



MEDICAL POLICY STATEMENT

Arkansas PASSE

Policy Name & Number	Date Effective
Therapeutic Communities-AR PASSE-MM-1868	05/01/2026
Policy Type	
MEDICAL	

Medical 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.

Medical 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 Medical Policy Statement. If there is a conflict between the Medical 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

Therapeutic Communities

B. Background

Therapeutic communities (TC) deliver multiple behavioral health (BH) services throughout the day supporting a complex, Serious Mental Illness (SMI) population. The program allows providers to treat members with more flexibility in service delivery. TCs are available to members with complex BH needs and/or intellectual disability diagnoses. Service programs must be certified by the Division of Provider Services and Quality Assurance (DPSQA).

TCs are highly structured residential environments employing earned privileges and community-imposed consequences as part of recovery and growth. Members are assigned responsibilities and act as facilitators, emphasizing personal responsibility, self-improvement, and integration within a community. Two levels of care permit more frequent and intensive interventions depending on symptoms. Level 1 provides the most supervision, support and treatment and ensures community safety in a facility, while Level 2 is often used as a stepdown to begin transition into a community setting. TCs have specific staffing ratios, training requirements and provide care 24/7. Additional information is published by the Arkansas Dept of Human Services (DHS) in the *Therapeutic Communities or Community Support System Provider (CSSP) Certification or Licensure Manual*.

C. Definitions

- **Daily Living Activities-20 (DLA-20)** – A standardized, functional assessment tool providing a 30-day snapshot of 20 domains enabling the measurement of impacts of illness or disability on an individuals' daily living functioning (ie, summary of strengths/needs at a specific point in time related to whole health).
- **Intellectual and Developmental Disorder (IDD) Diagnosis** – Chronic disability of an individual in accordance with ARK. CODE ANN. § 20-48-101.
- **Serious Persistent Mental Illness (SPMI)** – An individual 18 years of age or older with symptoms or difficulty in life domains and meeting specific criteria established by the State.
- **Therapeutic Individualized Plan of Care (POC)** – A plan developed with the member for specific services to restore, improve, or stabilize a BH condition.

D. Policy

Eligibility for services is determined by a clinical review of documentation establishing medical necessity and/or nonmedical community supports and services (NCSS), including determinations from an Arkansas Independent Assessment (ARIA).

- I. Providers must be certified as a TC or a CSSP provider at the Enhanced Level.

- II. CareSource will review requests for TC services on a case-by-case basis. General guidelines and basic authorization criteria include **all** the following:
- A. Member must be 18 or older with an SPMI or IDD diagnosis(-es) as outlined in the most recent *Diagnostic and Statistical Manual of Mental Disorders (DSM)*.
 - B. Member must have an individualized POC and Person Centered Service Plan specifying services provided in the least restrictive setting and within, or as close to, the community in which the member resides.
 - C. A positive behavior support plan (PBSP) is required for any IDD member with behavioral issues. PBSPs will be reviewed at least quarterly, and the member will be referred to an appropriately licensed professional if the plan does not achieve the desired results.
 - D. Member benefit is possible when there is evidence of no benefit from other services across multiple providers, resulting in a greater risk of hospitalization, homelessness, substance use, victimization and/or incarceration.
 - E. Documented behaviors and functional impairments would likely lead to a more restrictive level of care without TC services.
 - F. Member can be approved up to 90 units (1 unit = 1 day).
 - G. Provider will complete the TC Prior Authorization Form found on the CareSource PASSE website at www.caresource.com>Providers>Prior Authorization.
- III. Level 1 Additional Requirements
- In addition to meeting the general requirements in D.II above, Level 1 individualized POCs will include a minimum of 35 hours a week and **all** the following:
- A. minimum of 2 medical service encounters per month to address member psychiatric needs
 - B. minimum of 5 encounters per week for professional services with at least 1 encounter on an individual basis for each member
 - C. functional impairments displayed includes **either** of the following:
 - 1. Regression and/or exacerbation of symptoms require inpatient care, but the member does not need the full support of a hospital setting.
 - 2. The member has multisystem involvement and complex needs for the highest-level of 24/7 supervision, support and treatment to ensure community safety and includes **any** of the following:
 - a. documented hospitalizations or emergency department visits within the last year related to primary BH diagnoses
 - b. symptoms, characterized by a degree of intensity, require a locked residence, medication administration supervision and co-occurring medical or SUD impacts stability
 - c. no demonstration of extended periods of positive community integration in the last 2 years or stability in Level 2 after documented interventions and strategies by the treating team to prevent transition to Level 1
 - D. comorbid conditions for members who are under a 911, 310, or 180 commitment status and pose a high level of community safety risk

IV. Level II Additional Requirements

In addition to meeting the general requirements in D.II above, Level 2 individualized POCs will include a minimum of 30 hours a week and the following:

- A. minimum of 1 medical service encounter per month to address member psychiatric needs
- B. minimum of 3 encounters per week for professional services with at least 1 encounter on an individual basis for each member
- C. functional impairments require supervision, support, and treatment at a lower level than Level 1 with at least 3 functional impairments present
- D. member presents with 3 or more high service needs or comorbid conditions

V. Continuing stay reviews (CSRs) for Levels 1 and 2 can be approved up to 90 additional units and should include any criteria already established in other sections of this policy. Submission of the following is required for any CSR:

- A. most recent treatment plan
- B. most recent psychiatric evaluation
- C. prescriber/MD notes
- D. counseling notes
- E. daily notes/logs showing that treatment hour requirements have been met for the previous 30 days

VI. Treatment plan reviews will address the member's BH and/or IDD symptoms and needs. Providers must utilize the DLA-20 during treatment plan reviews and conduct reviews more frequently if the member is admitted to the hospital and/or has a significant change in status. Level 1 and 2 reviews must include progress reports on treatment goals at the following intervals and be adjusted accordingly for lack of member progress:

- A. Level 1 reviews: a minimum of every 90 days.
- B. Level 2 reviews: a minimum of every 180 days.

VII. Discharge Criteria

Members will be considered for discharge considering the DLA-20 score completed at each treatment plan review in addition to meeting **5** of the criteria listed below:

- A. decreased acuity level
- B. displayed stabilization and improvement of symptoms
- C. absence of significant impairment to level of functioning
- D. member understanding of follow-up treatment and crisis plan
- E. availability of outpatient setting supports and providers
- F. acceptable risk status
- G. member participation in monitoring at lower level, if available
- H. lower level of care treatable or absent medical needs
- I. achieved treatment goals

E. Conditions of Coverage

NA

The MEDICAL Policy Statement detailed above has received due consideration as defined in the MEDICAL Policy Statement Policy and is approved.

- F. Related Policies/Rules
Non-Medical Community Supports and Services
Person-Centered Service Plans

G. Review/Revision History

	DATE	ACTION
Date Issued	11/08/2023	Approved at Committee.
Date Revised	10/23/2024 01/28/2026	Annual review. Updated references. Approved at Committee. Annual review. Updated references. Approved at Committee.
Date Effective	05/01/2026	
Date Archived		

H. References

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3. Definitions, ARK. CODE ANN. § 6-18-2403 (2023).
4. Definitions, ARK. CODE ANN. § 20-47-202 (2023).
5. Definitions, ARK. CODE ANN. § 20-48-101 (2023).
6. *Home and Community Based Services for Client with Intellectual Disabilities and Behavioral Health Needs Provider Manual, Section II*. Arkansas Dept of Human Services. Accessed January 26, 2026. www.humanservices.arkansas.gov
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8. *Rules for the Division of Medical Services Licensure Manual for Community Support System Providers*. Arkansas Department of Human Services. Updated January 1, 2023. Accessed January 26, 2026. www.humanservices.arkansas.gov
9. Staiger PK, Liknaitzky P, Lake AJ, et al. Longitudinal substance use and biopsychosocial outcomes following therapeutic community treatment for substance dependence. *J Clin Med*. 2020;9(1):118. doi:10.3390/jcm9010118
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