

BULLETIN

Michigan Medicaid Policy (MMP) | Health Services

Bulletin Number: MMP 25-37

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

Issued: August 29, 2025

Subject: Waiver for Children with Serious Emotional Disturbance Policy Updates

Effective: As Indicated

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

The Michigan Department of Health and Human Services (MDHHS) is implementing the Decision Support Model criteria from the Michigan Child and Adolescent Needs and Strengths (MichiCANS) Comprehensive Decision Support Model tool to measure functional limitations for the purposes of determining eligibility for SEDW.

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

SEDW: Age 0-5

A child is 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">• Impulsivity/ Hyperactivity (36+ months)• Depression• Anxiety	<ul style="list-style-type: none">• Oppositional Behavior (36+ Months)• Attachment Difficulties	<ul style="list-style-type: none">• Regulatory• Atypical Behaviors• Adjustment to Trauma

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"> Aggression Substance Exposure In Utero 	<ul style="list-style-type: none"> Self-Harm (12+ months) Flight Risk/Bolting 	<ul style="list-style-type: none"> Fire Setting (36+ months)
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"> Family Functioning Social & Emotional Functioning 	<ul style="list-style-type: none"> Sleep (12+ Months) Involvement with Care 	<ul style="list-style-type: none"> Caregiver Capacity

*For the 'Caregiver Capacity' item group, choose the highest rating of the grouped items and count that rating once for the group. For example, if all of the 'Caregiver Capacity' items (Medical/Physical, Developmental, and Substance Use) are rated '2', one rating of '2' is counted for the item criteria to meet Criterion C.

The following MichiCANS Comprehensive Decision Support Model criteria is 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"> Psychosis Impulsivity/Hyperactivity Depression Anxiety 	<ul style="list-style-type: none"> Oppositional Behavior Conduct (Antisocial Behavior) Attachment Difficulties Anger Control 	<ul style="list-style-type: none"> Eating Disturbance Adjustment to Trauma Substance Use

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"> Suicide Risk 	<ul style="list-style-type: none"> Victimization/Exploitation Intentional Misbehavior 	<ul style="list-style-type: none"> Runaway Delinquent Behavior

<ul style="list-style-type: none"> • Non-Suicidal Self-Injurious Behavior • Other Self Harm (Recklessness) 	<ul style="list-style-type: none"> • Danger to Others 	<ul style="list-style-type: none"> • Fire Setting
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"> • Family Functioning • Living Situation • Social Functioning • Recreational 	<ul style="list-style-type: none"> • Legal (11+) • Sexual Development • Sleep • Decision Making 	<ul style="list-style-type: none"> • Medical/Physical • School Behavior • Caregiver Capacity • Involvement with Care

*For the 'Caregiver Capacity' item group, choose the highest rating of the grouped items and count that rating once for the group. For example, if all of the 'Caregiver Capacity' items (Medical/Physical, Developmental, and Substance Use) are rated '2', one rating of '2' is counted for the item criteria to meet Criterion C.

MDHHS currently uses 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 through state spending and CMS notification of 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 uses the scores in the Concern Range across DECA Clinical Version scales to determine eligibility through state spending and CMS notification of close-out of American Rescue Plan Act Section 9817 funding:

- 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

MDHHS is updating Children's Therapeutic Foster Care requirements based upon the approved waiver renewal. Children's Therapeutic Foster Care is renamed 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 child's/youth's parent, legal guardian, or identified caregiver. Active participation of the child's/youth's parent, legal guardian, 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 which is typically 6 to 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 manages certification and enrollment of CTFC providers. All CTFC programs must 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 (1) homemakers or chore services, (2) community living services provided by the Therapeutic Families, or (3) 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 legal guardian or identified 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 child's/youth's parent or, legal guardian, or identified caregiver according to Family-Driven, Youth-Guided planning process.

B. Community Living Supports

MDHHS is updating Community Living Supports (CLS) requirements based upon the approved waiver renewal. CLS are used to increase or maintain personal self-sufficiency, facilitating a child's or youth's achievement of their 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), the Rehabilitation Act of 1973, or State Plan services (e.g. 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/youth and parent/legal guardian must request Home Help and, if necessary, Expanded Home Help from MDHHS. CLS may be used for those activities while the child/youth awaits determination by MDHHS of the amount, scope and duration of Home Help or Expanded Home Help. If the child/youth and parent/legal guardian requests it, the PIHP (i.e., case manager, Intensive Care Coordination with Wraparound [ICCW] care coordinator, or supports coordinator) entity must assist in requesting Home Help or in filling out and sending a request for Fair Hearing when the child/youth and parent/legal guardian believes that the MDHHS authorization of amount, scope and duration of Home Help does not appear to reflect the child's/youth's needs based on the findings of the MDHHS assessment.

CLS services and coverage include 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/youth as they are waiting for medical care or hospitalization.
- Socialization and relationship building.
- Transportation from the child's/youth's residence to community activities, among community activities, and from the community activities back to the child's/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.
- Reminding, observing and/or monitoring of medication administration. For children/youth who are unable to self-administer medications, CLS may support the child/youth with administration. CLS is not intended to replace or supplant what would be the responsibility of a parent/legal guardian of a minor to provide.
- Observing and/or monitoring with preserving the health and safety of the individual in order that they may reside or be supported in the most integrated, independent community setting.

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, parents of minor children, or guardian) of the child/youth receiving CLS. 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 child's/youth'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/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/youth younger than 18, and the family in the care of their child, while facilitating the child's/youth'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/youth. 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

MDHHS is removing Family Support and Training from the SEDW service array, and MDHHS is adding Parent Support Partner (PSP) services to the State Plan. The implementation of PSP services as a State Plan service is addressed via MMP 25-38.

D. Financial Intermediary Services

Fiscal Intermediary Services is renamed Financial Management Services.

E. Family Home Care Training

Family Home Care Training is renamed Home Care Training – Family.

F. Overnight Health and Safety Supports (OHSS) Services

MDHHS is updating the eligibility criteria for 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.
- OHSS will allow an individual to remain at home safely after other available preventive interventions (e.g. appropriate assistive technology, environmental modifications and specialty supplies and equipment (i.e., Lifeline, Personal Emergency Response System [PERS], electronic devices, etc.)) have been undertaken to ensure the least intrusive and cost-effective intervention is implemented.

The following exceptions apply for OHSS:

- Payments for OHSS may not be made, directly or indirectly, to responsible relatives (i.e., spouses, parents of minor children or the legal guardian).
- OHSS cannot be provided in a licensed residential setting.
- If the child/youth receiving OHSS demonstrates the need for CLS or Respite, the individual plan of service (IPOS) must document coordination of services to assure no duplication of services provision with OHSS.
- It does not include friendly visiting or other social activities.
- It is not available for medical needs beyond provider qualification requirements (aide level staff) for the service.
- It is not available in anticipation of a medical emergency.
- It is not available for a child/youth without a physical, cognitive, or memory impairment who has anxiety about being alone at night.
- It is not an alternative to inpatient psychiatric treatment.

G. Respite Care

Respite care services are provided to children/youth on a short-term basis due to the need for relief of those persons normally providing care. The purpose of respite care is to relieve the child's/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 IPOS. Paid respite care may not be provided by a parent or legal guardian of an SEDW child/youth.

Respite care can be provided in the following locations:

- The child's/youth's home or place of residence or in a local community setting
- 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 (FFP) 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 is 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 (ICCW) and Targeted Case Management (TCM)

i. Requirement for Participation in ICCW or TCM

Each child/youth must have an ICCW care coordinator or targeted case manager who is responsible to assist the child/youth and their 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 children/youth and their families. However, if the preference of the child/youth and their family is to receive TCM, TCM can be utilized instead. The PIHP SEDW lead must inform the child/ youth and their family about the ability to receive ICCW or TCM and obtain the parent or legal guardian's consent to opt out of ICCW.

Wraparound has been removed as a required service to retain eligibility for the SEDW. To maintain eligibility, the child/youth must receive at least one SEDW service per month in addition to TCM or ICCW

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 ICCW and TCM

The SEDW PIHP lead will 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 (ICCW) 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/youth. Frequency and scope (face-to-face and telephone) of case management and supports coordination monitoring activities must reflect the intensity of the child's/youth's health and welfare needs identified in the IPOS. TCM is covered by Medicaid for up to 180 days while in placement for the purpose of transition back to the community.

The TCM manager is responsible for the following tasks specific to children/youth on the SEDW, in addition to the duties listed in the MDHHS Medicaid Provider Manual:

- The targeted case manager or supports coordinator will provide orientation to the SEDW.
- Assuring the IPOS 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 the child/youth enrolled in the SEDW receives at least one SEDW service per month in addition to TCM or ICCW in order to retain waiver eligibility.
- Assisting the child/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 children/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 child/youth to be placed out of the community (i.e., hospitalization, detention, etc.) for a full calendar month
- Ensuring a smooth transition of services if the child/youth moves to a new county.
- Notification of SEDW approval, along with ongoing communication and collaboration with involved child welfare staff about the child/youth and their family's progress, needs, services, and supports.

(Refer to the Targeted Case Management/Support and Service Coordination section 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/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 16 hours of training related to provision of support to children/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/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 agrees to receive intensive home and community-based waiver services.

MDHHS is no longer making 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 child/youth enrolled in the waiver program is admitted to a residential program or hospital for a full calendar month, the PIHP should switch the child's/ youth's waiver status to inactive using the WSA. For an inactive SEDW child/youth who have not received waiver services in three months, the PIHP should proceed with disenrollment.

Manual Maintenance

Retain this bulletin until the information is incorporated into the MDHHS Medicaid Provider Manual.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Health and Human Services, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mailed to ProviderSupport@michigan.gov. When you submit an e-mail, be sure to include your name, affiliation, NPI number, and phone number so you may be contacted if necessary. Typical Providers may phone toll-free 800-292-2550. Atypical Providers may phone toll-free 800-979-4662.

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

Approved

A handwritten signature in black ink that reads "Meghan E. Groen". The signature is fluid and cursive, with the first name "Meghan" and last name "Groen" clearly legible.

Meghan E. Groen, Chief Deputy Director
Health Services