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STATE OF WISCONSIN
Division of Hearings and Appeals

In the Matter of

[REDACTED]
[REDACTED]
[REDACTED]

DECISION
Case #: FCP - 221245

PRELIMINARY RECITALS

Pursuant to a petition filed on December 22, 2025, under Wis. Admin. Code § DHS 10.55, to review a decision by the Lakeland Care Inc regarding Medical Assistance (MA), a hearing was held on February 4, 2026, by telephone.

The issue for determination is whether the Family Care Agency erred in its termination of the Adult Family Home support after petitioner has transitioned to independent living.

There appeared at that time the following persons:

PARTIES IN INTEREST:

Petitioner:

[REDACTED]
[REDACTED]
[REDACTED]

Respondent:

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

By:

Lakeland Care Inc
3415 Custer St. – Suite C
Manitowoc, WI 54220-4356

ADMINISTRATIVE LAW JUDGE:

John Tedesco
Division of Hearings and Appeals

FINDINGS OF FACT

1. Petitioner is a resident of Brown County.
2. On 8/11/25 the agency issued a notice to petitioner informing him that it would be terminating the support of an adult family home funded placement. The notice explained:

your care team has assessed your health and safety needs can be met within the community with supports put in place. Currently [REDACTED] you have been staying with friends/family and your needs have been met. [REDACTED] your needs can be met with supportive home care (meal prepping, household chores and mobility needs), personal emergency response system, and medical and food shopping transportation if you have a place to reside. In the event you do not have a place to reside your care team has provided you with resources to the ADRC and homeless shelters, and how to meet your needs within the community. [REDACTED] all your options have been provided for you to explore. Your care team will continue to support you in finding housing and assess your needs.

3. Petitioner requested an internal grievance.
4. The decision was sustained through the grievance process and notice was issued on 10/1/25.
5. Petitioner filed an appeal with DHA.
6. Petitioner is now residing in an independent living setting and remains in the Family Care Program.

DISCUSSION

The Family Care program, which is supervised by the Department of Health Services, is designed to provide appropriate long-term care services for elderly or disabled adults. It is authorized in the Wisconsin Statutes § 46.286, and is described comprehensively in the Wisconsin Administrative Code, Chapter DHS 10.

The CMO must develop an Individual Service Plan (ISP) in partnership with the client. Wis. Adm. Code § DHS 10.44(2)(f). The ISP must reasonably and effectively address all of the client's long-term needs and outcomes to assist the client to be as self-reliant and autonomous as possible, but nevertheless must be cost effective. While the client has input, the CMO does not have to provide all services the client desires if there are less expensive alternatives to achieve the same results. Wis. Admin. Code § DHS 10.44(2)(f)3; DHS booklet, Being a Full Partner in Family Care, page 9. ISPs must be reviewed periodically. Adm. Code, §DHS 10.44(j)(5).

Wis. Stat., §46.287(2)(a)1 provides that a person may request a fair hearing to contest the reduction of services under the FCP program, among other things, directly to the Division of Hearings and Appeals. In addition, the participant can file a grievance with the CMO over any decision, omission, or action of the CMO. The grievance committee shall review and attempt to resolve the dispute. If the dispute is not resolved to the participant's satisfaction, she may then request a hearing with the Division of Hearings and Appeals.

The issue in this case is whether the CMO erred in its termination of funding for placement in an adult family home. As has been noted many times in the past, there are no standards written in the law or policy on how to make such a determination. It comes down to the general criteria for determining authorization for services – medical appropriateness and necessity, cost effectiveness, statutory and rule limitations, and effectiveness of the service. See Wis. Adm. Code Ch. DHS § 107.02(3)(e).

While it is correct to say that the standard under Wis. Admin. Code § DHS 10.44(2)(f)3 specifically includes that the ISP should assist the enrollee to be as self-reliant and autonomous “as possible *and* desired” by the enrollee, it is also the long-standing position of the Department, as affirmed in many fair hearing decisions, that the Family Care participant does not have “unfettered choice” in deciding what

supports Family Care provides that will serve him or her, what living arrangements will be provided by Family Care, and exactly how the care plan is to be configured.

Petitioner has had the support of the FCP funding an adult family home for quite some time. In recent years, petitioner elected to largely live with natural supports and not in the AFH. Petitioner has now transitioned to independent living and is receiving FCP supports in the community.

Petitioner, at hearing, merely argued that he wishes to maintain his spot at the AFH as a “security blanket.

The FCP is a taxpayer funded public benefit program with limited resources. Cost-effectiveness is a basic and primary tenet of the program. Maintaining a spot at an AFH that is not used or needed is not cost-effective. It also, based on the thorough record made by the respondent, does not appear to be necessary.

Petitioner remains in the FCP program and will continue to receive appropriate supports. But, payment for an AFH that was not being utilized is not justified. This was not a close case.

CONCLUSIONS OF LAW

The agency did not err in terminating the AFH support.

THEREFORE, it is

ORDERED

That this appeal is dismissed.

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.

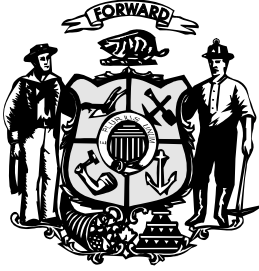
APPEAL TO COURT

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 19th day of March, 2026

\s _____
John Tedesco
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 March 19, 2026.

Lakeland Care Inc
Office of Family Care Expansion
Health Care Access and Accountability