

September 19, 2025

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

Dear Provider:

RE: Clarification on the Adoption of Level of Care Determinations

The purpose of this letter is to clarify policy on the adoption of Level of Care Determinations (LOCD) that were conducted by another long-term care entity. The clarification applies to all provider types that use the LOCD to determine functional eligibility (Nursing Facilities [NFs], MI Health Link, MI Choice, and Program of All-Inclusive Care for the Elderly [PACE]).

The [Michigan Department of Health and Human Services \(MDHHS\) Medicaid Provider Manual](#) states, in the Nursing Facility Level of Care Determination chapter, Adoption of an Existing LOCD by Another Provider subsection, that current LOCDs may be adopted by another provider as the determination is associated with the beneficiary rather than the provider. The manual states that a provider “may adopt [a] LOCD to confirm functional eligibility”. This letter clarifies that only eligible LOCD records may be adopted. Eligible LOCD records include Doors 1 through 8. Face-to-face, secondary review, verification review, or passive redetermination LOCD records may be adopted. Providers must ensure that the LOCD is an accurate representation of the beneficiary’s functional status. When adopting a LOCD record, the provider is adopting the end date of the record.

To adopt a LOCD, the Community Health Automated Medicaid Processing System (CHAMPS)-generated Freedom of Choice form must be printed out and completed, including dates and signatures from qualified licensed health professionals, attesting to the functional status, and from the beneficiary or legal representative. This form should remain in the beneficiary’s file.

Ineligible LOCD records (Door 0) cannot be adopted. If a beneficiary has a Door 0 LOCD, a provider must conduct a new in-person LOCD and follow applicable policies regarding the completion of the Freedom of Choice form and issuing adverse action notices. **Doors 67 (PACE deeming), 77 (Transfer Trauma), and 87 (pending in-person reassessment) cannot be adopted** and a new LOCD must be conducted. If a provider is considering the admission of someone with a Door 77, reach out to ProviderSupport@michigan.gov prior to the actual transfer.

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If a beneficiary is currently LOCD eligible and receiving services from a provider (NFs, MI Health Link, MI Choice, PACE) and another provider enters a Door 0 LOCD for the beneficiary, it is imperative that the providers communicate regarding the determination as soon as possible.

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

Sincerely,

A handwritten signature in black ink that reads "Meghan E. Groen". The signature is written in a cursive, flowing style.

Meghan E. Groen, Chief Deputy Director
Health Services