify requests exceeding the ranges.

# WCCMH's "Medical Necessity Justification Form"

## CLS ACTIVITY JUSTIFICATION REQUEST

IPOS Objective	Enter text...		
Activity	Enter text...		
Frequency	Cost per Occurrence	Annualized Cost	Per Occurrence Activity Transportation Cost
Enter text...	\$ Enter text...	\$ Enter text...	\$ Enter text...

### Step 1 — Is the Activity Clearly Linked to a Specific IPOS Goal?

#### EVALUATE ALL CRITERIA BELOW:

- Does the objective tie to the goal?
- Is the objective outcome-based/measurable?
- Is the activity skill based?
- Does the activity directly help achieve the objective?

'General community participation' with no defined functional impairment is not sufficient. The activity must map directly to a named IPOS objective.

#### WHAT TO LOOK FOR:

- Measurable skill-based objective must appear explicitly in the IPOS
- Activity must map directly to a named objective
- Vague or aspirational goals are insufficient
- "Increased community engagement" alone does not establish medical necessity

**Note:** These statements are false. See the MPM's definition of "medical necessity."

# ***Key Points about WCCMH's Activity Justification Process:***

- WCCMH's activity justification request form impermissibly:
  - states that “increased community engagement” alone does not establish medical necessity;
  - requires “measurable skill-based objectives”;
  - requires that the activity address an “identified functional impairment”; and
  - requires staff to provide “habilitative intervention” and ignores instances where staff are medically necessary for health and safety.

# ***References:***

- Michigan Medicaid Policy (MMP) 25-31
- Michigan Medicaid Policy (MMP) 25-41
- Medicaid Provider Manual (MPM)