



FH

STATE OF WISCONSIN
Division of Hearings and Appeals

In the Matter of

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

DECISION
Case #: CWK - 219831

PRELIMINARY RECITALS

Pursuant to a petition filed on September 2, 2025, under Wis. Admin. Code § HA 3.03(1), to review a decision by the Shawano County Department of Human Services regarding CWK, a hearing was held on October 22, 2025, by telephone. The record was held open for 10 days for receipt of two additional exhibits submitted on Petitioner's behalf. Those were received and reviewed prior to issuance of this decision.

The issue for determination is whether the agency correctly complied with CLTS policy in terminating petitioner's CLTS enrollment.

There appeared at that time the following persons:

PARTIES IN INTEREST:

Petitioner:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Respondent:

Department of Health Services
201 E. Washington Ave.
Madison, WI 53703

By:

Shawano County Department of Human Services
W7327 Anderson Avenue
Shawano, WI 54166-3105

ADMINISTRATIVE LAW JUDGE:

Jason M. Grace
Division of Hearings and Appeals

FINDINGS OF FACT

1. Petitioner is a 6 year-old resident of Oconto County who lives with family.
2. Petitioner first enrolled in the CLTS program in 2022. She was found to meet the Physical Disability level of care for the program. Annual rescreens were conducted in July 2023 and July 2024, finding that she continued to meet functional eligibility requirements for the CLTS program.
3. The agency was required to conduct an annual redetermination of the Petitioner's functional eligibility for the CLTS program. A functional screen was completed on July 22, 2025, and the agency determined that the Petitioner was no longer functionally eligible for the CLTS program.
4. On July 25, 2025, Notice of Action: [REDACTED] Was found Not Eligible for the Children's Long Term Support Waiver Program was issued. It indicated the date of decision was July 25, 2025. The notice indicated that she had until *August 29, 2025* to file an appeal with the Division of Hearings and Appeals.
5. The notice in Findings of Fact 4 was issued on Shawano County Department of Human Services letterhead.
6. Also on July 25, 2025, a Wisconsin Children's Long-Term Support (CLTS) Services Disenrollment Notice was issued to the Petitioner. It informed that enrollment in the CLTS program was scheduled to end *July 31, 2025* due to Not Functionally Eligible. The notice indicated she had *90 days* to file an appeal with the DHA. The notice also indicated that if DHA received the appeal prior to the end date listed in the notice there will be no changes to benefits until the hearing decision is made.
7. The notice in Findings of Fact 6 was issued on State of Wisconsin Department of Health Services letterhead.
8. On September 2, 2025, the Petitioner filed an appeal with the DHA.

DISCUSSION

The CLTS program is one of Wisconsin's Home and Community-Based Services (HCBS) Medicaid Waiver programs, federally authorized under §1915(c) of the Social Security Act. The agency has drafted and released the Medicaid Home and Community-Based Services (HCBS) Waiver Manual for the CLTS Waiver Program (CLTS Manual). It can be found online at <https://www.dhs.wisconsin.gov/publications/p02256.pdf>.

The issue in this case is whether the agency correctly complied with CLTS policy in terminating Petitioner's CLTS enrollment.

CLTS policy mandates the following:

8.2.2 Notice of Adverse Action (NOA)

Participants must be given NOA for any action that may adversely affect their enrollment in or the supports and services authorized for them through the CLTS Waiver Program (42 CFR Part 431, Subpart E). A NOA must be provided with the Participant Rights and Responsibilities Notification (F-20985) and state all of the following:

- The proposed action.
- The reasons why the action is proposed.
- The effective date of the action.
- The participant's rights, including procedures for state fair hearings by the Wisconsin Department of Administration's Division of Hearings and Appeals (DHA) and local county grievances. Refer to Notification of Rights, above.

NOAs must be provided in the participant's primary method of communication and at no cost to them. ... Participants must be given a written NOA and Participant Rights and Responsibilities Notification (F-20985) when any of the actions listed below occur. The DHS Eligibility and Enrollment Streamlining (EES) online system automatically sends written NOA and Participant Rights and Responsibilities Notification (F-20985) to participants for some of these actions and CWAs must send a written NOA and Participant Rights and Responsibilities Notification (F-20985) for other actions as outlined below. Additionally, CWAs must maintain a copy of an NOA they issue to a participant.

...

Eligibility termination. A participant is disenrolled from the CLTS Waiver Program because they do not meet all eligibility criteria. Refer to Chapter 2 — Eligibility and Chapter 3 — Financial Eligibility for additional information about CLTS Waiver Program eligibility criteria, and section 2.8 for more information about termination of enrollment.

Roles and Responsibilities for Issuing NOA for Eligibility Termination

- The DHS EES online system issues written NOA and Participant Rights and Responsibilities Notification (F-20985) to participants whose CLTS Waiver Program eligibility is terminated because they:
 - ...
 - o Are determined not functionally eligible (NFE) by the Functional Eligibility Screen for Children's Long-Term Support Programs (F-00367).
 - ...
- CWAs must enter an end date in the DHS EES online system to ensure timely notification to the participant. Refer to the DHS Children's Long-Term Support: Eligibility and Enrollment Streamlining Disenrollment and End Dates web page for guidance on what end date to enter in the DHS EES online system. CWAs do not issue written NOA for eligibility termination.

CLTS Manual, § 8.2.2.

CLTS policy further provides:

8.2.3 Requirement to Provide Advance Notice of Adverse Action (NOA)

CWAs must send NOA to participants at least 15 days before the effective date of the action. Timely notification is necessary so that a participant who chooses to file a request a state fair hearing has at least 10 days before the effective date of the action to do so, which preserves their right to continue services without reduction until the hearing occurs and a decision is made.

...

CLTS Manual, § 8.2.3 (*emphasis added*).

And:

8.3.1 Appeals

All participants have the right to file a request for a fair hearing (42 CFR Part 431, Subpart E and Wis. Stat. ch. 227) from the DHA for any of the actions listed below. *CWAs must send NOA to participants at least 15 days before the effective date of the action.* Refer to 8.2.3, Requirement to Provide Advance Notice of Adverse Action.

...

8.3.1.1 Actions Subject to Appeal

The following CWA actions and decisions concerning CLTS Waiver Program participants are subject to appeal and a fair hearing conducted by the DHA:

...

- Eligibility termination

...

CLTS Manual, § 8.3 (*emphasis added*).

In this case, the Petitioner was enrolled in the CLTS program. An annual functional eligibility screen was completed July 22, 2025, finding that Petitioner was no longer eligible for the CLTS program. As such, notice of adverse action was issued informing Petitioner that she was being disenrolled from the CLTS program as she was not functionally eligible.

Of note, the notice of adverse action was issued on July 25, 2025, with an effective date of the action of July 31, 2025. See Findings of Fact 6 above. That only provided 6 days prior notice of the adverse action. That does not comply with CLTS policy requirements that the NOA must be sent to participants “....at least 15 days before the effective date of the action.” CLTS Manual, § 8.2.3. Timey notification is required “...so that a participant who chooses to file a request a state fair hearing has at least 10 days before the effective date of the action to do so, which preserves their right to continue services without reduction until the hearing occurs and a decision is made.” *Id.*

The agency failed to comply with CLTS policy pertaining to the issuance of the notice of adverse action. I find the error fatal to its adverse action in this case. Thus, I am remanding the matter to the agency/Department to rescind Petitioner’s CLTS disenrollment.

I would note that this Decision does not reach the merits of the agency’s determination that Petitioner no longer meets functional eligibility requirements for the CLTS program. As such, nothing in this Decision precludes the agency/Department from issuing a new notice of adverse action if Petitioner remains ineligible for the CLTS program.

CONCLUSIONS OF LAW

It was not shown that the Petitioner was appropriately disenrolled from the CLTS program as of July 31, 2025, as the agency failed to comply with advance notice of adverse action requirements set forth in Chapter 8 of the CLTS Manual.

THEREFORE, it is

ORDERED

That this matter is remanded to the agency/Department with instructions to rescind the July 25, 2025 notice of disenrollment and reinstate Petitioner's CLTS enrollment and benefits, retroactive to the date of disenrollment. This action shall be completed within 10 days of the date of this Decision.

REQUEST FOR A REHEARING

You may request a rehearing if you think this decision is based on a serious mistake in the facts or the law or if you have found new evidence that would change the decision. Your request must be **received within 20 days after the date of this decision**. Late requests cannot be granted.

Send your request for rehearing in writing to the Division of Hearings and Appeals, 4822 Madison Yards Way, 5th Floor North, Madison, WI 53705-5400 **and** to those identified in this decision as "PARTIES IN INTEREST." Your rehearing request must explain what mistake the Administrative Law Judge made and why it is important or you must describe your new evidence and explain why you did not have it at your first hearing. If your request does not explain these things, it will be denied.

The process for requesting a rehearing may be found at Wis. Stat. § 227.49. A copy of the statutes may be found online or at your local library or courthouse.

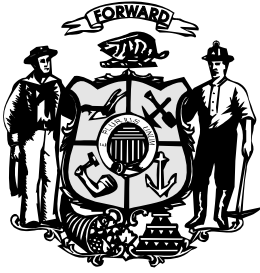
APPEAL TO COURT

You may also appeal this decision to Circuit Court in the county where you live. Appeals must be filed with the Court **and** served either personally or by certified mail on the Secretary of the Department of Health Services, 201 E. Washington Ave., **and** on those identified in this decision as "PARTIES IN INTEREST" **no more than 30 days after the date of this decision** or 30 days after a denial of a timely rehearing (if you request one).

The process for Circuit Court Appeals may be found at Wis. Stat. §§ 227.52 and 227.53. A copy of the statutes may be found online or at your local library or courthouse.

Given under my hand at the City of Madison,
Wisconsin, this 20th day of November, 2025

\s _____
Jason M. Grace
Administrative Law Judge
Division of Hearings and Appeals



State of Wisconsin\DIVISION OF HEARINGS AND APPEALS

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The preceding decision was sent to the following parties on November 20, 2025.

Shawano County Department of Human Services
Bureau of Long-Term Support

