



Day Habilitation Clinical Coverage Criteria

Description

Day Habilitation (DH) is a structured, community-based service offered in non-residential settings for individuals with intellectual or developmental disabilities. These services are designed for members who have skilled care needs or who would benefit from a consistent daytime program that fosters independence and self-management within the community.

Programs typically operate Monday through Friday and run approximately six hours per day. Each member's participation is guided by a Day Habilitation Service Plan (DHSP), which is developed using tools such as the Service Needs Assessment and the Day Habilitation Leveling Tool.

Service Components May Include:

- **Skilled Nursing and Health Supervision:** Ongoing clinical monitoring and support.
- **Developmental Skills Training:** Focused on enhancing self-care, communication, social interaction, independent living, and behavioral wellness.
- **Therapy Services:** May include physical therapy (PT), occupational therapy (OT), speech therapy (ST), and behavioral management.
- **Assistance with Activities of Daily Living (ADLs):** Support with tasks such as bathing, toileting, transferring, mobility, and eating.

Transportation to and from the DH site—including from a member's residence or nursing facility—is typically provided either directly by the DH provider or through a contracted transportation service.

RELEVANT DEFINITIONS

Activities of Daily Living (ADLs)- Essential personal care tasks that individuals perform daily to maintain health and independence. These include eating, toileting, dressing, bathing, transferring between positions, and walking or general mobility.

Day Habilitation (DH)- A structured service for individuals with intellectual or developmental disabilities. It is guided by a personalized service plan that outlines measurable goals and integrates therapeutic and developmental activities to help members reach their highest potential in physical, cognitive, emotional, and social functioning.

Day Habilitation Admission Services- One-time services provided to ensure safe and appropriate onboarding for members enrolling in day habilitation for the first time.

Day Habilitation Service Manager (DHSM)- The individual responsible for overseeing member cases, ensuring that service plans are implemented, regularly reviewed, updated as needed, and maintained in accordance with program standards.

Day Habilitation Provider (DH Provider)- An organization that operates day habilitation services and is responsible for daily program delivery. Providers must comply with MassHealth regulations under 130 CMR 419.000.

Day Habilitation Service Plan (DHSP)- A written care plan developed for each member that includes realistic, measurable goals. It prescribes a customized set of activities and therapies aimed at improving or maintaining the member's physical, cognitive, emotional, and occupational capabilities.

Department of Developmental Services (DDS)- A Massachusetts state agency established under M.G.L. c. 19B that oversees services for individuals with intellectual and developmental disabilities.

Developmental Disability (DD)- A long-term condition that:

1. Is caused by conditions similar to intellectual disability (excluding mental illness),
2. Appears before age 22,
3. Is expected to persist indefinitely,
4. Causes significant limitations in at least three of the following areas:
 - Self-care
 - Language comprehension and use
 - Learning
 - Mobility
 - Self-direction
 - Independent living

Developmental Skills Training- A coordinated set of goal-driven services aimed at maintaining or enhancing the functional abilities of individuals with ID or DD. These services may include training in self-help, sensorimotor, communication, independent living, emotional development, social skills, behavior management, and wellness.

Functional Level- A measure of how well an individual can perform daily tasks and manage independent living. This is determined through professional clinical evaluations.

Instrumental Activities of Daily Living (IADLs)- Tasks that support independent living and are incidental to personal care. These include household chores, laundry, shopping, meal preparation and cleanup, transportation, equipment maintenance, medication management, and other needs identified by the DH provider as essential to the member's health and well-being.

Intellectual Disability (ID)- A condition marked by significant limitations in intellectual functioning and adaptive behavior, affecting conceptual, social, and practical skills. It must originate before age 22 and align with the standards set by the American Association on Intellectual and Developmental Disabilities.

Interdisciplinary Team (IDT)- A collaborative group at the Day Habilitation Center that includes a registered nurse or health care supervisor, developmental specialist, DHSM, program director, and clinical professionals such as physical therapists, speech-language pathologists, occupational therapists, and behavioral health specialists.

Level II Preadmission Screening and Resident Review (Level II PASRR)- A federally mandated evaluation conducted by DDS to determine whether a person seeking admission to a Medicaid-funded nursing facility has ID or DD, and whether they require specialized services in addition to nursing facility care.

Leveling Tool- An assessment instrument used to determine the appropriate level of day habilitation services for a member. It evaluates the intensity of support needed to help the member acquire, maintain, or improve functional skills. Fallon Health uses this tool to assign service levels (Level 1 through Level 4) and determine reimbursement rates.

Leveling Adjustment- Skilled nursing services provided continuously by a one-on-one nurse throughout the day are not considered qualifying day habilitation needs for the purposes of the Leveling Tool.

Member- An individual enrolled in Fallon Health NaviCare Senior Care Options (SCO) plan who is eligible for day habilitation services under MassHealth.

Nursing Facility (NF)- A licensed institution that provides skilled nursing care, rehabilitation, and health-related services to individuals who require ongoing medical or nursing support. Facilities must meet federal standards under the Social Security Act and be certified by the Massachusetts Department of Public Health.

Primary Care Provider (PCP)- A licensed medical professional—such as a physician, nurse practitioner, or physician assistant—who serves as the member’s main point of contact for general medical care and operates under the supervision of a physician.

Resident Integrated Service Plan (RISP)- A comprehensive care plan developed by an interdisciplinary team for members with ID or DD residing in nursing facilities. It includes input from DDS service coordinators, facility staff, specialized service providers, and other relevant professionals.

Semi-annual Review- A formal evaluation of the member’s progress conducted by the IDT every six months. It assesses goal achievement and updates the DHSP as needed.

Service Needs Assessment (SNA)- A detailed evaluation conducted by the IDT’s clinical members to determine the member’s functional abilities, strengths, and areas of need. It guides the development of the DHSP and is updated every two years or upon a significant change in the member’s condition.

Significant Change- A major shift in the member’s health status that affects multiple areas and requires the IDT to review or revise the DHSP.

Specialized Services- Additional services specified by the Executive Office of Health and Human Services (EOHHS) for nursing facility residents with ID or DD. These services, combined with standard facility care, must meet federal requirements under 42 CFR 483.440(a)(1).

Transportation- The service that ensures members can travel safely between their residence and the day habilitation provider. It includes assistance with entering and exiting the vehicle and applies to permanent or temporary housing arrangements, such as shelters or transitional housing.

Policy

This Policy applies to the following Fallon Health products:

- ☐ Fallon Medicare Plus, Fallon Medicare Plus Central (Medicare Advantage)
- ☐ MassHealth ACO
- ☒ NaviCare HMO SNP (Dual Eligible Medicare Advantage and MassHealth)
- ☐ PACE (Summit Eldercare PACE, Fallon Health Weinberg PACE)
- ☐ Community Care (Commercial/Exchange)

Prior authorization is required for Day Habilitation.

Fallon Health Clinical Coverage Criteria

Day Habilitation services through Fallon Health require prior authorization (PA). Authorization is based on medical necessity and the member’s assessed level of need, determined using the Day Habilitation Leveling Tool. Members may be approved for services for up to two years.

Authorization Types and Timing:

- Initial Authorization: Must be obtained before the first day of service.
- Interim Authorization: Providers may request a temporary PA for up to 60 days following a member’s enrollment in Day Habilitation. This allows time to complete the Service Needs Assessment (SNA) and Leveling Tool to determine appropriate staffing and support.
- Reauthorization: For members with an active PA, a renewal request must be submitted at least 14 calendar days before the current authorization expires.

- **Significant Change in Status:** If a member experiences a substantial change in health—whether temporary or permanent—that affects one or more areas of functioning, a new PA request is required.
- **Provider Transfer:** If a member transitions from one Day Habilitation provider to another (excluding internal program shifts within the same organization), the new provider must submit a PA request following interim authorization guidelines.

Clinical Coverage Criteria

Fallon Health may approve Day Habilitation services when all the following conditions are met:

1. **Eligibility Criteria:**
 - The member has a documented diagnosis of an intellectual or developmental disability, certified in writing by their Primary Care Provider (PCP).
 - The member requires Day Habilitation to acquire, maintain, or improve functional skills and independence.
2. **Special Circumstances:**
 - **Hospice Enrollment:** If the member is receiving hospice care, the Day Habilitation provider must submit written confirmation from the hospice provider stating that the requested services are unrelated to the member's terminal illness and do not duplicate hospice services.
 - **Nursing Facility Residents:** If the member resides in a nursing facility:
 - A Level II PASRR conducted by the Massachusetts Department of Developmental Services (DDS) must confirm the need for specialized services.
 - The member is medically fragile and cannot safely travel to a community-based Day Habilitation site.
 - The member has declined community-based Day Habilitation services.
 - Day Habilitation is the only available service to meet the member's specialized needs, as determined by the Resident Integrated Service Plan (RISP) team.
3. **Level of Need Determination:**
 - Fallon Health will determine the appropriate service level based on:
 - The member's medical and behavioral health needs.
 - The Service Needs Assessment (SNA).
 - The Day Habilitation Leveling Tool, completed by the provider's interdisciplinary team (IDT).

Providers must reassess the member's needs using the SNA and Leveling Tool upon admission and at least every two years, or sooner if there is a significant change in the member's condition. Members may qualify for one of four service levels.

Required Documentation for Prior Authorization

To support a PA request for Day Habilitation or individualized staffing supports, providers must submit:

1. A written diagnosis of intellectual or developmental disability from the member's PCP.
2. Fallon Health's standardized PA request form.
3. A completed Service Needs Assessment (SNA).
4. The Day Habilitation Leveling Tool.
5. A current Day Habilitation Service Plan (DHSP).

6. For hospice-enrolled members: a signed statement from the hospice provider confirming non-duplication of services.
7. For nursing facility residents: a Level II PASRR.
8. Any additional supporting materials, such as behavior support plans or clinical documentation relevant to the member's condition.

Medicare Variation

N/A

MassHealth Variation

N/A

Exclusions

Fallon Health does not provide coverage for the following services under its Day Habilitation program:

1. Vocational and Pre-vocational Training: Programs focused on preparing individuals for employment or job-related skills.
2. Sheltered Workshops and Work-Based Services: Structured work environments or employment-related activities.
3. Academic Education Services: Traditional classroom instruction, tutoring, or academic counseling.
4. Day Habilitation for Residents of Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID): Members residing in these facilities are not eligible for Day Habilitation services.
5. Research and Experimental Services: Any services classified as investigational or not yet validated for clinical use.

Limitations

Fallon Health does not reimburse Day Habilitation services under the following conditions:

1. Canceled Sessions: If a scheduled Day Habilitation session is canceled, it is not billable.
2. Missing Prior Authorization: Services provided without an approved prior authorization will not be covered.
3. Inpatient or Facility Residency: If the member is admitted to a hospital or resides in an ICF/IID, services are not covered except on the actual dates of admission or discharge.
4. Partial Attendance Without Documentation: If the member is absent from the Day Habilitation site for part of the day, services are only reimbursable if the provider documents that the member received care from program staff in a community setting.
5. Inability to Meet Member Needs: If the member's needs exceed what the Day Habilitation program can provide, as determined by the Primary Care Provider (PCP) and the interdisciplinary care team, services will no longer be authorized.

Evidence Summary

N/A

Analysis of Evidence (Rationale for Determination)

N/A

Coding

The following codes are included below for informational purposes only; inclusion of a code does not constitute or imply coverage.

CPT/HCPCS Codes

Code	Description
S5102-U1	Day care services, adult, per diem (day habilitation, community based, Level 1)
S5102-U1	Day care services, adult, per diem, intermediate level of care (day habilitation, community based, Level 2)
S5102-U3	Day care services, adult, per diem, complex/high tech level of care (day habilitation, community based, Level 3)
S5102-U4	Day care services, adult, per diem, complex/high tech level of care (day habilitation, community based or nursing facility resident, Level 4)

Code	Description
S5100-U1	Day care services, adult, quarter per diem (day habilitation, community based, Level 1)
S5100-U2	Day care services, adult, quarter per diem, intermediate level of care (day habilitation, Level 2)
S5100-U3	Day care services, adult, quarter per diem, complex/high tech level of care (day habilitation, community based, Level 3)
S5100-U4	Day care services, adult, quarter per diem, complex/high tech level of care (day habilitation, community based or nursing facility resident, Level 4)

Code	Description
T2003	Nonemergency transportation; non-wheelchair transportation; encounter/trip. (Use for transportation furnished on a single date or on consecutive dates. All transportation services must be billed as one-way trips; round trips should be billed as two one-way trips.)
T2003-U6	Nonemergency transportation; wheelchair transportation; encounter/trip. (Use for transportation furnished on a single date or on consecutive dates. All transportation services must be billed as one-way trips; round trips should be billed as two one-way trips.)
T2003-U7	Nonemergency transportation; monitor transportation; encounter/trip. (Use for transportation furnished on a single date or on consecutive dates. All transportation services must be billed as one-way trips; round trips should be billed as two one-way trips.)

References

1. MassHealth Day Habilitation Regulations. Accessed October 20th, 2025. <https://www.mass.gov/doc/day-habilitation-dh-regulations-3/download>
2. Executive Office of Health and Human Services (EOHHS): 130 CMR 419.00 Mass Health Day Habilitation Provider Manual. Accessed October 20th, 2025. <https://www.mass.gov/doc/day-habilitation-dh-regulations-3/download>
3. Executive Office of Health and Human Services (EOHHS): 101 CMR 348.00 Rates for Day Habilitation Services. Accessed October 20th, 2025. <https://www.mass.gov/doc/101-cmr-348-rates-for-day-habilitation-services/download>
4. Mass Health Guidelines for Medical Necessity Determination for Day Habilitation. Accessed October 20th, 2025. <https://www.mass.gov/doc/guidelines-for-medical-necessity-determination-for-day-habilitation-0/download>

Policy history

Origination date: 01/01/2026
Review/Approval(s): Technology Assessment Committee: N/A
Utilization Management Committee: 10/21/2025 (origination, approved as written).

Instructions for Use

Fallon Health complies with CMS's national coverage determinations (NCDs), local coverage determinations (LCDs) of Medicare Contractors with jurisdiction for claims in the Plan's service area, and applicable Medicare statutes and regulations when making medical necessity determinations for Medicare Advantage members. When coverage criteria are not fully established in applicable Medicare statutes, regulations, NCDs or LCDs, Fallon Health may create internal coverage criteria under specific circumstances described at § 422.101(b)(6)(i) and (ii).

Fallon Health follows Medical Necessity Guidelines published by MassHealth when making medical necessity determinations for MassHealth members. In the absence of Medical Necessity Guidelines published by MassHealth, Fallon Health may create clinical coverage criteria in accordance with the definition of Medical Necessity in 130 CMR 450.204.

For plan members enrolled in NaviCare, Fallon Health first follow's CMS's national coverage determinations (NCDs), local coverage determinations (LCDs) of Medicare Contractors with jurisdiction for claims in the Plan's service area, and applicable Medicare statutes and regulations when making medical necessity determinations. When coverage criteria are not fully established in applicable Medicare statutes, regulations, NCDs or LCDs, or if the NaviCare member does not meet coverage criteria in applicable Medicare statutes, regulations, NCDs or LCDs, Fallon Health then follows Medical Necessity Guidelines published by MassHealth when making necessity determinations for NaviCare members.

Each PACE plan member is assigned to an Interdisciplinary Team. PACE provides participants with all the care and services covered by Medicare and Medicaid, as authorized by the interdisciplinary team, as well as additional medically necessary care and services not covered by Medicare and Medicaid. With the exception of emergency care and out-of-area urgently needed care, all care and services provided to PACE plan members must be authorized by the interdisciplinary team.

Not all services mentioned in this policy are covered for all products or employer groups. Coverage is based upon the terms of a member's particular benefit plan which may contain its own specific provisions for coverage and exclusions regardless of medical necessity. Please consult the product's Evidence of Coverage for exclusions or other benefit limitations applicable to this service or supply. If there is any discrepancy between this policy and a member's benefit plan, the provisions of the benefit plan will govern. However, applicable state mandates take precedence with respect to fully insured plans and self-funded non-ERISA (e.g., government, school boards, church) plans. Unless otherwise specifically excluded, federal mandates will apply to all plans.