CareSource PASSE

ADMINISTRATIVE POLICY STATEMENT
Arkansas PASSE

Policy Name & Number	Date Effective
Nonmedical Community Supports and Services-AR PASSE-AD-1224	09/01/2026
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 by the 2017 Arkansas General Session and codified as ACA 20-77-2701 et seq., Provider-led Shared Savings Entities (PASSEs) integrate physical health, behavioral health (BH), and specialized developmental disability services for individuals with intensive care needs due to mental illness, substance abuse, or intellectual/ developmental disabilities. The PASSE program manages Medicaid services under Title XIX of the Social Security Act and Arkansas Act 775.

Under Act 775 of 2015 and supported by concurrent 1915(b)/(c) waivers and a 1915(i) State Plan Amendment, PASSEs operate as managed care organizations providing Home and Community-Based Services (HCBS) waivers. Services combine medical and non-medical supports to help individuals receive long-term services and supports (LTSS) at home or in the community, especially members with developmental or BH needs. This model delivers care coordination, person-centered service plans (PCSPs), and services such as case management, home health, personal care, adult day health, habilitation, and respite care. States may also propose additional services to help transition individuals from institutional settings to community living, aiming to create sustainable, person-driven supports that promote choice, independence, health, and quality of life.

Medicaid HCBS waivers serve as alternatives to institutional care, requiring members to need a level of support otherwise met in institutions. States must ensure health and safety in non-institutional settings and demonstrate cost-effectiveness. PCSPs must reflect member preferences and be signed by the member or a representative.

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).

D. Policy

I. Nonmedical Community Supports and Services (NCSS)
Supports and services, medical or nonmedical, are reviewed based on medical necessity or NCSS criteria. NCSS services, authorized federally under sections 1905, 1915(c), or 1915(i) or by a PASSE at the state level, aim to prevent or delay institutionalization or help members transition out of institutional settings (eg, HCBS, LTSS). These services support safe living in 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. To be eligible for waiver services, members must complete required activities to receive comprehensive medically necessary and NCSS supports, including

A. ARIA process
Federal law mandates that states use independent, validated assessments to determine eligibility for certain HCBS waiver services. While ARIA identifies service needs, the specific types and levels of supports required to meet member goals are determined through the PCSP process.

B. Person Centered Service Plan (PCSP)
Supports and services in each member's PCSP and are individualized based on individual needs and may include medical and non-medical LTSS in HCBS settings.

1. The PCSP must be reviewed by the care coordinator and the member not less than monthly and revised if the condition or member situation changes.
2. To maintain PCSP integrity, prior authorization and utilization reviews must use criteria allowing qualified providers to deliver nonmedical supports.
    a. CareSource will ensure appropriate firewalls between the PASSE, providers and internal staff to ensure conflict-free approval or review of services.
    b. 1915(i) requires internal separation firewalls within CareSource between PCSP development and 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	Annual review. Added waiver key features. Updated references. Approved at Committee.
	04/09/2025	Annual review. Added LTSS information to Background and D.II.B. Updated references. Approved at Committee.
	05/20/2026	Annual review. Deleted PCSP definition. Updated references. Approved at Committee.
Date Effective	09/01/2026	
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. Accessed May 8, 2026. www.humanservices.arkansas.gov
3. *Arkansas Division of Medical Services Quality Strategy 2021*. Arkansas Dept of Human Services; 2021. Accessed May 8, 2026. www.humanservices.arkansas.gov
4. Community and employment support waiver: AR.0188.R06.01. Effective March 1, 2022. Accessed May 8, 2026. www.humanservices.arkansas.gov
5. Home and community-based services 1915(c). Accessed May 8, 2026. www.medicaid.gov
6. Long-term services and supports. Accessed May 8, 2026. www.medicaid.gov
7. Managed care. Centers for Medicare and Medicaid Services. Accessed May 8, 2026. www.medicaid.gov
8. *Provider-Led Arkansas Shared Savings Entity (PASSE) Program*. Arkansas Department of Human Services. Accessed May 8, 2026. www.humanservices.arkansas.gov
9. State waivers list. Accessed May 8, 2026. www.medicaid.gov