

May 12, 2023

Dear Provider:

The purpose of this letter is to provide clarification on Medicaid policy related to the reimbursement of services for children with Intellectual/Developmental Disabilities (IDD) (including children with Autism Spectrum Disorder) who are residing in a Child Caring Institution (CCI). The Michigan Department of Health and Human Services (MDHHS) is clarifying the use of Medicaid reimbursement for these services to (1) ensure access to appropriate treatment and habilitative services and (2) support transitions of children with IDD to less restrictive settings.

A CCI is defined in Public Act 116 of 1973, as amended: "...a childcare facility which is organized for the purpose of receiving minor children for care, maintenance, and supervision, usually on a 24-hour basis, in buildings maintained by the institution for that purpose, and operates throughout the year." The MDHHS Division of Child Welfare Licensing (DCWL) is the licensing agency for CCIs.

Medicaid-funded behavioral health services may be provided to support children with IDD in a CCI that exclusively serves children with IDD when authorized by the respective Prepaid Inpatient Health Plan (PIHP) and Community Mental Health Service Program (CMHSP). Authorization by the PIHP/CMHSP includes special considerations, services, and/or funding arrangements. Enrollment of the CCI provider is the responsibility of the PIHP/CMHSP to ensure providers rendering services adhere to all state and federal regulations including Chapter 7 of Public Act 258 of 1974 and applicable rules and are appropriately credentialed to perform IDD services.

MDHHS is providing the following additional guidance on the use of Medicaid funding for service delivery to children with IDD in a CCI:

- The purpose of the child or youth's admission to a CCI must be for treatment purposes and not placement. The setting must also exclusively serve children with IDD.
- PIHPs may reimburse treatment or rehabilitative services that are specifically authorized for the child or youth if the services are accessed through the Medicaid

L 23-34

State Plan. Examples of services for children with IDD that are accessible through the Medicaid State Plan include (but are not limited to) the following services:

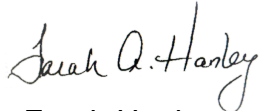
- Assessments
 - Behavioral Health Treatment Services/Applied Behavioral Analysis
 - Child Therapy
 - Community Living Supports
 - Family Therapy
 - Group Therapy
 - Individual Therapy
 - Medication Administration
 - Medication Review
 - Occupational Therapy
 - Physical Therapy
 - Psychological Testing
 - Speech Therapy
- PIHPs cannot use Medicaid funding to reimburse the provision of room and board but may use other funding sources as permissible under state and federal law.
 - The provider must collect any payments available from other health insurers including Medicare and private health insurance for services provided to its members in accordance with Section 1902(a)(25) of the Social Security Act and 42 CFR 433 Subpart D and the Michigan Mental Health Code and Public Health Code as applicable.
 - The use of restraint and seclusion in a CCI must comply with applicable state and federal laws and regulations. Applicable requirements include (but are not limited to) the following sections of state law and rules:
 - All CCIs
 - Public Act 116 of 1973 as amended, specifically sections 722.112b, 722.112c, 722.112d, and 722.112e
 - Division of Child Welfare Licensing Rules for CCIs, specifically R 400.4158, R 400.4159, R 400.4160, R 400.4161, R 400.4162, and R 400.4163
 - CCIs that are also Children’s Therapeutic Group Homes (6 or less beds). The following requirements apply in addition to the requirements outlined above.
 - Public Act 116 of 1973 as amended, specifically section 722.111(1)(h)(ii)
 - Admission to a CCI may impact a child or youth’s enrollment in the Habilitation Supports Waiver, Children’s Waiver Program, or Waiver Program for Children with Serious Emotional Disturbances, or 1915(i). Depending on the duration of a child or youth’s stay, the PIHP and its contractors may need to request, via the Waiver Support Application, that the child or youth’s status be switched to “Inactivity”. PIHPs must use Medicaid funding for services that are specifically authorized through any of the waiver programs or the 1915(i) when the child or youth is residing in a CCI.

- All providers who serve Michigan Medicaid beneficiaries are required to be screened and enrolled in the Community Health Automated Medicaid Processing System (CHAMPS). Information on the provider enrollment process can be accessed through the following link:

www.michigan.gov/mdhhs >> Doing Business with MDHHS >> Health Care Providers >> Providers >> Medicaid >> Provider Enrollment.

An electronic version of this document is available at www.michigan.gov/medicaidproviders >> Policy, Letters & Forms.

Sincerely,

A handwritten signature in cursive script that reads "Farah A. Hanley".

Farah Hanley
Senior Chief Deputy Director for Health