



FH

STATE OF WISCONSIN
Division of Hearings and Appeals

In the Matter of

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

DECISION
Case #: CWA - 221759

PRELIMINARY RECITALS

Pursuant to a petition filed January 30, 2026, under Wis. Admin. Code, §HA 3.03, to review a decision by the Division of Medicaid Services (DMS) to deny a service requested under the Include, Respect, I Self-Direct program (IRIS), a hearing was held on March 18, 2026, by telephone.

The issue for determination is whether the DMS correctly denied budget amendments for exercise classes.

PARTIES IN INTEREST:

Petitioner:

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

Respondent:

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

By: Alexa Butzbaugh
Progressive Community Services
100 Enterprise Drive
Verona, WI 53593

ADMINISTRATIVE LAW JUDGE:

Brian C. Schneider
Division of Hearings and Appeals

FINDINGS OF FACT

1. Petitioner is a [REDACTED] resident of [REDACTED].

2. Petitioner is diagnosed with [REDACTED]. She is eligible for IRIS with Progressive Community Services (PCS) as her consulting agency. She lives in an apartment with a roommate and a full-time caregiver.
3. Petitioner's monthly IRIS spending is above her calculated budget. Supportive home care (SHC) takes up most of her calculated budget, and she has budget amendments in place for additional SHC, transportation, and adult day services.
4. Since 2023 petitioner has had in her budget a weekly personal fitness class at \$55 per session and a monthly group fitness class at \$30 per session through [REDACTED], listed under Counseling and Therapeutic Services. She has been attending a second monthly group fitness class that she pays for on her own.
5. Because of a recent Department IRIS policy, the cost of the fitness classes no longer could be funded within petitioner's base budget, and thus a budget amendment was necessary to cover the service.
6. Three budget amendments were requested on January 5, 2026. One was for weekly one-to-one fitness classes; that one is covered by this appeal. A second was for the once-monthly group fitness class; that one is covered by appeal no. CWA-221660. A third was for a second monthly group fitness class, the one that petitioner is paying on her own; that one is covered by appeal no. CWA-221661. By letters dated January 8, 2026, the DMS denied the requests. After an independent review, the DMS affirmed the denial by letters dated January 20, 2026, on the grounds that the service was not cost effective and could be covered by a gym membership.
7. Since starting the exercise regimen in 2023 petitioner's weight has decreased by [REDACTED] to a current weight of [REDACTED]. Her [REDACTED] has decreased resulting in fewer medical visits regarding [REDACTED]. See Petitioner Exhibits 9 and 10, which are letters of support from her doctors.

DISCUSSION

The IRIS program was developed pursuant to a Medical Assistance waiver obtained by the State of Wisconsin, pursuant to section 6087 of the Deficit Reduction Act of 2005 (DRA), and section 1915(c) of the Social Security Act. It is a self-directed personal care program.

The federal government has promulgated 42 C.F.R. §441.300 - .310 to provide general guidance for this program. Those regulations require that the Department's agent must assess the participant's needs and preferences (including health status) as a condition of IRIS participation. *Id.*, §441.301(c)(2). The Department's agent must also develop a service plan based on the assessed needs.

The 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.

State policies governing administration of the IRIS program are included in the *IRIS Policy Manual* (available at www.dhs.wisconsin.gov/publications/P0/P00708.pdf), *IRIS Work Instructions* (available at

www.dhs.wisconsin.gov/publications/P0/P00708a.pdf), and *IRIS Service Definition Manual* (available at www.dhs.wisconsin.gov/publications/p00708b.pdf).

A budget amendment can be requested to pay for an ongoing need that is not met within the current budget. *IRIS Policy Manual*, §4.1, referencing IRIS policy P-03656. Requests for budget amendments are reviewed by DMS staff with expertise in the IRIS program and knowledge of similar requests made by other IRIS participants. Policy P-03656, page 5. The items to be evaluated include:

- Is the request needs-based (i.e., identified on the screen) and outcome-driven (i.e., an allowable long-term care outcome)?
- Is the request allowable and cost-effective for this long-term care Medicaid program?
- Is the request addressing an unmet need, rather than duplicating an existing service on the plan?

Policy P-03856, page 3. The DMS denied the request here with the finding that the fitness is not cost effective and that the goals could be handled within an existing gym membership.

Petitioner's representatives stress that regular exercise is necessary for her health, but due to her [REDACTED] and [REDACTED], she requires one-to-one supervision and guidance. Although the DMS suggests that petitioner could attend exercise classes with a gym membership at, for example, [REDACTED], petitioner's exhibits include a letter from the [REDACTED] Personal Training Director saying that one-on-one training would be the best means for petitioner to achieve her outcomes. See Petitioner's exhibit 6. Petitioner's current trainer at [REDACTED] attests to the success of the regimen, noting that the group training is with peers and enhances not only physical health but social health.

While I understand the DMS position, in this specific case the results of the training regimen have been positive, both physically and socially, for petitioner. The exercise classes would appear to fit into the IRIS program guiding principle of being life enhancing and meaningful to the participant. See *IRIS Policy Manual*, §1.1D. I thus will order that two of the three budget amendments be granted. The one for once per week one-to-one fitness at \$55 per session should be granted. The one for two monthly group fitness classes should be granted (I note that the budget amendment request says bi-weekly, but it is acknowledged that petitioner attends twice per month, not bi-weekly). I will not grant the one for once-monthly group fitness because it essentially is incorporated into the twice-monthly group classes.

CONCLUSIONS OF LAW

The one-to-one weekly fitness classes provided to petitioner have proven to be cost effective and beneficial to petitioner's health and wellness, and thus the requested budget amendment should be granted.

THEREFORE, it is

ORDERED

That the matter be remanded to the agency with instructions to rescind the denial of petitioner's budget amendment for weekly one-to-one fitness training at a cost of \$55 per session, and to approve the budget amendment, retroactive to the requested start date. The agency shall do so within 10 days 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.

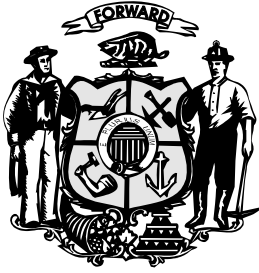
APPEAL TO COURT

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 25th day of March, 2026

\s _____
Brian C. Schneider
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 25, 2026.

Bureau of Long-Term Support

