



**DEPARTMENT OF  
PUBLIC HEALTH &  
HUMAN SERVICES**

**Title: SDMI 415**

**Section: CASE MANAGEMENT REQUIREMENTS**

**Subject: Prior Authorizations**

**Reference: 42 CFR § 440.169, 42 CFR § 441.301(c)(1)(vi)  
ARM 37.90.408**

**SDMI Application: (01/28/2024)**

**Effective Date: (06/1/2026)**

**Supersedes: SDMI 415 (07/01/2020)**

### **Definition**

- (1) Prior authorization means approval for payment of certain services before they are rendered. There are four different types/levels of prior authorization (See service specific policies for details.
  - (a) system prior authorization by the case management team (CMT) required for Home and Community Based provider payment processing;
  - (b) prior authorization by the department for services that require department approval prior to being authorized;
  - (c) utilization management (UM) prior authorization by the Quality Improvement Organization that requires medical necessity review; and
  - (d) prior authorization review related to conflict-free case management oversight.

### **Requirement**

- (1) For UM prior authorization, the case management team (CMT) must request a prior authorization by the department's designee when a member requires the following services:
  - (a) specialized medical equipment or supplies in excess of \$500 (see SDMI HCBS 385); and
  - (b) environmental accessibility adaptations (see SDMI HCBS 325).
- (2) For prior authorization by the department, the CMT must request prior authorization by the department for the following services:
  - (a) homemaker chore (see SDMI HCBS 335); and
  - (b) behavioral intervention assistant (see SDMI HCBS 305).
- (3) When the entity responsible for the development of the Person-Centered Recovery Plan (PCRP) also provides direct waiver services to the member, the following services provided by that entity must receive prior authorization review and approval from the department or the department's designee prior to service delivery and payment authorization, regardless of whether the service would otherwise require prior authorization under the SDMI HCBS waiver policy:

- (a) consultative clinical and therapeutic services (see SDMI HCBS 320);
  - (b) residential habilitation- intensive mental health group home (see SDMI HCBS 378);
  - (c) health and wellness (see SDMI HCBS 330); and
  - (d) non-medical transportation (see SDMI HCBS 350).
- (4) When a provider entity furnishes both case management and Person-Centered Recovery Plan (PCRP) development services as well as direct waiver services to the same member, the department or the department's designee must document that:
- (a) there are no other providers available to furnish the service in the member's geographical area; or
  - (b) other providers in the member's geographical area have declined to provide services to the member.
- (5) The department or the department's designee shall conduct independent review and oversight of services authorized for providers that also furnish case management and Person-Centered Recovery Plan (PCRP) development services to ensure conflict-of-interest safeguards are maintained.