

Division of Developmental Disabilities

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 a new policy . AdSS Medical Manual, Policy 310-R Nursing Facility Services

Description of changes :

This document has been Revised to align with AHCCCSs AMPM updates .

1. Clarifies requirements for coverage of nursing facility services for Members who are eligible for for ALTCS.
2. Updates the purpose and definitions sections.
3. Updates formatting to align with DDD formatting standards.

[Link to currently published AdSS Medical Manual 310-R Nursing Facility Services](#)

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 DD Policy Unit at DDDpolicy@azdes.gov.

310-R Nursing Facility Services

Revision Date: XX/XX/XXXX

Review Dates: 1/14/2025, 11/6/2023, 7/23/2021

Effective Date: October 1, 2019

References: A.A.C. R9-22 Article 2; A.A.C. R9-28 Article 2; AMPM 310-R;
Division Medical Manual 1620-E

Purpose

This policy establishes requirements for the Division of Developmental Disabilities' (Division) Administrative Services Subcontractors (AdSS) to cover Medically Necessary services provided in Nursing Facilities (NF) for Arizona Long Term Care System (ALTCS) Members. This policy applies to the Division's Administrative Services Subcontractors (AdSS). The Division of Developmental Disabilities (Division) covers medically necessary services rehabilitative services provided in Nursing Facilities (NF) for members who are eligible for Arizona Long Term Care System (ALTCS) with acute medical needs and who need nursing care 24 hours a day but who do not require hospital care under the daily direction of a physician. NF service providers must be state licensed and Medicare certified. Religious nonmedical health care institutions are exempt from licensure or certification requirements. Prior to a denial of NF services, the AdSS must contact the Division for a second level review.

Definitions

1. “Arizona Long Term Care System” or “ALTCS” means an Arizona Health Care Cost Containment System (AHCCCS) program which delivers long-term, acute, behavioral health and case management services as authorized by A.R.S. § 36-2931 et seq., to eligible Members who are either elderly and/or have physical disabilities (E/PD), and to members with Developmental Disabilities (DD), through contractual agreements and other arrangements. ALTCS is also health insurance for individuals who have an age related or physical disability and who require nursing facility level of care. Services may be provided in an institution or in a home or community-based setting.
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 who still need significant Long-Term Services and Supports (LTSS). The eligible Member will continue to require some LTSS, but at a lower level of care. The ALTCS Transitional program

allows those Members who meet the lower level of care, as determined by the Pre-Admission Screening (PAS), to continue to receive all ALTCS covered services that are Medically Necessary, as specified in 9 A.A.C. 28, Article 3.

3. “Contract Year” means October 1 through September 30.
4. “Home and Community Based Services” or “HCBS” means as defined in A.R.S. § 36-2939, services that may be provided in a Member’s home, at an alternative residential setting as prescribed in A.R.S. § 36-591 or at other behavioral health alternative residential facilities licensed by the Arizona Department of Health Services and approved by the director of AHCCCS.
5. “Medically Necessary” means a service given by a doctor, or licensed health practitioner that helps with health problems, stops disease, disability, or extends life.
6. “Member” means the same as “Client”, a person receiving developmental disabilities services from the Division, as specified in A.R.S. § 36-551.
7. “Nursing Facility” or “NF” 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 to them only through institutional facilities;
and
 - iv. Is not primarily for the care and treatment of mental diseases.
- b. Has in effect a transfer agreement 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 (NF) described in (a)(ii-iv) of this definition.

8. “Planning Team” means a defined group of individuals comprised of the Member, the Responsible Person if other than the Member, and, with the Responsible Person’s consent, any individuals important in the Member’s life, including extended family members, friends, service providers, community resource providers, representatives from religious/spiritual organizations, and agents from other service systems.
9. “Responsible Person” means an adult with a developmental disability who is a Member or an applicant for whom no guardian has been appointed, the parent or guardian of a minor with a developmental disability, or the guardian of an adult with a developmental disability.
10. “Support Coordinator” means the same as “Case Manager” under A.R.S. § 36-551.

~~See Chapter 1210 of this manual regarding Institutional Services for members who are ALTCS eligible.~~

~~The Division covers services for members who have acute medical needs and are eligible for ALTCS. The following requirements apply:~~

Policy

A. General Requirements

1. The AdSS shall require Nursing Facility (NF) providers to be State-licensed and Medicare-certified.
2. The AdSS shall not require religious nonmedical healthcare institutions to be State-licensed or Medicare-certified.
3. The AdSS shall require unlicensed NFs on tribal land to meet State licensure requirements.
4. The AdSS, in lieu of NF services, may, when appropriate, work with the Division:
 - a. To assess for an alternative Home and Community Based Services (HCBS) setting; or
 - b. To provide HCBS in the Member's home.
5. The AdSS shall elevate to the Division prior to any denial of NF services to discuss discharge planning and level of care, if members of the Planning Team are in disagreement, as outlined in Section C. of this policy.

B. Acute Nursing Facility Services for ALTCS Members

1. The AdSS shall cover up to 90 days of acute NF services per Contract Year for ALTCS Members as specified in A.R.S. § 36-2939 when the following criteria apply:
 - a. ~~A. The medical condition of the member must be such that if NF services are not provided, hospitalization of the individual will result or~~ The Member's medical condition is such that if NF services are not provided, hospitalization will result.
 - b. ~~The the treatment is such that it cannot be administered safely in a less restrictive setting, (i.e., home with home health services).~~

~~While convalescent care should be considered short term, the Contractor shall extend NF coverage as medically necessary.~~

~~The AdSS must contact the Division by Day 45 of the member's placement to discuss long term placement alternatives and coordinate discharge planning with the Division. Prior to consideration of long term NF placement as outlined in Chapter~~

~~1210 of this manual, the AdSS must obtain approval from the Division:~~

- c. The 90 days of coverage is per Member, per Contract Year, and does not begin again if the Member transfers to a different NF.
2. The AdSS shall cover 90 days per Member, per Contract Year, and coverage shall not begin again if the Member transfers to a different NF and unused days do not carry over.
3. The AdSS shall cover a new 90-day period if the Member resides in a NF at the beginning of a new Contract Year.
4. The AdSS shall contact the Support Coordinator to discuss long term level of care, service alternatives, and coordinate discharge planning prior to the 45th day of the Member's stay at the NF.
5. The AdSS shall place any Member who is ready to be discharged before the 45th day of their stay in the NF on the weekly health plan discharge meeting tracker no later than day 30, or as soon as the AdSS is aware of an impending discharge.
6. The AdSS shall provide the following information in the weekly inpatient discharge meeting and by email notification to Support Coordination and any known or assigned Division District Nurse

regarding a Member who is approaching the 45th day of residing in an NF:

- a. Member's name;
 - b. AHCCCS ID;
 - c. Date of birth;
 - d. Name of facility;
 - e. Admission date to the facility; and
 - f. Date the Member will exhaust 90 NF days for the current Contract Year.
7. The AdSS shall review the Member's nursing assessment and Uniform Assessment Tool performed by the DDD District Nurse when considering long term or custodial NF level of care for the Member and obtain approval from the Division through the Member's Planning Team for this level of care.
8. The AdSS shall notify the Support Coordinator if a Member enrolled in the ALTCS Transitional Program is expected to require a NF level of care for more than 90 days based on their health status.
- ~~B. For members enrolled in the ALTCS Transitional Program whose health status indicates that the member will likely require NF~~

~~placement for longer than 90 days, the AdSS shall provide notification to the Division's assigned Support Coordinator. The Support Coordinator shall notify AHCCCS for consideration of continued enrollment in the Transitional Program or a change to ALTCS status.~~

9. The AdSS shall require the provider or NF to contact the AdSS for verification of Contract Year dates if there is a possibility that the Member was not ALTCS eligible during any portion of the Member's stay or any discussion needed.

C. Long Term or Custodial NF Services for ALTCS

Members

1. The AdSS shall cover long term or custodial NF level of care as per the Contract with DDD during the time the Member is enrolled with the AdSS.
2. The AdSS shall continue to cover custodial NF level of care based upon the SNF acuity tool, the AHCCCS/ALTCS Uniform Assessment Tool - Acuity Determination (DDD-2260A) which is completed every 90 days by the DDD District Nurse unless a significant improvement or decline in condition of the Member

necessitates a need for the assessment to be done sooner, as specified in Division Medical Policy 1620-E.

3. The AdSS shall request a planning meeting to discuss long term or custodial level of care if the AdSS, NF staff, Member, or Responsible Person believe there is a reason that the Member may no longer need NF level of care prior to issuing a Notice of Adverse Determination.
4. The AdSS Medical Director shall request a Peer to Peer with the Division Medical Director or Chief Medical Officer if the Planning Team determines that the Member should remain in custodial level of care and the AdSS Medical Director disagrees with that determination.
5. The AdSS shall not issue a Notice of Adverse Determination if the AdSS is not in agreement with the Division's Medical Director or Chief Medical Officer.
6. The AdSS shall not inform the Member or Responsible Person that they may be liable for payment for a custodial NF level of care when the Division determines the Member should remain in the NF or is working to transition the Member to a different level of care.

7. The AdSS shall require the NF to coordinate with the Member or Responsible Person on alternative methods of payment for continuation of services beyond the 90 days covered by the AdSS until the beginning of the new Contract Year if the Member is determined to be ineligible for ALTCS enrollment unless the Division has agreed to providing LTSS through alternative arrangements.

D. Scope of Services

~~Services that are not covered separately when provided in an NF include:~~

The AdSS shall cover the following per diem services provided in the NF, as specified in A.R.S. § 36-2939:

- a. ~~A.~~Nursing services, including:
- i. ~~1.~~Administration of medication;
 - ii. ~~2.~~Tube feedings;
 - iii. ~~3.~~Personal care services, including assistance with bathing and grooming;
 - iv. ~~4.~~Routine testing of vital signs; ~~and~~
 - v. ~~B.~~blood glucose monitoring;

- vi. ~~5.~~ Assistance with eating; and
 - vii. ~~6.~~ Maintenance of catheters.
- b. ~~B.~~ Basic patient care equipment and sickroom supplies, including: such as
- i. ~~B~~edpans;
 - ii. ~~U~~rinals;
 - iii. ~~D~~isposable diapers;
 - iv. ~~B~~athing and grooming supplies;
 - v. ~~W~~alkers; and
 - vi. ~~W~~ound dressings or bandages.
- c. ~~C.~~ Dietary services, including; but not limited to,
- i. ~~P~~reparation and administration of special diets; and
 - ii. ~~A~~ddaptive tools for eating.
- d. ~~D.~~ Administrative physician visits made solely for meeting state certification requirements;
- e. ~~E.~~ Non-customized durable equipment and supplies, including: such as
- i. ~~M~~anual wheelchairs;
 - ii. ~~G~~eriatric chairs; and

- iii. ~~B~~bedside commodes;
- f. ~~F~~Rehabilitation therapies ordered as a maintenance regimen;
- g. ~~G~~NF operations to include:
 - i. ~~A~~Administration;
 - ii. ~~M~~edical ~~d~~irector ~~s~~ervices;
 - iii. ~~P~~lant operations; and
 - iv. ~~C~~apital.
- h. ~~H~~Over-the-counter medications and laxatives;
- i. ~~I~~Social activity, recreational, and spiritual services; and
- j. ~~J~~Any other services, to include supplies or equipment that are state or county regulatory requirements or are included in the NF's room and board charge.

E. Acute Behavioral Health Situations

1. The AdSS shall require the NF to provide prompt notification to the AdSS of changes in Member behavior or Member acuity if a Member residing within a non-behavioral health unit presents with behaviors that may be a danger to self or others.

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2. The AdSS shall coordinate with the NF to verify processes are in place to ensure the Member is safe and is able to remain safely in the NF while behaviors are occurring.
 3. The AdSS shall require the NF to use outside resources when necessary for a Member’s behavioral health, including:
 - a. Contacting the 24-hour crisis hot-line;
 - b. Contacting the Tribal Regional Behavioral Health Authority (TRBHA) for coordination of behavioral health needs for all TRBHA-enrolled Members;
 - c. Contacting the identified behavioral health provider if the Member is presently receiving behavioral health services;
 - d. Contacting the AdSS if the Member is not currently receiving behavioral health services;
 - e. Obtaining a copy of an existing crisis plan or, in conjunction with an identified behavioral health provider, develop a crisis plan as applicable and as specified in AMPM Policy 320-O;
 - f. Involving the primary care provider (PCP);
 - g. Obtaining the services of a specialist;

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- h. Providing the services of a one-to-one monitoring process or obtaining authorization from the Division for one-to-one support; and
 - i. Making changes to the Member's environment to include:
 - i. Change in roommates; or
 - ii. A temporary move to a private room.
4. The AdSS shall require the NF to provide additional supports and services that help the Member to remain in their current environment and avoid moving to an alternative setting, while ensuring the safety of the Member, staff, and other residents.

Supplemental Information

- 1. Refer to Division Medical Policy 1210 for requirements regarding institutional services for Members who are ALTCS eligible.
- 2. For Member cost sharing with third party insurance carriers, including Medicare, refer to ACOM 201.
- 3. Additional information related to crisis safety planning is specified in AMPM Policy 320-O.

4. The Division shall conduct Level II PASRR assessment for individuals suspected to have an Intellectual Disability (ID) or a related condition per Division Medical Policy 680-C.
5. The AdSS shall not use acute level of care guidelines to determine medical necessity for Members in custodial NF level of care.

Signature of Chief Medical Officer