

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

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

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 medically necessary CLS transportation and activities in the IPOS and have them “costed out” as part of 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
 - 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
 - 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.

“Costing Out” the Budget:

Transportation

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

- \$0.70 per mile reimbursement rate

“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)

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 (4)

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 (5)

A Concrete Example

Payroll Expenses:

<i>Employee</i>	<i>Hours per week</i>	<i>Wage</i>	<i>Per week</i>
[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
Total			\$4,137.50
Yearly Total (365 day year)			\$215,741.07

“Costing Out” Staff Wages (6)

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
<i>Total</i>				\$49,071.05

Supports Brokers

Non-CLS Rate Expense:

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

- Supports coordinators and supports brokers may be a part of your budget, but they are not part of the CLS rate.
 - **T1017:** Targeted Case Management

“Costing Out” Activities and Transportation

A Concrete Example: Activities

Activities

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

“Costing Out” “Activities and Transportation

A Concrete Example: Transportation

Transportation (\$0.70 per mile)

<i>Activity</i>	<i>Estimated Mileage / week</i>	<i>Cost / week</i>	<i>Annual Cost</i>
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 Outings (Golf, Movies, Dining out)	Average 12 miles a week	\$8.40	\$438.00
<i>Total</i>			\$912.50

Building the Budget

A Concrete Example

Total CLS Budget

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

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
 - 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).

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, 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 activities, these provisions work together. It's not necessarily any specific activity that matters so much (although some might be very important). It's how they all work together to promote inclusion and thus "ameliorate" or "stabilize" I/DD symptoms

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

An Example

- The “Community 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 but not limited to, going to the movies, working out at the gym, concerts, going to out to eat (such as [favorite restaurant 1] or [favorite restaurant 2]), bowling, etc.
- The key here is that the activities listed are **examples** of what XYZ likes. Using examples prevents being “locked in” to only a few activities

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

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

See, MMP 25-31, p. 7 (option to self-direct); MMP 25-31, p. 3 (termination rights).

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

References:

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