MSHN
Mid-State Health Network

POLICIES AND PROCEDURE MANUAL

Chapter:	**Service Delivery System**		
Title:	**Children With Serious Emotional Disturbances Home and Community-Based Services Waiver (SEDW) Policy**		
Policy: ☒ **Procedure:** ☐ **Page: 1 of 4**	**Review Cycle:** Biennial **Author:** Chief Behavioral Health Officer	**Adopted Date:** 11.10.2020 **Review Date:** 11.10.2026	**Related Procedures:** Children with Serious Emotional Disturbances Home and Community-Based Services Waiver (SEDW) Disenrollment and Transfer Procedure

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Purpose

This policy sets forth the guidelines and expectations for Mid-State Health Network's (MSHN) administration of the Children with Serious Emotional Disturbances Home and Community-Based Waiver (SEDW) program which provides services that are enhancements or additions to Medicaid State Plan coverage for beneficiaries up to age 21 with serious emotional disturbance (SED) who are enrolled in the SEDW. Michigan Department of Health and Human Services (MDHHS) operates the SEDW through contracts with the Prepaid Inpatient Health Plans (PIHPs). The SEDW is a managed care program administered by the PIHPs in partnership with CMHSPs and other community agencies.

Policy

MSHN shall administer the SEDW program in accordance with the Prepaid Inpatient Health Plan (PIHP) contract and the Michigan Medicaid Provider Manual (MMPM).

I. Key Provisions

The SEDW program enables Medicaid to fund necessary home and community-based services for children up to age 21 (one day prior to 21st birthday) with SED who meet the criteria for admission to a state inpatient psychiatric hospital and/or who are at risk of hospitalization without waiver services. The PIHP is responsible for assessment of potential waiver candidates.

Application for the SEDW is made through the PIHP. The PIHP is responsible for the coordination of the SEDW services. All services and supports must be included in an Individual Plan of Service (IPOS).

A SEDW beneficiary must receive at least one SED waiver service, in addition to Intensive Care Coordination with Wraparound (ICCW) or Targeted Case Management, per month to retain eligibility.

The SEDW has two certification categories:

A. Not Open to Foster Care: the youth resides with their legal parent(s)/guardian(s) (with or without Medicaid); this category includes private and/or internation adoptions.
B. Open to Foster Care: the youth has an open foster care case through MDHHS OR the youth was adopted out of the Michigan Child Welfare System.

II. Eligibility

SEDW beneficiaries must be enrolled through the Michigan Department of Health and Human Services (MDHHS) enrollment process by the PIHP designee. The enrollment process must include verification that the beneficiary meets the following (ALL must apply):

A. Reside with the birth or adoptive family or have a plan to return to the birth or adoptive home; OR
B. Reside with a legal guardian; OR
C. Reside in a foster home with a permanency plan; OR
D. Be age 18, 19, or 20 and live independently with supports; AND
E. Meet current MDHHS criteria for the state psychiatric hospital for children OR is at risk of hospitalization without waiver services.
    1. Medicaid Provider Manual Inpatient Admission Criteria: Children Through Age 21: (MMPM Section 8 – Inpatient Psychiatric Hospitalization Admission; 8.5.C)
        - The individual must meet all three criteria:
            - Diagnosis
            - Severity of illness
            - Intensity of services; AND
F. Meet Medicaid eligibility criteria and become a Medicaid beneficiary. Medicaid is the only funding source for the SEDW. Under Section (C) of the Social Security Act, it allows states to waive parental assets and income and make a child eligible for Medicaid as a "family of one."; AND
G. Demonstrate serious functional limitations that impair the ability to function in the community. As appropriate for age, functional limitation will be identified using the Child and Adolescent Functional Scale (CAFAS), or the Devereux Early Childhood Assessment (DECA) Clinical Version scales:
    1. CAFAS score of 90 or greater for beneficiaries ages 7 to 12; OR
    2. CAFAS score of 120 or greater for beneficiaries ages 13 to 18; OR
    3. For beneficiaries ages 3 to 7, elevated PECFAS subscale scores in at least one of these areas: self-harmful behaviors, mood/emotions, thinking/communicating, or behavior towards others; OR
    4. For beneficiaries ages 2 to 4, scores in the concern range across DECA Clinical Version scales:
        - 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;
H. Be under the age of 18 when approved for the waiver. If a beneficiary on the SEDW turns 18, continues to meet all non-age-related eligibility criteria, and continues to need waiver services, they can remain on the waiver up to their 21st birthday.
I. The PIHP/CMHSP must use 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.
J. The Child and Adolescent Functional Assessment Scale (CAFAS), Preschool and Early Childhood Functional Assessment Scale (PECFAS), and Devereaux Early Childhood Assessment (DECA) are required 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 must use either the CAFAS, PECFAS, or DECA and the MichiCANS. If the results are different and one tool indicates eligibility, MDHHS must apply the results that establish the applicant is eligible.
        - For children, youth, or young adults receiving a re-evaluation of eligibility, MDHHS must use the MichiCANS. If the results indicate that a participant is no longer eligible, MDHHS must verify ineligibility with either the CAFAS, PECFAS or DECA.

K. Other SEDW Eligibility Considerations:
    1. Must have a primary Serious Emotional Disturbance (SED) qualifying diagnosis
    2. Must receive at least one SEDW service per month in addition to Intensive Care Coordination with Wraparound (ICCW) or Targeted Case Management (TCM) in order to retain eligibility
    3. Eligibility is good for one year
    4. Eligibility is reviewed annually
L. Denial of the SEDW
    1. PIHPs must provide parents with notice of denial and right to Medicaid Fair Hearing whenever the SEDW is denied. (This is delegated by MSHN to the CMHSPs.)
    2. Notice of denial must document the specific reason for the denial, based on SEDW eligibility criteria as outlined in the Medicaid Provider Manual. A timely denial letter and Adverse Benefit Determination Notice (ABDN) must be provided to the family and also shared with the PIHP and MDHHS.
    3. The SEDW serves as a pathway to Medicaid, per Centers for Medicare and Medicaid Services (CMS) this pathway must not be blocked. Whenever the SEDW is specifically requested and subsequently denied, notice of denial and right to Medicaid Fair Hearing must be provided even if less intensive service(s) are offered.
M. MDHHS is no longer making an adverse determination on waiver enrollment based on the family's intent to pursue institutionalization. MDHHS will not deny enrollment or hold enrollment for the SEDW if the family is seeking residential services.
N. 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/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.

III. Covered Waiver Services

Each beneficiary must have a comprehensive IPOS that specifies the services and supports that the beneficiary and their family will receive. Each beneficiary must have a Care Coordinator or Case Manager who oversees and facilitates planning and coordination among the family, providers, and other team members. (Refer to the Intensive Care Coordination with Wraparound (ICCW) Services for Children and Adolescents section of the MMPM for additional information.)

In addition to Medicaid state plan services, beneficiaries enrolled in the SEDW may receive any of the following SEDW services as identified in the IPOS.

A. Community Living Supports (CLS)
B. Home Care Training – Family
C. Financial Management Service
D. Home Care Training, Non-Family
E. Overnight Health and Safety Support (OHSS) Services
F. Respite Care
G. Therapeutic Activities
    1. Recreation Therapy
    2. Music Therapy
    3. Art Therapy
    4. Equine Therapy
H. Therapeutic Overnight Camp
I. Wraparound Services (mandatory service)
    1. Intensive Care Coordination with Wraparound (ICCW), OR
    2. Targeted Case Management (TCM)

Applies to

☐ All Mid-State Health Network Staff
☐ Selected MSHN Staff, as follows:
☒ MSHN's CMHSP Participants: ☐ Policy Only ☒ Policy and Procedure
☐ Other: Sub-contract Providers

Definitions

CAFAS: Child and Adolescent Functional Assessment Scale
CLS: Community Living Supports
CMHSP: Community Mental Health Services Program
CMS: Centers for Medicare and Medicaid Services
CTFC: Child Therapeutic Family Care
DECA: Devereaux Early Childhood Assessment
DHHS: Department of Health and Human Services
IPOS: Individual Plan of Service
MDHHS: Michigan Department of Health and Human Services
MichiCANS: Michigan Child and Adolescent Needs and Strengths
MMPM: Michigan Medicaid Provider Manual
PECFAS: Preschool and Early Childhood Functional Assessment Scale
OHSS: Overnight Health and Safety Support
PIHP: Pre-Paid Inpatient Health Plan
SED: Serious Emotional Disturbance
SEDW: Children With Serious Emotional Disturbances Home and Community- Based Services Waiver Program

Other Related Materials

Children With Serious Emotional Disturbance Home and Community-Based Services Waiver (SEDW) Disenrollment and Transfer Procedure

References/Legal Authority

Medicaid Managed Specialty Supports and Services FY23 MDHHS/PIHP Contract
Michigan Medicaid Provider Manual

Change Log:

Date of Change	Description of Change	Responsible Party
07.2020	NEW Policy	Chief Behavioral Health Officer
09.2022	Biennial Review	Chief Behavioral Health Officer
02.2024	Biennial Review	Waiver Coordinator
12.2025	Annual Review	Waiver Coordinator – Youth