

April 1, 2025

<Provider Name>  
<Provider Address 1>  
<Provider Address 2>  
<City> <State> zipcode5-zipcode4

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. This L Letter supersedes the previously issued letter [L 23-34](#). The previous L Letter can be accessed as follows:

[www.michigan.gov/mdhhs](http://www.michigan.gov/mdhhs) >> Assistance Programs >> Medicaid >> Go to Medicaid >> Providers >> Policy, Letters, and Forms >> Numbered Letters >> 2023 >> [L 23-34](#).

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

- Prepaid Inpatient Health Plans (PIHP) may reimburse treatment or rehabilitative services that are specifically authorized for the child or youth if the services are accessed through the Medicaid State Plan. Examples of services for children with IDD that are accessible through the Medicaid State Plan include the following services.
  - Assessments
  - Behavioral Health Treatment Services/Applied Behavioral Analysis
  - Child Therapy
  - Family Therapy
  - Group Therapy
  - Individual Therapy
  - Medication Administration
  - Medication Review
  - Occupational Therapy
  - Physical Therapy
  - Psychological Testing
  - Speech Therapy

This does not include services available exclusively through the 1915(i) or waiver services, which includes but is not limited to Community Living Supports.

- 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 cannot use Medicaid funding for services that are specifically authorized through any of the waiver services or the 1915(i) when the child or youth is residing in a CCI. This includes, but is not limited to, services such as Community Living Supports.

An electronic version of this document is available at [www.michigan.gov/medicaidproviders](http://www.michigan.gov/medicaidproviders) >> Policy, Letters & Forms.

Sincerely,

A handwritten signature in dark ink, reading "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