

ARIZONA

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Types of Facilities

Mental Health (MH) and Substance Use Disorder (SUD): Arizona regulates:

- A *Behavioral Health Residential Facility (BHRF)* is a health care institution that “provides treatment to an individual experiencing a behavioral health issue that: (a) Limits the individual’s ability to be independent, or (b) Causes the individual to require treatment to maintain or enhance independence.” According to state staff, a BHRF can include residential and crisis programs identified under MH below.

Mental Health (MH): Arizona regulates the Community Mental Health Residential Treatment (CMHRT) System, which is a statewide system of community based residential treatment programs for the seriously mentally ill that provides a wide range of services as alternatives to institutionalization and in the least restrictive setting. Programs include:

- *Residential Treatment Programs* “shall provide a full day treatment program for persons who may require intensive support for a maximum of two years.”
- *Short-Term Crisis Residential Treatment Programs* are an “alternative to hospitalization for persons in an acute episode or situational crisis requiring temporary removal from the home from one to fourteen days.”
- *Adult Behavioral Health Therapeutic Homes* provide “behavioral health services and ancillary services that are in the resident’s treatment plan obtained from the adult behavioral health therapeutic home’s collaborating health care institution.”

Substance Use Disorder (SUD): Arizona regulates one type of adult SUD residential treatment facility:

- A *Substance Abuse Transitional Facility* is “a class of health care institution that provides behavioral health services to an individual over 18 years of age who is intoxicated or may have a substance abuse problem.”

Unregulated Facilities: Facilities that do not receive state funds or that do not request certification are not regulated.

Approach

The state Medicaid agency, the Arizona Health Care Cost Containment System Administration (AHCCCS), also supervises and administers all facets of the Arizona public behavioral health system. Counties contract with AHCCCS to deliver the services. Arizona historically has relied on the in lieu of provision and Disproportionate Share Hospital (DSH) Payments for certain services in an IMD.

Processes of Licensure or Certification and Accreditation

Mental Health (MH) and Substance Use Disorder (SUD): Licensure by the Arizona Department of Health Services is required for any MH or SUD treatment facility.

- An application and inspection are required for initial licensure and a renewal application is required within one year.
- Accreditation is not required, but proof of accreditation provided to the Department will result in a stay of the onsite compliance inspection prerequisite.
- A Certificate of Need is not required for operation.

Cause-Based Monitoring

Mental Health (MH) and Substance Use Disorder (SUD): If the Department determines an applicant or licensee is violating state regulations, and that violation poses a direct risk to the life, health, or safety of a patient, the Department may: issue a provisional license; assess a civil penalty; impose an intermediate sanction; remove a licensee and appoint another person to continue operation of the health care institution pending further action; suspend or revoke a license; deny a license; or issue an injunction.

Access Requirements

Mental Health (MH) and Substance Use Disorder (SUD): No requirements related to access or wait times were found for BHRFs.

Mental Health (MH): Requirements related to access requirements for adult residential MH treatment facilities were not located.

Substance Use Disorder (SUD): State staff indicate that the department maintains a wait list port for the priority population under the Substance Abuse Block Grant.

Staffing

Mental Health (MH) and Substance Use Disorder (SUD): BHRF staffing standards include standards for a program administrator, staffing levels and competencies, and pre-service orientation and in-service training relevant to the needs of the population served. Requirements for medical staff, including a clinical director and registered nurses, were located.

Mental Health (MH): Each program shall use appropriate multidisciplinary staff to meet the diagnostic and treatment needs of the seriously mentally ill and shall encourage the use of paraprofessionals.

Substance Use Disorder (SUD): Residential SUD facility staffing standards include standards for a program administrator, staffing levels and competencies, direct care staff qualifications, and pre-service orientation and in-service training relevant to the needs of the population served. Requirements for medical staff, including a director of nursing and other medical staff, were located.

Placement

Mental Health (MH) and Substance Use Disorder (SUD): Admission criteria were identified, including that an administrator shall ensure that a resident is admitted based upon the resident's presenting behavioral health issue and treatment needs and the behavioral health residential facility's scope of services. A medical practitioner shall perform a medical history and physical examination, or a registered nurse shall perform a nursing assessment, within 30 calendar days before admission or within seven calendar days after admission.

Substance Use Disorder (SUD): Admission criteria were identified, including that an administrator shall ensure that a resident is admitted based upon the resident's presenting behavioral health issue and treatment needs and the substance abuse transitional facility's ability and authority to provide behavioral health services or physical health services consistent with the participant's need, and an assessment is completed by an emergency medical care technician or a registered nurse. If the assessment is completed by an emergency medical care technician, it shall be reviewed by a registered nurse within 24 hours.

Treatment and Discharge Planning and Aftercare Services

Mental Health (MH) and Substance Use Disorder (SUD): Treatment planning based on admission and on-going assessment is required, and the initial plan must be completed within 48 hours of the admission assessments or before services are provided and must be documented in the record within 48 hours of first receipt of services. The plan must be reviewed and updated on an on-going basis. Discharge planning is required. An administrator shall ensure that, at the time of discharge, a resident receives a referral for treatment or ancillary services that the resident may need after discharge, if applicable.

Mental Health (MH): Treatment/service planning requirements are indicated for residential MH treatment facilities, and responsibility of the regional authority and its service providers to engage in service planning, including the provision of assessments, case management, individualized service plans (ISP), and service referrals. An initial ISP meeting must be held by the regional authority and must be held within 20 days of assessment for service eligibility. Within 30 days of treatment actually commencing, an ISP must be reviewed. They are reviewed thereafter at least every 6 months. No references to discharge planning were found regarding MH residential specifically.

Substance Use Disorder (SUD): Specific treatment planning requirements were not identified. Discharge/aftercare planning is required, and in the event that a participant is not being transferred to another health care institution, personnel must identify patient needs post-discharge, identify resources that may be available to assist, and document the information in the participant medical record.

Treatment Services

Mental Health (MH) and Substance Use Disorder (SUD): Continuous protective oversight should be provided to appropriate residents. Opportunities to participate in activities designed to maintain or enhance the resident's ability to function independently while caring for the resident's health, safety, or personal hygiene or performing homemaking functions shall be offered. Behavioral health services should be provided while taking the resident's diagnoses, treatment needs, developmental levels, social skills, verbal skills, and personal histories, including any history of physical or sexual abuse, into account.

Mental Health (MH): CMHRTs should be as "homelike" as possible and offered in the least restrictive settings. Each CMHRT must be designed to provide: (1) Coordination between each program and other treatment systems in the community. (2) A case management system to enhance cooperation of elements within the system and provide each client with appropriate services. (3) Client movement to the most appropriate and least restrictive service. (4) Direct referral of clients for specific programs that does not require the client to pass through the entire system to reach the most appropriate service.

Substance Use Disorder (SUD): Residential SUD treatment facilities should provide counseling services to participants.

Patient Rights and Safety Standards

Mental Health (MH) and Substance Use Disorder (SUD): The regulations governing BHRFs identify many patient rights. Among those are the right to be treated in the least restrictive setting; file grievances with the program administrator; and to be informed of these and other rights. . The regulations allow for but strictly limit the use of an emergency safety response, which is defined as physically holding a resident to manage the resident’s sudden, intense, or out-of-control behavior to prevent harm to the resident or another individual. The regulations provide for documentation and internal review when an emergency safety response is used. Reporting of critical incidents is required.

Mental Health (MH): The regulations governing residential MH treatment facilities identify many patient rights. Among those are the right to file grievances with the program administrator; and to be informed of this and other rights. Restraint and seclusion may only be used in limited circumstances and must be reported monthly.

Quality Assurance or Improvement

Mental Health (MH) and Substance Use Disorder (SUD): An administrator of a behavioral health residential facility shall ensure that a plan is established, documented, and implemented for an ongoing quality management program.

Mental Health (MH): The director shall develop and implement an evaluation system that includes program planning and development, fiscal and data management and contract administration.

Substance Use Disorder (SUD): An administrator shall ensure that a plan is established, documented, and implemented for an ongoing quality management program.

Governance

Mental Health (MH) and Substance Use Disorder (SUD): For BHRFs, a governing authority shall be established and delineated during the application process. Among other things, the governing authority is responsible for establishing scope of services, designation of an administrator who is directly accountable to the authority and has certain responsibilities, designation of a clinical director, adopting a quality management program, establishment of

policies and procedures on specified topics, ensuring compliance with policies and procedures, and providing the Department notification of critical incidents identified in the regulations.

Substance Use Disorder (SUD): For substance abuse transitional facilities, a governing authority shall be established and delineated during the application process. Among other things, the governing authority is responsible for establishing scope of services, designation of an administrator who is directly accountable to the authority and has certain responsibilities, designation of a clinical director, adopting a quality management program, establishment of policies and procedures on specified topics, ensuring compliance with policies and procedures, and providing the Department notification of critical incidents identified in the regulations.

Special Populations

Mental Health (MH): CMHRTs are created for the seriously mentally ill. Adult populations served with Mental Health Block Grant funding are individuals who are underinsured or uninsured and who are:

- Adults (18+) with Serious Mental Illness (SMI)
- Individuals experiencing a First Episode Psychosis (FEP)/Early Serious Mental Illness (ESMI)

Substance Use Disorder (SUD): Populations served with Substance Abuse Block Grant funding are individuals who are underinsured or uninsured and, in order of priority:

- Pregnant women/teenagers who use drugs by injection.
- Pregnant women/teenagers who use substances.
- Other members who use drugs by injection.
- Substance using women/teenagers with dependent children and their families, including women who are attempting to regain custody of their children.
- As funding is available--all other members with a SUD, regardless of gender or route of use.

Location of Regulatory and Licensing Requirements

Department of Health Services regulations¹; Arizona Revised Statutes title 36²; AHCCCS Statewide Community Residential Treatment Plan³; AHCCCS Behavioral Health Services regulations⁴; Block Grant priority populations⁵. Regulatory data collected August 27, 2019.

Other Information Sources

AHCCCS; National Conference of State Legislatures CON Program Overview, <http://www.ncsl.org/research/health/con-certificate-of-need-state-laws.aspx>

¹ See https://apps.azsos.gov/public_services/Title_09/9-10.pdf.

² See <https://www.azleg.gov/arsDetail/?title=36>.

³ See https://www.azahcccs.gov/Members/Downloads/BehavioralHealthServices/AHCCCS_Statewide_Community_Residential_Treatment_Plan_61119.pdf.

⁴ See https://apps.azsos.gov/public_services/Title_09/9-21.pdf.

⁵ See <https://www.azahcccs.gov/Resources/Downloads/Grants/FrequentlyAskedQuestions.pdf>.

ARIZONA MEDICAID

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Approach

The AHCCCS oversees both for the state Medicaid program and oversight and licensure of behavioral health facilities. Arizona does not have a relevant section 1115 waiver that affects reimbursement of residential services within or outside Institutions for Mental Diseases (IMDs), although an application is pending. Arizona historically has relied on the in lieu of provision and Disproportionate Share Payments (DSH) for certain services in IMDs.

Types of Facilities

Mental Health (MH) and Substance Use Disorder (SUD): A behavioral health residential facility (BHRF) is “a health care institution that provides treatment to an individual experiencing a behavioral health issue that:

- Limits the individual’s ability to be independent.
- Causes the individual to require treatment to maintain or enhance independence.”

BHRF services are not covered by Medicaid unless provided by a licensed behavioral health residential facility, and covered services include all non-prescription drugs as defined in A.R.S. § 32-1901, non-customized medical supplies, and clinical oversight or direct supervision of the behavioral health residential facility staff, whichever is applicable. Room and board are not covered services. Services in an IMD are not covered.

Processes of Medicaid Enrollment

Mental Health (MH) and Substance Use Disorder (SUD): State Medicaid regulations do not specify requirements related to enrollment of BHRFs. General enrollment requirements, however, include a provision that providers must meet licensing requirements. Sanctions may be applied by the Medicaid agency.

Staffing

Mental Health (MH) and Substance Use Disorder (SUD): No evidence of Medicaid-based staffing requirements for BHRFs was located.

Placement

Mental Health (MH) and Substance Use Disorder (SUD): For a BHRF, prior and continued authorization are required. Requests are expedited.

Contractors shall develop **admission** criteria for medical necessity which includes, among other things, diagnosis and severity requirements. Contractors shall submit admission criteria to AHCCCS for approval, as specified in Contract, and publish the approved criteria.

Contractors shall develop medical necessity criteria for **continued stay** which includes, among other things, risk of harm resulting from their diagnosed Behavioral Health Condition and availability of providers at lower levels of care. Contractors shall submit continued stay criteria to AHCCCS for approval, as specified in Contract, and publish the approved criteria.

Contractors shall develop medical necessity criteria for **discharge** which includes, among other things, a consideration of symptom/behavior relief, level of functional capacity, and availability of providers at lower levels of care. Contractors shall submit discharge criteria to AHCCCS for approval, as specified in Contract, and publish the approved criteria.

Treatment and Discharge Planning and Aftercare Services

Mental Health (MH) and Substance Use Disorder (SUD): For BHRFs, contractors shall establish a policy to ensure the admission, assessment, and treatment planning process is completed consistently among all providers in accordance with law and Contract requirements.

Treatment Services

Mental Health (MH) and Substance Use Disorder (SUD): Behavioral health services include mental health, substance abuse, and physical services. Medically necessary services will be covered. Room and board are not covered unless in an inpatient facility. Contractors and BHRF Providers shall establish policies and procedures to ensure members on MAT are not excluded from admission and are able to receive MAT.

Care Coordination

Mental Health (MH) and Substance Use Disorder (SUD): A contractor shall assist in the transition of members to and from other AHCCCS contractors. Both the receiving and relinquishing contractor shall coordinate aspects of the transition.

For a BHRF, Contractors and BHRF Providers shall ensure appropriate notification is sent to the Primary Care Physician and Behavioral Health Provider/Agency/TRBHA/Tribal ALTCS program upon intake to and discharge from the BHRF.

Quality Assurance or Improvement

Mental Health (MH) and Substance Use Disorder (SUD): No evidence of Medicaid-based quality assurance or improvement requirements for BHRFs was located.

Special Populations

Mental Health (MH) and Substance Use Disorder (SUD): A client's designation as a "client who needs special assistance" results in additional protections, including that a case manager shall notify the regional authority, the Office of Human Rights, and the appropriate human rights committee of the client's need to make treatment decisions; and the identification of a person who is willing to serve as a designated representative of the client.

Location of Medicaid Requirements

Arizona Administrative Code, Title 9, Chapter 22⁶; AHCCCS Medical Policy Manual (AMPM)⁷ and 320-V- Behavioral Health Residential Facilities⁸. Regulatory data collected December 5, 2019.

⁶ See https://apps.azsos.gov/public_services/Title_09/9-22.pdf.

⁷ See <https://www.azahcccs.gov/shared/MedicalPolicyManual/>.

⁸ See <https://www.azahcccs.gov/shared/Downloads/MedicalPolicyManual/300/320V.pdf>.

Other Information Sources

Kaiser Family Foundation. State Options for Medicaid Coverage of Inpatient Behavioral Health Services. KFF: San Francisco. November 2019. <http://files.kff.org/attachment/Report-Brief-State-Options-for-Medicaid-Coverage-of-Inpatient-Behavioral-Health-Services>

This state summary is part of the report **“State Residential Treatment for Behavioral Health Conditions: Regulation and Policy”**. The full report and other state summaries are available at <https://aspe.hhs.gov/state-bh-residential-treatment>.