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STATE OF WISCONSIN
Division of Hearings and Appeals

In the Matter of



DECISION
Case #: CWA - 221689

PRELIMINARY RECITALS

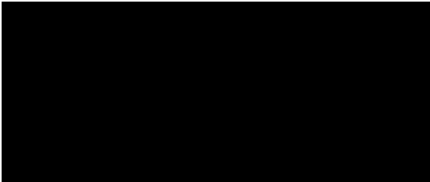
Pursuant to a petition filed on January 27, 2026, under Wis. Admin. Code HA § 3.03, to review a decision by the Bureau of Long-Term Support regarding Medical Assistance (MA), a hearing was held on March 4, 2026, by telephone.

The issue for determination is whether the agency correctly denied Petitioner's Budget Amendment Request for Daily Living Skills Training.

There appeared at that time the following persons:

PARTIES IN INTEREST:

Petitioner:



Petitioner's Representative:

Attorney Lori Kornblum
Law Offices of Lori S. Kornblum
10936 N Port Washington Rd Ste 296
Mequon, WI 53092

Respondent:

Department of Health Services
201 E. Washington Ave.
Madison, WI 53703
By: Patrice Anderson, TMG
Bureau of Long-Term Support
PO Box 7851
Madison, WI 53707-7851

ADMINISTRATIVE LAW JUDGE:

Wendy I. Smith
Division of Hearings and Appeals

FINDINGS OF FACT

1. Petitioner is a 25-year-old resident of [REDACTED] and a participant in the IRIS program. Her IRIS Consultant Agency is TMG.
2. Petitioner has an intellectual disability, autism, and anxiety disorder. According to her most recent Long-Term Care Functional Screen (LTCFS), Petitioner requires assistance with Activities of Daily Living, including bathing, dressing, eating, and toileting, as well as with Instrumental Activities of Daily Living, including meal preparation, money management, laundry/chores, using the telephone, and transportation. Petitioner has communication limitations and cognitive impairment such that she requires assistance with decision-making.
3. Petitioner resides partly with her parents and partly in her own apartment with supports and supervision. Petitioner desires to live independently in her apartment.
4. Petitioner has been authorized to receive Daily Living Skills Training (DLST) on her Individual Support and Services Plan (ISSP) since at least 2021. She received these services at a frequency of 8 hours per week until August 2023 when it decreased to 6.5 hours per week and then decreased again to 5.5 hours per week as of July 2025. Petitioner was advised that if the need for these services continues, the service hours should decrease over time.
5. Petitioner has shown progress in learning new skills and mastery of other new skills during her DLST with Marilyn Services.
6. Petitioner's ISSP for the period of February 1, 2026, through January 31, 2027, has a total budget of \$77,100.30 for supportive home care, supported employment, day services, transportation, and therapy services.
7. On January 2, 2026, Petitioner submitted a Budget Amendment (BA) request for DLST in the amount of \$1,402.84 (\$57.75 per hour for 5.5 hours per week). Petitioner stated in her request that DLST was necessary to support two long-term care outcomes: (a) "I want to live in my own apartment for as long as possible. I like my privacy and independence" and (b) "I want to go out in my community five days a week so I can meet new people and try new things."
8. TMG discussed whether Petitioner would consent to a further decrease in the number of hours per week and Petitioner's family disagreed.
9. In a notice dated January 21, 2026, Petitioner's BA request was denied by DHS for the following reasons: (a) The request is not the most cost effective way to support your outcome and (b) You do not need this good, service, or support to support your outcome. The notice states:

"Daily Living Skills has been on the PPTs plan with Marilyn Services since July 2022 and since 2021 with another provider. The current goals/objectives are 1. Safety (only open the door when someone knocks or rings the doorbell), 2. Home Care Maintenance (sort, wash and dry laundry, talk to parents before throwing away gifts, fill med box lock front door), 2. Personal Hygiene (floss teeth) and 3. Accessing Community Resources (schedule taxi for rides to library or shopping). DLS training services is the provision of education and skill development to the PPT to teach or improve the skills involved to independently perform routine daily activities, including skills to increase the PPTs independence and participation in community life. DLS training services may involve training the PPT or support persons to assist the PPT. This service is designed to allow a PPT to meet assessed long-term care

related outcomes in a time frame necessary to learn the identified skill and is not intended to provide substitute task performance. Accordingly, the PPTs progress towards obtaining the DLS and outcome identified on the PPTs ISSP may be monitored by both the DHS and the PPTs IRIS Consulting Agency (ICA).

The PPT has had DLS on the ISSP for 5 years. This is over \$85,000 of IRIS Waiver funds on this service alone. While the goals and objectives are important it is fair to ask the question if the PPT will need continuing support in these areas. The participant has been working on some of the same goals since 2023 (going to the library, shopping for home items, monitor food inventory, budget for discretionary spending). The PPT has cognitive challenges, resulting from Intellectual Disability, Autism and Anxiety and needs caregiver assistance and/or prompts for Instrumental Activities of Daily Living. The SHC caregivers and day program supports can continue with this type of assistance. The long-term outcome of living in my apartment as long as possible is not supported by the request as the PPT will always need caregiver assistance and can be supported through natural support or Supportive Home Care services. Continuing Daily Living Skills services is not cost effective and the reason for the denial. The Department had previously approved these services temporarily with the agreement of continually decreasing DLS hours. The hours are not decreasing, the guardian is not in agreement to decrease the hours and stated all the hours of DLS are needed. The guardian is also not in agreement to transitioning this service to natural support or SHC.

This request is not a good use of Medicaid Waiver funds and jeopardizes the integrity and sustainability of the IRIS program. The conclusion of the request is denied based on not being cost-effective, and an agreement towards decreasing the service is continuously denied by the guardian.”

10. Petitioner now appeals to the Division of Hearings and Appeals.

DISCUSSION

The Include, Respect, I Self-Direct (IRIS) program is a Medical Assistance long-term care waiver program that serves elderly individuals and adults with physical and developmental disabilities. IRIS is an alternative to Family Care, Partnership, and PACE—all of which are managed long term care waiver programs. The IRIS program, in contrast, is designed to allow participants to direct their own care and to hire and direct their own workers. The broad purpose of all of these programs, including IRIS, is to help participants design and implement home- and community-based services as an alternative to institutional care. *See IRIS Policy Manual* § 1.1B.

The IRIS Waiver Application most recently approved by the Centers for Medicare and Medicaid Services (CMS) is available online at <https://www.dhs.wisconsin.gov/iris/hcbw.pdf>. *See Application for 1915(c) HCBS Waiver: WI.0484.R04.00 - Jan 01, 2026*. State policies governing administration of the IRIS program are included in the *IRIS Policy Manual* (available at <http://www.dhs.wisconsin.gov/publications/P0/P00708.pdf>), *IRIS Work Instructions* (available at <http://www.dhs.wisconsin.gov/publications/P0/P00708a.pdf>), *IRIS Service Definition Manual* (available at <https://www.dhs.wisconsin.gov/publications/p00708b.pdf>), and *IRIS Service Plan Policy* (available at <https://www.dhs.wisconsin.gov/publications/p00708d.pdf>).

Consistent with the terms of the approved waiver and the *IRIS Service Plan Policy*, every IRIS participant is assigned a budget which is generated based on information obtained during a screening of the participant’s long-term care functional needs. With the assistance of an IRIS Consultant Agency (ICA),

participants identify waiver-allowable services that they need to meet their long-term care outcomes. As part of an individual's enrollment in IRIS, an ISSP is developed to have a plan for using waiver services to meet individual outcomes, assessed needs and health and safety needs. *See Waiver Application* at p. 6; *see also* 42 C.F.R. § 441.301(b)(1)(i). IRIS funds can only be used within an approved plan (the ISSP and budget) and only for services, supports, or goods that meet the definitions of those services within the IRIS Waiver Application. Allowable services include case management services, home health aide services, personal care services, adult day services, respite care, as well as other services approved by CMS as cost-effective and necessary to avoid institutionalization. *See* 42 C.F.R. § 440.180(b).

Participants may submit a Budget Amendment (BA) to the Department of Health Services (DHS) with the assistance of their ICA. This process is governed by the *IRIS Additional Funding Requests Policy*, available at <https://www.dhs.wisconsin.gov/publications/p03656.pdf>. A BA is a request for additional funding for service costs that exceed a participant's base budget, as calculated by the Individual Budget Allocation (IBA). A BA is requested when the participant identifies a need and associated long-term care outcome that cannot be met by their base budget or other Medicaid benefit. *IRIS Additional Funding Requests Policy* § A.

When the Department of Health Services denies a BA request, the participant may appeal the budget amount using the Medicaid fair hearing process. *Id.* at § A.2.c.ii. For participants seeking an increase in their budgets, the burden is on the participant to demonstrate that they are entitled to the requested increase in benefits. *See e.g., Tarrant v. Wisconsin Dep't of Health Servs.*, 2019 WI App 45, ¶ 5, 388 Wis. 2d 461, 464, 933 N.W.2d 145, 147.

In this case, Petitioner submitted a BA request in the amount of \$1,402.84 (5.5 hours per week) for Daily Living Skills Training¹ (DLST) to be provided by Marilyn Services. DLST may be authorized by the IRIS program. These are services that provide training and education designed to assist a participant in developing, practicing, and acquiring life skills necessary for independence, self-determination, and self-advocacy. *IRIS Service Definition Manual*, p. 15-18. All training and education being provided under this category are required to be unique to the participant's support needs and service plan goals. *Id.*

Training services are designed to allow a participant to meet assessed long-term care related outcomes in a time frame necessary to learn the identified skill and is not intended to provide substitute task performance. Additionally, the participant must demonstrate that they can acquire distinct parts of or the whole skill(s) identified on their plan within 365 days. If it may reasonably take more than a year, the participant needs to demonstrate plans to obtain the skill(s) through task-based analysis and incremental skill development which will lead to the acquisition of the goal skill.

...

While the participant works towards the skill or knowledge identified on their service plan, it is anticipated that there will be a gradual decrease of service hours to allow the participant more opportunities for community participation and generalized skill development. The participant's progress towards obtaining the skill(s) and outcome(s) identified on the participant's service plan may be monitored by both the SMA and the participant's IRIS Consultant Agency. Monitoring ensures the efficacy of the training or education services.

...

¹ As of January 1, 2026, the service category "Daily Living Skills Training" was renamed to "Life Skills Training and Education Services." In keeping with the terminology used in the BA request and subsequent denial, this decision will use the term "Daily Living Skills Training."

Id. at p. 16 (emphasis added); *see also* IRIS Waiver Application, pp. 71-72. This service may not be duplicated or bundled with any service that is provided under another waiver service category. *Id.* Program policies also do not allow legally responsible persons, relatives, or legal guardians to provide this service. *Id.*

TMG and DHS object to continued authorization for DLST as it is not cost-effective and that Petitioner does not need the requested service. TMG's representative at the hearing, Patrice Anderson, noted that Petitioner has had many years of DLST and is still working on achieving some goals. She testified that Petitioner will always need assistance with ADLs and IADLs and a more effective use of waiver funds would be with Supportive Home Care, which is available to provide "direct and indirect assistance with daily functions and individualized needs, to assure adequate functioning and safety in a participant's home and community." *IRIS Service Definition Manual*, p. 13.

Petitioner's DLST provider ██████████ attended the hearing to testify that Petitioner is making progress with her goals and is capable of learning the identified skills, although with her abilities, it may take her longer for more complex skills. Petitioner's hours with DLST have decreased over time, but the family is adamant that 5.5 hours per week is the minimum they are willing to accept. Petitioner has demonstrated mastery of some skills, such as identifying and preparing a new recipe, safely using the stove/oven, washing her face and applying moisturizer twice a day, and adding events to her calendar. However, other skills remain unmastered after years of training, whether due to inability to complete the task independently or due to inadequate time for training and prioritization of other skills. Some of these skills do show incremental improvement over time. Ms. Morrison also testified to Petitioner's regression in learning and an increase in behavioral problems when Petitioner had a temporary decrease in her DLST time, resulting in self-harm behaviors and loss of her job. Both ██████████ and Petitioner's mother find DLST to be greatly beneficial for Petitioner and will lead to greater independence, even if Petitioner will still require supports in other areas.

The language of the Waiver Application does not require skills to be learned in one year as long as a longer period of time will reasonably lead to acquisition of the skill. There is an expectation that DLST hours will decrease over time as skills are learned; however, participants are not prohibited from *adding* new skills to the DLST program for continued learning if they are necessary to support a long-term care outcome.

I find the arguments of the Petitioner's representatives to be persuasive that the Petitioner requires continued DLST services and that the services will support a valid long-term care outcome of living more independently in her own apartment. As to cost-effectiveness of the services, I do not find the IRIS agency's argument to have merit since the services were previously approved in the ISSP at the requested level. There is no firm requirement that hours must decrease over time if there are many skills to learn. The requested number of hours appears reasonable in light of the documented goals to be accomplished. The suggestion that Petitioner should use Supportive Home Care is not persuasive, as this would service would not be teaching Petitioner to achieve a learning goal. I am persuaded that Petitioner would best benefit from a DLS trainer, as opposed to another caregiver, as she is most receptive to learning from non-family members. ██████████ and her trainers appear to be specifically educated on teaching living skills to people like Petitioner and have shown progress in many areas of learning. Neither TMG nor DHS have adequately shown that Petitioner is not able to learn new skills, albeit in a timeframe that suits her abilities.

Based on the record before me, Petitioner has met her burden in showing that the BA request should be approved. As for the effective date of the authorized hours, Petitioner seeks an effective date of January 13, 2026, as requested in the BA request to immediately follow the expiration of her prior authorization. The matter will be remanded to the agency to authorize the requested service.

CONCLUSIONS OF LAW

Petitioner’s Budget Amendment request for Daily Living Skills Training in the amount of \$1,402.84, effective as of January 13, 2026.

THEREFORE, it is ORDERED

That this matter is remanded to the agency to take all administrative steps necessary to approve the Petitioner’s Budget Amendment request with an effective date of January 13, 2026. These actions 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 Milwaukee,
Wisconsin, this 24th day of April, 2026

\s _____
Wendy I. Smith
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 April 24, 2026.

Bureau of Long-Term Support
Attorney Lori Kornblum