Adult Day Health Services Payment Policy

Policy Statement

Adult day health services include day programs for seniors and other adults who need supervision and health services during the daytime. Adult Day Health programs offer nursing care, therapies, personal care assistance, social and recreational activities, meals, and other services in a community group setting. Adult Day Health programs are for adults who return to their homes and care givers at the end of the day.

In accordance with State of Rhode Island Executive Office of Health and Human Services managed care contracts, an adult day health program shall mean a comprehensive, nonresidential program designed to address the biological, psychological, and social needs of adults through individual plans of health that incorporate, as needed, a variety of health, social and related support services in a protective setting.

Scope

This policy applies to:

☒**Medicaid** *excluding:*

- Extended Family Planning (EFP)
- Children with Special Health Care Needs (CSN) < 18 years of age
- Substitute Care (SUB) < 18 years of age

☒**INTEGRITY**

☐**Commercial**

Prerequisites

All services must be medically necessary to qualify for reimbursement. Neighborhood may use the following criteria to determine medical necessity:

- National Coverage Determination (NCD)
- Local Coverage Determination (LCD)
- Industry accepted criteria such as InterQual
- Rhode Island Executive Office of Health and Human Services (EOHHS) recommendations
- Clinical Medical Policies (CMP)

It is the provider's responsibility to verify eligibility, coverage and authorization criteria prior to rendering services.

For more information, please refer to:

- Neighborhood's plan specific Prior Authorization Reference page.
- Neighborhood's Clinical Medical Policies .

Please contact Provider Services at 1-800-963-1001 for questions related to this policy.

Coverage Requirements

Adult Day Health Services are defined as supervision, health promotion and health prevention services that include the availability of nursing services and health oversight, nutritional dietary services, counseling, therapeutic activities and case management.

A member must meet the preventive level of care to attend adult day care. The preventive level of care is the minimum level of care, which is outlined in the RI 1115 Waiver, Attachment D-Level of Care Criteria.

Face-to-face assessment and reassessment with the member's Primary Care Provider (PCP) is required annually or if the member's condition changes.

Adult day health services consist of three (3) levels of care:

1. **Basic Level**-
   - Minimum of four (4) hours per day up to six (6) days per week
   - Transportation is included in the per diem or half day rate
     - Total transportation not to exceed two (2) hours to and from home
   - Physical therapy, Occupational therapy, and Speech therapy are not included in the per diem rate and must be billed separately
   - If a member attends for less than five (5) hours per day, including transportation to and from the center, the ADC program must bill using the appropriate billing codes for units of service of less than one day

2. **Enhanced Level Non-Skilled**-
   - Criteria outlined above for basic level with the addition of:
     - Daily Assistance with at least 2 Activities of Daily Living (ADL) *or*
     - Daily Assistance with at least 1 Skilled Service by a Registered Professional Nurse (RN) or a Licensed Practical Nurse (LPN) *or*
     - Daily Assistance with at least 1 ADL which requires 2-person assist to complete *or*
     - Daily assistance on site in the center; with at least three (3) Activities of Daily Living (ADL) as described above when supervision and cueing are needed to complete the ADL's identified *or*
     - Diagnosis of Alzheimer's disease or other related dementia or a mental health diagnosis that requires staff intervention due to safety concerns.

3. **Enhanced Level Skilled-**

- Criteria outlined above for Enhanced Level Non-Skilled with the addition of need for skilled services by a physician within the professional disciplines of nursing, physical, occupational, and speech therapy.

In order to bill Neighborhood Health Plan of R.I.(Neighborhood) for the Enhanced Level, the adult day care must document they are providing the services required for that level as outlined in the care plan which must be signed by the participant or legal guardian or representative as well as completion of the required progress notes.

Exclusions

- If admission of the individual to adult day health services would result in the individual receiving duplicative or substantially identical services as those provided by any other Medicaid funded service that the individual has chosen, then the individual will not be eligible for adult day health services.
- Residents of a residential health care facility shall be ineligible for adult day health services
- An adult who requires and who is receiving care 24 hours per day on an inpatient basis in a hospital or nursing home shall be ineligible for adult day health services.
- An adult who has partial care/partial hospitalization program services on a particular day is not eligible for adult day health services on the same day.

Claim Submission

- Adult Day Basic Level services should be billed with no modifier.
- Adult Day Enhanced Level Non-Skilled services should be billed with modifier U1.
- Adult Day Enhanced Level Skilled services should be billed with modifiers U1 and U3.

Billable services are subject to contractual agreements when applicable. Providers are required to submit complete claims for payment within contractually determined timely filing guidelines.

Coding must meet standards defined by the American Medical Association's Current Procedural Terminology Editorial Panel's (CPT®) codebook, the International Statistical Classification of Diseases and Related Health Problems, 10th revision, Clinical Modification (ICD-10-CM), and the Healthcare Common Procedure Coding System (HCPCS) Level II.

Member Responsibility

Commercial plans are excluded from coverage. Other products have no member responsibility.

Coding

The following codes may be covered for adult day health services when the adult day criteria set forth in this policy are met:

Code	Description
S5101	Day care services, adult; per half day
S5102	Day care services, adult; per diem

In addition to the codes listed above, Adult Day Enhanced Level of Care must be billed with one or both of the following modifiers according to criteria set forth in this policy:

Code	Description
U1	Medicaid level of care 1, as defined by each state
U3	Medicaid level of care 3, as defined by each state

*Please note any modifier appended outside of the modifiers listed above will result in incorrect processing of level of care

Disclaimer

This payment policy is informational only and is not intended to address every situation related to reimbursement for healthcare services; therefore, it is not a guarantee of reimbursement.

Neighborhood may complete site visit audits which will include a case record audit review to ensure that the services being billed are outlined in the care plan, the care plan is signed, and that attendance for those days is accounted for.

Claim payments are subject to the following, which include but are not limited to: Neighborhood Health Plan of Rhode Island benefit coverage, member eligibility, claims payment edit rules, coding and documentation guidelines, authorization policies, provider contract agreements, and state and federal regulations. References to CPT or other sources are for definitional purposes only.

This policy may not be implemented exactly the same way on the different electronic claims processing systems used by Neighborhood due to programming or other constraints; however, Neighborhood strives to minimize these variations.

The information in this policy is accurate and current as of the date of publication; however, medical practices, technology, and knowledge are constantly changing. Neighborhood reserves the right to update this payment policy at any time. All services billed to Neighborhood for reimbursement are subject to audit.

Document History

Date	Action
10/27/2025	Annual Policy Review. No content changes.
12/11/2024	Added language to disclaimer. Removed personal choice exclusion.
07/01/2024	Added preventative level of care language, and more detail to basic level and advanced level non skilled
11/28/2023	Annual Policy Review Date. Added language that all other modifiers outside of U1/U3 will not process correctly
10/01/2022	Annual Policy Review Date. Removed additional criteria from policy for Enhanced Level Skilled.
09/29/2021	Annual Policy Review Date. No Content Changes.
09/14/2020	Policy Review Date. Format Change.
09/01/2013	Policy Effective Date