

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

Division 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 should be reviewed by all applicable staff. 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: [Division of Developmental Disabilities Medical Policy Manual Chapter 1200 Services and Settings 1210 Institutional Services and](#)

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 Dates: MM/DD/YYYY, 8/15/2017, 7/15/2016, 5/13/2016,
2/12/2016, 7/3/2015

Review Dates: 2/4/2026, 1/9/2025, 10/13/2023

Effective Dates: June 30, 1994

References: A.R.S. 36-2939; A.A.C. R9-10-101; 42 CFR 409.31-35,
438.6(e); Division Medical Policy Manual Chapter 300,

Purpose

This policy applies to the Division of Developmental Disabilities (Division), its Administrative Services Subcontractors (AdSS), and the Division's fee-for-service Tribal Health Program. The policy establishes requirements for institutional services and settings for Members eligible for the Arizona Long Term Care System (ALTCS).

Definitions

1. "Active Treatment" means a current need for treatment. The treatment is identified on the Member's service plan to treat a serious and chronic physical, developmental, or behavioral condition requiring medically necessary services of a type or amount beyond that generally required by Members that lasts, or is expected to last, one year or longer and requires ongoing

care not generally provided by a primary care provider.

2. "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.
3. "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.
4. "Intermediate Care Facility for Individuals with Intellectual Disabilities" means a facility that primarily provides health and rehabilitative services to individuals with developmental disabilities that are above the service level of room and board or

supervisory care services or personal care services but that are less intensive than skilled nursing services.

5. “Member” means the same as “Client”, a person receiving developmental disabilities services from the Division, as specified in A.R.S. § 36-551.
6. “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.
7. “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.

Policy

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

1. The Division shall ensure ALTCS coverage includes medically necessary institutional or inpatient services provided in an AHCCCS-registered long-term care facility for ALTCS Members, including a Member’s access to behavioral health services as specified in Division Medical Policy 310-B.
2. The Division 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.

3. The Division 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 Division Medical Policy 310-P.
4. The Division shall adhere to the Nursing Facility requirements as

specified in Division Medical Policy 310-R.

B. Members Residing in an ALTCS Institutional Setting

1. The Division 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 part of the per diem for the service unit;
 - b. Physical and behavioral health services as specified in Division Medical Policy Manual Chapter 300;
 - i. Medical services provided to ALTCS Members are the same as those provided to acute care Members; and
 - ii. Behavioral health services provided by a licensed behavioral health provider who may report and bill services separately from the facility as specified in Division Medical Policy 310-B;
 - c. Customized medical equipment ordered by the Member's primary care provider and authorized by the AdSS or Tribal Health Program;
 - d. Hospice services as specified in Division Medical Policy 310-J;
 - e. Early Periodic Screening, Diagnosis, and Treatment

requiring intensive specialized supports, services, and supervision that only an ICF/IDD can provide.

3. The Division shall review all medical and other documentation to determine the need for a Member's admission into an ICF/IDD, to include:
 - a. Planning Documents;
 - b. Residential Assessment Profile, as applicable;
 - c. Nursing Assessment, as applicable;
 - d. Therapy evaluations and quarterly reports, as applicable;
and
 - e. Any other information that is required by the Division's Chief Medical Officer (CMO) or Assistant Director to make a determination.
4. The Division shall not authorize ICF/IDD when there are alternative Home and Community Based Services (HCBS) that are less restrictive and more cost-effective.
5. The Division's CMO or Assistant Director shall review and either approve or deny the ICF/IDD service.
6. The Division shall complete a cost-effective study before the Member's admission to an ICF/IDD and Active Treatment reviews every six months.

7. The Division shall require the continued stay review and Active Treatment review to determine:
 - a. If the Member no longer needs and benefits from continued Active Treatment in an ICF/IDD;
 - b. If the Member requires protective oversight only;
 - c. If the Member is able to function with little supervision in the absence of Active Treatment; or
 - d. If a less restrictive and more cost-effective service or living situation can meet the needs of the Member.

8. The Division shall terminate the ICF/IDD service when:
 - a. The continued stay review indicates the Member no longer needs the ICF/IDD service;
 - b. The ICF/IDD service is unable to meet the Member's needs;
 - c. The Member has met their outcomes and no longer needs the ICF/IDD service;
 - d. The Responsible Person requests to no longer receive the ICF/IDD service;
 - e. The Member is no longer eligible for ALTCS; or
 - f. The service is no longer appropriate as outlined in C(4)(a-f).

9. The Division shall, when resolving disputes or disagreements, include the following individuals:
 - a. The Responsible Person,
 - b. Member's Primary Care Physician,
 - c. Attending Physician at the ICF/IDD,
 - d. Support Coordinator, and
 - e. The Division's CMO.
10. The Division's CMO or Assistant Director shall have the final authority for Member admissions to and discharges from the ICF/IDD.

Chief Network Administrator