

Policy Notification

Early Notification Transmittal Date: May 27, 2026

Public Comment Transmittal Date: Jul 1, 2026

Documents will be open 30 days for Public Comment, please submit comments from Jul 1, 2026 to Jul 31, 2026 11:59 PM MST

DDD is proposing changes to the following policy

AdSS Medical Policy Manual, Chapter 1200, Policy 1210, Institutional Services and Settings

Description of changes :

This policy has been rewritten to align with AMPM 1210 and Division Medical 1210. Several sections of the policy have been removed because the information is either located in other policies or adds no value to the current policy. Other changes include:

- Purpose statement added for general overview and applicability
- Definition Section added for general clarification
- Policy reorganized to improve readability
- The term "medical/acute care" was replaced with "physical and behavioral health" per contract

Link to currently published policy on DDD website:

[AdSS Medical Policy Manual 1210 Institutional Services and Settings](#)

Instructions: (Complete instructions are located on the Division's webpage)

1. Comments may be submitted online by clicking here.
2. Do not include any information that is confidential, covered under HIPAA, or inappropriate for public disclosure.

If access to the online form is not available or if you have questions, please email the DDD Policy Unit at DDDpolicy@azdes.gov.

1210 Institutional Services and Settings

Revision Date: MM/DD/YYYY

Review Dates: 2/4/2026, 1/9/2025, 11/7/2023

Effective Date: October 1, 2019

References: A.R.S. §§ 36-2939(A)(1), (B)(1), 36-591(G); A.A.C. R9-10-101;
42 CFR 409.31-35; AdSS Medical Policy Manual Chapter 300

Purpose

This policy applies to the Division of Developmental Disabilities' (Division) Administrative Services Subcontractors (AdSS) and establishes requirements for institutional services and settings for Members eligible for the Arizona Long Term Care System (ALTCS).

Definitions

1. "Arizona Long Term Care System" or "ALTCS" means an AHCCCS program that delivers long-term, acute, behavioral health, and case management services as authorized by A.R.S. 36-2931 et seq., to eligible individuals who have an age-related and/or physical disability, and to Members with developmental disabilities, through contractual agreements and other arrangements.

2. "ALTCS Transitional Program" means a program available for eligible ALTCS Members who, at the time of medical reassessment, have improved either medically, functionally, or both, to the extent that they no longer need institutional care but still need significant long-term services and supports. The ALTCS Transitional Program allows those Members who meet the lower level of care, as determined by the Pre-Admission Screening, to continue to receive all ALTCS-covered services that are medically necessary as specified in 9 A.A.C. 28, Article 3.
3. "Intermediate Care Facility" means a health care institution, Medicaid certified through the Arizona Department of Health Services and monitored by the Arizona Department of Economic Security, that provides room and board, health, habilitative, and rehabilitative services to individuals with developmental disabilities.
4. "Member" means the same as "Client", a person receiving developmental disabilities services from the Division, as specified in A.R.S. § 36-551.
5. "Nursing Facility" means, as defined in 42 § U.S.C. 1396r(a), an institution or a distinct part of an institution which:

- a. Is primarily engaged in providing to residents:
 - i. Skilled nursing care and related services for residents who require medical or nursing care;
 - ii. Rehabilitation services for the rehabilitation of injured, disabled, or sick individuals; or
 - iii. On a regular basis, health-related care and services to individuals who, because of their mental or physical condition, require care and services above the level of room and board, which can be made available only through institutional facilities; and
 - iv. Is not primarily for the care and treatment of mental diseases.
- b. Has a transfer agreement in effect meeting the requirements of 42 § U.S.C. 1861(l) with one or more hospitals having agreements in effect under section 1866; and
- c. Meets the requirements for a Nursing Facility described in (a)(ii-iv) of this definition.

Policy

A. ALTCS, Nursing Facility, and Intermediate Care Facility Institutional Services

1. The AdSS shall have written policies and procedures to ensure that the delivery of institutional services meets the requirements specific to this policy.
2. The AdSS shall have processes to ensure providers adhere to the requirements of this policy as applicable.
3. The AdSS shall ensure ALTCS coverage includes medically necessary institutional or inpatient services provided in an AHCCCS-registered long-term care facility for Members who are eligible for ALTCS, including Member access to behavioral health services as specified in AdSS Medical Policy 310-B.
4. The AdSS shall provide Nursing Facility services, both acute and custodial, to eligible Members who require inpatient room, board, and nursing services on a continuous basis but do not require hospital care or direct daily care from a physician.
5. The AdSS shall ensure each unit of service for ALTCS, Nursing Facility, and Intermediate Care Facility institutional services constitutes a 24-hour day per diem and includes:

- a. Nursing care services, including rehabilitation, restorative, and respiratory care services;
 - b. Social services;
 - c. Dietary services, including preparation and administration of special diets and adaptive tools for eating;
 - d. Recreational therapies and activities;
 - e. Overall management and evaluation of the facility's plan of care for the Member;
 - f. Observation and assessment of the Member's changing condition;
 - g. Room and board services, including food, personal laundry, and housekeeping support services;
 - h. Nonprescription and stock medications; and
 - i. Medical equipment and medical supplies, including non-customized medical equipment, as specified in AdSS Medical Policy 310-P.
6. The AdSS shall meet the Nursing Facility requirements as specified in AdSS Medical Policy 310-R.

B. Members Residing in an ALTCS Institutional Setting

1. The AdSS shall ensure the following services are available to

Members residing in an ALTCS institutional setting but are not included in the service unit:

- a. Speech, physical, and occupational therapies, unless required as a part of the per diem for the service unit;
 - b. Physical and behavioral health services as specified in AdSS Medical Policy Manual Chapter 300;
 - i. Medical services provided to ALTCS members are the same as those provided to acute care Members.
 - ii. Behavioral health services provided by a licensed behavioral health provider who may report and bill services separately from the facility as specified in AdSS Medical Policy 310-B.
 - c. Customized medical equipment ordered by the Member's primary care provider and authorized by the AdSS;
 - d. Hospice services as specified in AdSS Medical Policy 310-J;
 - e. Early Periodic Screening, Diagnosis and Treatment services as specified in AdSS Medical Policy 430; and
 - f. Services provided to individuals with a serious mental illness designation as specified in A.A.C. R9-21.
2. The AdSS shall ensure Nursing Facility or Intermediate Care

Facility services do not exceed 90 continuous days per admission for ALTCS Members in the ALTCS Transitional Program, as specified in AdSS Medical Policy 1620-H.

Chief Network Administrator