ADMINISTRATIVE POLICY STATEMENT
Arkansas PASSE

Policy Name & Number	Date Effective
Nonmedical Community Supports and Services-AR PASSE-AD-1224	07/01/2025
Policy Type	
ADMINISTRATIVE	

Administrative Policy Statement prepared by CareSource and its affiliates are derived from literature based on and supported by clinical guidelines, nationally recognized utilization and technology assessment guidelines, other medical management industry standards, and published MCO clinical policy guidelines. Medically necessary services include, but are not limited to, those health care services or supplies that are proper and necessary for the diagnosis or treatment of disease, illness, or injury and without which the patient can be expected to suffer prolonged, increased or new morbidity, impairment of function, dysfunction of a body organ or part, or significant pain and discomfort. These services meet the standards of good medical practice in the local area, are the lowest cost alternative, and are not provided mainly for the convenience of the member or provider. Medically necessary services also include those services defined in any Evidence of Coverage documents, Medical Policy Statements, Provider Manuals, Member Handbooks, and/or other policies and procedures.

Administrative Policy Statements prepared by CareSource and its affiliates do not ensure an authorization or payment of services. Please refer to the plan contract (often referred to as the Evidence of Coverage) for the service(s) referenced in the Administrative Policy Statement. If there is a conflict between the Administrative Policy Statement and the plan contract (i.e., Evidence of Coverage), then the plan contract (i.e., Evidence of Coverage) will be the controlling document used to make the determination.

According to the rules of Mental Health Parity Addiction Equity Act (MHPAEA), coverage for the diagnosis and treatment of a behavioral health disorder will not be subject to any limitations that are less favorable than the limitations that apply to medical conditions as covered under this policy.

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A. Subject

Nonmedical Community Supports and Services (NCSS)

B. Background

Created in the 2017 Arkansas General Session and codified as ACA 20-77-2701 et seq., the Provider-led Shared Savings Entities (PASSEs) are responsible for integrating physical health, behavioral health, and specialized developmental disabilities services for individuals who have intensive levels of treatment or care needs due to mental illness, substance abuse, or intellectual or developmental disability. The PASSE program organizes and manages the delivery of services for Medicaid clients pursuant to Title XIX of the Social Security Act (The Act) and Arkansas Act 775.

According to Act 775 of 2015 of the Arkansas General Assembly under the authority of a concurrent 1915(b)/(c) waiver along with a 1915(i) State Plan Amendment, the PASSEs provide all services under a managed care organization (MCO) model and can offer a variety of unlimited services under a Home and Community-Based Services (HCBS) Waiver program, which provides a combination of standard medical and auxiliary non-medical servicesto meet the needs of individuals who prefer to obtain long-term services and supports (LTSS) in the home or community. Many individuals with developmental disabilities (DD)/intellectual disabilities (ID) and individuals with severe behavioral health needs also have LTSS needs.

This model provides care coordination to assigned members, development of person-centered service plans (PCSPs), and also delivers all services. Standard services can include case management (ie, support and service coordination), home health, personal care, adult day health services, habilitation (both day and residential), and respite care. States can also propose “other” types of services to assist in diverting or transitioning individuals from institutional settings into personal homes and communities. By establishing supports, States hope to create a sustainable, person-driven long-term support system in which people with disabilities and chronic conditions have choice, control and access to a full array of quality services that assure optimal outcomes, such as independence, health and quality of life.

Medicaid HCBS waivers exhibit key features. Services are an alternative to care in an institutional setting (ie, hospital, nursing home, intermediate care facility for members with developmental disabilities); therefore, the member must require a level of services and support that would otherwise require admittance to an institutional setting. The state must ensure that the member’s health and safety can be met in a non-institutional setting. The cost of services and support must be cost effective in comparison to the cost of care in an institutional setting. The Person-Centered Service Plan (PCSP) should reflect the preferences of the member and must be signed by the individual or his or her designee.

C. Definitions

- **Arkansas Independent Assessment (ARIA)** – An assessment of a member's capabilities and limitations in performing activities of daily living that determines eligibility for services offered though HCBS waivers.
- **Medically Necessary/Medical Necessity** – A service that is reasonably calculated to prevent, diagnose, correct, cure, alleviate, or prevent the worsening of conditions that endanger life, cause suffering or pain, result in illness or injury, threaten to cause or aggravate a handicap, or cause physical deformity or malfunction, and if there is no other equally effective, although more conservative or less costly, course of treatment available or suitable for the beneficiary requesting the service. For this purpose, a "course of treatment" may include mere observation or, where appropriate, no treatment at all. The determination of medical necessity may be made by the Medical Director for the PASSE Program or by the PASSE Program Quality Improvement Organization (QIO).
- **Person Centered Service Plan (PCSP)** – A member's total plan of care made in accordance with 42 C.F.R. § 441.301(c)(1), which indicates the services necessary for the member, specific member needs, member strengths, and a crisis plan.

D. Policy

I. Nonmedical Community Supports and Services (NCSS)
Supports and services can be medical or nonmedical in nature and reviewed on the basis of medical necessity or NCSS. NCSS services are available under the federal authority of sections 1905, 1915(c), or 1915(i) or under state authority by a PASSE. NCSS are provided with the intention to prevent or delay entry into an institutional setting or to assist or prepare a member to leave an institutional setting (eg, HCBS, LTSS). Services should assist members in living safely and successfully in personal homes or communities and may include the following (not an all-inclusive list):

- adult day services
- attendant care services
- home-delivered meals or other non-medical transportation
- environmental accessibility adaptations/adaptive equipment
- personal emergency response systems
- pre-vocational services or supported employment
- supported living services

II. In order to be eligible for waiver services, members must participate in and complete certain activities. The provision of comprehensive medically necessary and NCSS are delivered to members who complete the following:

A. ARIA process
Federal statutes and regulations require states to use an independent assessment based on tested, validated, objective instruments for determining eligibility for certain services offered though HCBS waivers. ARIA identifies a need for services, but the types and levels of supports and services needed to achieve member goals are beyond the scope of the ARIA and, instead, are developed by the PCSP process.

B. Person Centered Service Plan (PCSP)
Supports and services for each member are described in the member's PCSP and are individualized depending on member needs. LTSS services in HCBS settings may be a combination of medical and non-medical services. The PCSP is a process in which nonmedical services and supports are individualized.
1. The PCSP must be reviewed by the care coordinator and the member not less than monthly and revised if the condition or situation of the member changes.
2. To ensure the integrity of the PCSP, prior authorization and utilization review procedures should use criteria which would allow appropriately enrolled providers to perform nonmedical services and supports.
   a. The PASSE must ensure appropriate firewalls between the PASSE and providers and between internal staff and processes used to ensure that services and supports are approved or denied in a conflict-free manner.
   b. The "independent review" requirement of 1915(i) also means that there should be internal firewalls within the PASSE to separate the development of the PCSP from staff with fiscal duties or utilization review.

III. Medical Necessity Determinations
Medical necessity reviews occur separately from reviews for nonmedical community supports and services. Medical necessity is determined according to the hierarchy found in the *Medical Necessity Determinations* policy and the State's definition of medical necessity found in Ark. Code Ann. § 23-99-1103.

E. Conditions of Coverage
NA

F. Related Policies/Rules
Medical Necessity Determinations
Person-Centered Service Plans

G. Review/Revision History

	DATE	ACTION
Date Issued	8/31/2022	New policy.
Date Revised	01/31/2024 04/09/2025	Annual review. Added waiver key features. Updated references. Approved at Committee. Annual review. Added LTSS information to Background and D.II.B. Updated references. Approved at Committee.
Date Effective	07/01/2025	
Date Archived		

H. References
1. Act 775, Ark. State Legislature (2017).

2. *Arkansas Independent Assessment Provider Manual, Section II*. Arkansas Dept of Human Services; 2019. Updated January 1, 2024. Accessed March 18, 2025. www.humanservices.arkansas.gov
3. *Arkansas Division of Medical Services Quality Strategy 2021*. Arkansas Dept of Human Services; 2021. Accessed March 18, 2025. www.humanservices.arkansas.gov
4. Community and employment support waiver: AR.0188.R06.01. Effective March 1, 2022. Accessed March 18, 2025. www.humanservices.arkansas.gov
5. Home and community-based services 1915(c). Accessed March 18, 2025. www.medicaid.gov
6. Long-term services and supports. Accessed March 18, 2025. www.medicaid.gov
7. Managed care. Centers for Medicare and Medicaid Services. Accessed March 18, 2025. www.medicaid.gov
8. *Provider-Led Arkansas Shared Savings Entity (PASSE) Program*. Arkansas Department of Human Services. Accessed March 18, 2025. www.humanservices.arkansas.gov
9. State waivers list. Accessed March 18, 2025. www.medicaid.gov