

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. Division Medical Manual, Policy 310-R Nursing Facility Services

Description of changes :

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

1. Describes the requirements for coverage of nursing facility services for Members who are eligible for for ALTCS.
2. Describes the requirements for coverage of nursing facility services for Members who are not eligible for for ALTCS.

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

Effective Date: Month, Day, Year

References: AMPM 310-R, Division Medical Policy 1620-E

Purpose

This policy outlines the Division of Developmental Disabilities' (Division's) requirements for coverage of Medically Necessary services provided in Nursing Facilities (NF) for Arizona Long Term Care System (ALTCS) Members and Members who have not been determined eligible for ALTCS that need nursing care 24 hours a day, but do not require hospital care under the daily direction of a physician.

Definitions

1. "Administrative Services Subcontractor" or "AdSS" means an organization or entity that has a capitated contract with the Division to provide goods and services to its Members either directly or through subcontracts with service providers, in conformance with contractual requirements, state statutes and rules, and federal law and regulations.

2. "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.
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 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.

4. "Biweekly" means occurring twice per week.
5. "Contract Year" means October 1 through September 30.
6. "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.
7. "Member" means the same as "Client", a person receiving developmental disabilities services from the Division, as specified in A.R.S. § 36-551.
8. "Medically Necessary" means a service given by a doctor, or licensed health practitioner that helps with health problems, stops disease, disability, or extends life.
9. "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.
10. “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.

11. "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.
12. "Support Coordinator" means the same as "Case Manager" under A.R.S. § 36-551.

Policy

A. General Requirements

1. The Division shall require Nursing Facility (NF) providers to be State-licensed and Medicare-certified.
2. The Division shall not require religious nonmedical healthcare institutions to be State-licensed or Medicare-certified.

3. The Division shall require unlicensed NFs on tribal land to meet State licensure requirements.
4. The Division shall, when appropriate in lieu of NF services, as specified in A.A.C. R9-22 Article 2 and A.A.C. R9-28 Article 2:
 - a. Explore transition from a NF to the least restrictive setting or Home and Community Based Services (HCBS) setting;
 - b. Provide services to the Member in an alternative HCBS setting; or
 - c. Provide HCBS in the Member's home.
5. The Division may conduct a clinical staffing, and include the Administrative Services Subcontractor (AdSS) if appropriate, to discuss discharge planning and level of care, if members of the Planning Team are in disagreement prior to a denial of NF services.
6. The Division shall conduct Level II Pre-Admission Screening and Resident Review (PASRR) assessment for individuals suspected to have an Intellectual Disability (ID) or a related condition per Division Medical Policy 680-C.

B. Acute Nursing Facility Services for ALTCS Members

1. The Division shall cover up to 90 days of acute NF services for ALTCS Members per Contract Year as specified in A.R.S. § 36-2939 when the following criteria apply:
 - a. The Member's medical condition is such that if NF services are not provided, hospitalization will result.
 - b. The treatment is such that it cannot be administered safely in a less restrictive setting.
 - c. The 90 days of coverage begins on the day of admission regardless of whether a Member is insured by a third party insurance carrier, including Medicare.
2. The Division 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 Division shall cover a new 90-day period if the Member resides in a NF at the beginning of a new Contract Year.
4. The Division's Support Coordinator shall discuss long term level of care, service alternatives, and coordinate discharge planning with the Planning Team prior to the 45th day of the Member's stay at the NF.

5. The Division shall place any Member who is ready to be discharged before the 45th day of their stay in the NF on the Biweekly health plan discharge meeting tracker no later than day 30, or as soon as the Division is aware of an impending discharge.
6. The Division shall receive the following information in an email notification from the AdSS regarding a Member who is approaching the 45th day of residing in an NF:
 - a. Member 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 Division's District Nurse or Nurse Support Coordinator shall perform the Member's nursing assessment and AHCCCS/ALTCS Uniform Assessment Tool - Acuity Determination (DDD-2260A) when considering long term or custodial NF level of care for the

Member and provide both the assessment and the tool to the AdSS, if the Member is assigned to an AdSS.

8. The Division shall discuss long term level of care alternatives and coordinate discharge planning, if the Member residing in an NF is approaching a cumulative total of 45 NF days during the Contract Year.

C. Nursing Facility Services for Members Who are Not Enrolled in ALTCS

1. The Division shall require the NF or providers to contact the Member's health plan for verification of Contract Year dates and any discussion regarding the Member's stay if the Member is not enrolled in ALTCS.
2. The Division shall contact or ensure that the NF contacts AHCCCS Division of Member and Provider Services (DMPS) by email at HealthPlan45DayNotice@azahcccs.gov prior to the 45th day of a Member's stay in the NF to allow AHCCCS DMPS time to follow up on the status of the Member's ALTCS application and to consider coverage if the stay goes beyond the 90-day per Contract Year maximum.

3. The Division or NF shall include the following information in the email notification to AHCCCS DMPS:
 - a. Member's name;
 - b. AHCCCS ID;
 - c. Date of birth;
 - d. Name of the facility;
 - e. Admission date to the facility;
 - f. ALTCS application submission date;
 - g. Date the Member will exhaust 90 NF days for the current Contract Year; and
 - h. Name of Contractor of enrollment.
4. The Division shall discuss long term level of care alternatives and coordinate discharge planning, if the Member residing in an NF:
 - a. Has applied for ALTCS and a decision is still pending; and
 - b. Is approaching a cumulative total of 45 NF days during that Contract Year.
5. The Division shall only be responsible for NF coverage during the time the Member is enrolled with the Division and is enrolled in ALTCS.

6. The Division shall ensure the NF coordinates with the Responsible Person on alternative methods of payment for continuation of services beyond the 90 days covered by the Division until:
 - a. The Member is enrolled in ALTCS; or
 - b. Until the beginning of the new Contract Year if the Member is determined to be ineligible for ALTCS enrollment.
7. The Support Coordinator shall complete the following upon receiving notification from the AdSS that a Member enrolled in the ALTCS Transitional Program is expected to require NF level of care for more than 90 days:
 - a. Submit a nursing referral by email to DDDnursingreferral@azdes.gov; and
 - b. Notify AHCCCS for consideration of continued enrollment in the ALTCS Transitional Program or a change to ALTCS status.
8. The Division shall place any Member who is in a NF on the Bi-weekly discharge meeting tracker no later than day 45 of the Member's stay.

D. Long Term or Custodial NF Services for ALTCS

Members

1. The Division shall cover long term or custodial NF level of care for Members through the AdSS as per contract regarding Long-Term Services and Supports (LTSS) during the time the Member is enrolled with the AdSS.
2. The Division shall cover long term or custodial level of care for Tribal Health Program (THP) Members during the time the Member is enrolled in the THP.
3. The Division 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 Division unless dictated by a change in condition of the Member, as specified in Division Medical Policy 1620-E.
4. The Division shall require a planning meeting to discuss custodial level of care if the AdSS, NF staff, Member, or Responsible Person believes there is a reason that the Member may no longer

need NF level of care prior to issuing a Notice of Adverse Determination.

5. The Division 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 Division 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 provide LTSS through alternative arrangements.
6. The Division Support Coordinator and THP Program Manager shall initiate the letter of agreement process for a THP Member when the SNF acuity tool, The Uniform Assessment Tool - Acuity Determination (DDD-2260A) or the planning team determines that a THP Member shall remain at the custodial NF level of care.

E. Scope of Services

1. The Division shall cover the following per diem services for ALTCS Members provided in the NF, as specified in A.R.S. § 36-2939:
 - a. Nursing services, including:
 - i. Administration of medication;

- ii. Tube feedings;
 - iii. Personal care services, including assistance with bathing and grooming;
 - iv. Routine testing of vital signs;
 - v. Blood glucose monitoring;
 - vi. Assistance with eating; and
 - vii. Maintenance of catheters.
- b. Basic patient care equipment and sickroom supplies, including:
- i. Bedpans;
 - ii. Urinals;
 - iii. Diapers;
 - iv. Bathing and grooming supplies;
 - v. Walkers; and
 - vi. Wound dressings or bandages.
- c. Dietary services, including:
- i. Preparation and administration of special diets; and
 - ii. Adaptive tools for eating.
- d. Administrative physician visits made solely for meeting state certification requirements;

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- e. Non-customized durable equipment and supplies, including:
 - i. Manual wheelchairs;
 - ii. Geriatric chairs; and
 - iii. Bedside commodes.
 - f. Rehabilitation therapies ordered as a maintenance regimen;
 - g. NF operations to include:
 - i. Administration;
 - ii. Medical director services;
 - iii. Plant operations; and
 - iv. Capital.
 - h. Over-the-counter medications and laxatives;
 - i. Social activity, recreational, and spiritual services; and
 - 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.

F. Acute Behavioral Health Situations

1. The Division shall require the NF to provide prompt notification of changes in Member behaviors or Member acuity to the

Support Coordinator if a Member residing within a non-behavioral health unit presents with behaviors that may be a danger to self or others.

2. The Support Coordinator shall coordinate with the NF to verify processes are in place to ensure the Member is safe and is able to remain in the NF while behaviors are occurring.
3. The Division shall recommend the NF 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 Support Coordinator 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. Having the services of a specialist;
 - 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 Division 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. The table below provides examples of scenarios for days of coverage:

Member	Date of Admission	Admission Status	Number of Days Used
Member A	Admitted January 15	Discharged April 3	79 days used; 11 days of NF services available through the end of the Contract Year.
Member B	Admitted January 15	Still in NF April 14	90 days used; Division notifies AHCCCS by day 45 regarding Member's ALTCS application, if Member is not already ALTCS qualified.
Member C	Admitted July 3	Still in NF September 30	89 days used; October 1 is the beginning of the new Contract Year, 90-day benefit begins.

3. For Member cost sharing with third party insurance carriers, including Medicare, refer to ACOM 201.
4. Refer to AMPM Policy 820 for prior authorization requirements for Fee-for-Service providers.

5. Additional information related to crisis safety planning is specified in AMPM Policy 320-O.
6. For Division Members who have not been determined eligible for ALTCS as specified in A.R.S. § 36-2939, AHCCCS covers up to 90 days of acute NF services when the following criteria apply:
 - a. The medical condition of the Member is such that if NF services are not provided, hospitalization of the individual will result; or
 - b. The treatment is such that it cannot be administered safely in a less restrictive setting, including at home with home health services.
 - 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.
 - d. A new 90-day coverage period begins if a Member resides in a NF at the beginning of a new Contract Year.
 - e. Unused days do not carry over.
 - f. The 90 days of coverage begins on the day of admission regardless of whether a Member is insured by a third-party insurance carrier, including Medicare.

7. For Members not enrolled with ALTCS, the AHCCCS Complete Care (ACC) contractor covers the services outlined in Section D. Scope of Services, only during the time the Member is enrolled with the ACC contractor.

Signature of Chief Medical Officer