

October 8, 2019

The Honorable Regina Cobb
Chair, Joint Legislative Budget Committee
1700 W Washington
Phoenix, Arizona 85007

Dear Representative Cobb:

Please find enclosed the report on the adequacy and appropriateness of Title XIX reimbursement rates to providers of behavioral health services, prepared pursuant to A.R.S. §36-3403(E):

“The administration shall contract with an independent consulting firm for an annual study of the adequacy and appropriateness of title XIX reimbursement rates to providers of behavioral health services. The administration may require and the regional behavioral health authorities and service providers shall provide to the administration financial data in the format prescribed by the administration to assist in the study. A complete study of reimbursement rates shall be completed at least once every five years. The administration shall provide the report to the joint legislative budget committee on or before October 1 of each year. If results of the study are not completely incorporated into the capitation rate, the administration shall provide a report to the joint legislative budget committee within thirty days of setting the final capitation rate, including reasons for differences between the rate and the study.”

The report found behavioral health provider reimbursement rates overall to be marginally adequate. However, the report also noted that managed care organization provider rates are consistently higher than fee-for-service rates for behavioral health outpatient services. Furthermore, the report anticipated that pressure on providers will increase due to growing costs and membership. Accordingly the administration proposes to increase fee-for-service rates for behavioral health outpatient services by 23.1% overall, without making a corresponding adjustment to capitation rates associated with fee-for-service fee schedule increases. The public notice associated with this fee-for-service rate action is available for review at the following link:

https://www.azahcccs.gov/AHCCCS/Downloads/PublicNotices/rates/NOPI_Rate_Changes_20191001.pdf.

Should you have any questions please feel free to contact Shelli Silver, Deputy Director, at (602) 417-4647.

Sincerely,



Jami Snyder
Director

Cc: The Honorable David Gowan, Arizona Senate
Matthew Gress, Director, Governor's Office of Strategic Planning and Budgeting
Richard Stavneak, Director, Joint Legislative Budget Committee
Christina Corieri, Senior Policy Advisor, Arizona Governor's Office

Arizona Health Care Cost Containment System (AHCCCS)
Behavioral Health Provider Reimbursement
Rate Adequacy Report

April 15, 2019



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Introduction

Arizona’s Medicaid program, the Arizona Health Care Cost Containment System (AHCCCS) contracted with Navigant Consulting, Inc. (Navigant) to assess the adequacy of provider reimbursement rates for behavioral health services. With Navigant’s assistance in dually analyzing member demand for behavioral health services as well as providers’ capability to deliver those services, AHCCCS can better serve its mission to provide comprehensive, quality health care to those in need.

To determine the adequacy of behavioral health services, Navigant utilized the following data sources:

- Three years of behavioral health inpatient and outpatient claims and encounter data provided by AHCCCS, associated with Contract Years Ending (CYE) 2015, 2016, and 2017. A contract year begins on October 1st and ends on September 30th. All years referred to in this study reflect CYE 2015, 2016, and 2017, respectively.
- Provider self-reported rate information gathered from a survey Navigant sent directly to providers
- AHCCCS Survey of Managed Care Organizations (MCOs)
- Employment statistics for behavioral health occupations (May 2017) from the Bureau of Labor Statistics

This study only analyzes reimbursement for services provided under Medicaid Title XIX and the Children’s Health Insurance Program (CHIP) Title XXI. Navigant examined payment and utilization amounts in the above data sets for procedure codes outlined in the behavioral health Fee-For-Service (FFS) fee schedule. Please note, for purposes of this report Navigant examined only services reimbursed under the AHCCCS Behavioral Health Inpatient and Outpatient fee schedules. This report does not address services otherwise billed with a behavioral health primary diagnosis, which were reimbursed under other fee schedules. The specific Healthcare Common Procedure Coding System (HCPCS) procedure and revenue codes and descriptions that Navigant examined are outlined in Figures 1 and 2 below.

Figure 1. Outpatient Current Procedural Terminology (CPT) Codes and Descriptions

| Procedure Code | Procedure Code Description |
|----------------|---------------------------------------------------------------------------------|
| H0001 | Alcohol and/or Drug Assessment |
| H0002 | Behavioral Health Screening to Determine Eligibility for Admission to Treatment |
| H0004 | Behavioral Health Counseling and Therapy, Per 15 Minutes (Group) |
| H0015 | Alcohol and/or Drug Services, Intensive Outpatient |
| H0018 | Behavioral Health, Short-Term Residential (Non-Hospital Residential Treatment) |
| H0020 | Alcohol and/or Drug Services; Methadone Administration and/or Service |
| H0025 | Behavioral Health Prevention Education Service |
| H0031 | Mental Health Assessment, by Non-Physician |
| H0034 | Medication Training and Support, per 15 Minutes |
| H0036 | Community Psychiatric Supportive Treatment, Face-to-Face, Per 15 Minutes |
| H0037 | Community Psychiatric Supportive Treatment Program, Per Diem |
| H0038 | Self-Help/Peer Services, per 15 minutes |
| H2010 | Comprehensive Medication Services, per 15 minutes |
| H2011 | Crisis Intervention Service, per 15 minutes |
| H2012 | Behavioral Health Day Treatment, per hour |
| H2014 | Skills Training and Development, per 15 minutes |

Figure 1. Outpatient Current Procedural Terminology (CPT) Codes and Descriptions (cont.)

| Procedure Code | Procedure Code Description |
|----------------|-----------------------------------------------------------|
| H2015 | Comprehensive Community Support Services, per 15 minutes |
| H2016 | Comprehensive Community Support Services, per diem |
| H2017 | Psychosocial Rehabilitation Services, per 15 minutes |
| H2019 | Therapeutic Behavioral Services, per 15 minutes |
| H2020 | Therapeutic Behavioral Services, per diem |
| H2025 | Ongoing Support to Maintain Employment, per 15 minutes |
| H2026 | Ongoing Support to Maintain Employment, per diem |
| H2027 | Psychoeducational Service, per 15 minutes |
| H2033 | Multisystemic Therapy for Juveniles, per 15 minutes |
| S5109 | Home Care Training to Home Care Client, per session |
| S5110 | Home Care Training, Family; per 15 minutes |
| S5150 | Unskilled Respite Care, Not Hospice, per 15 minutes |
| S5151 | Unskilled Respite Care, Not Hospice, per diem |
| S9480 | Intensive Outpatient Psychiatric Services, per 15 minutes |
| S9484 | Crisis Intervention Mental Health Services, per hour |
| S9485 | Crisis Intervention Mental Health Services, per diem |
| T1002 | Home RN Services, up to 15 minutes |
| T1003 | Home LPN/LVN Services, up to 15 minutes |
| T1016 | Case Management, each 15 minutes |
| T1019 | Personal Care Services, per 15 minutes |
| T1020 | Personal Care Services, per diem |

Figure 2. Inpatient Revenue Codes and Descriptions, 2015-2017

| Revenue Codes | Services | Provider Type | FFS Rate |
|---------------|-------------------|---------------------------------------------------------------|----------|
| 0110 | Room-Board/Pvt | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0111 | Med-Sur-Gyn/Pvt | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0112 | Ob/Pvt | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0113 | Peds/Pvt | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0114 | Psych/Pvt | Level I Hospital/Level I Psych. Hospital | \$816.39 |
| 0114 | Psych/Pvt | Level I Residential Treatment Center Secure (IMD/non-IMD) | \$433.10 |
| 0114 | Psych/Pvt | Level I Residential Treatment Center-Non-Secure (IMD/non-IMD) | \$412.23 |
| 0114 | Psych/Pvt | Level I Subacute Facility (IMD) | \$423.58 |
| 0114 | Psych/Pvt | Level I Subacute Facility (non-IMD) | \$613.58 |
| 0116 | Detox/Pvt | Level I Hospital/Level I Psych. Hospital | \$739.87 |
| 0116 | Detox/Pvt | Level I Residential Treatment Center Secure (IMD/non-IMD) | \$735.06 |
| 0116 | Detox/Pvt | Level I Residential Treatment Center-Non-Secure (IMD/non-IMD) | \$685.21 |
| 0116 | Detox/Pvt | Level I Subacute Facility (IMD) | \$739.87 |
| 0116 | Detox/Pvt | Level I Subacute Facility (non-IMD) | \$655.21 |
| 0120 | Room/Board/Semi | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0121 | Med-Surg-Gyn/2Bed | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0122 | Ob/2 Bed | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0123 | Peds/2Bed | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0124 | Psych Stay/2 Bed | Level I Hospital/Level I Psych. Hospital | \$816.39 |

Figure 2. Inpatient Revenue Codes and Descriptions (cont.)

| Revenue Codes | Services | Provider Type | FFS Rate |
|---------------|---------------------|---------------------------------------------------------------|----------|
| 0124 | Psych Stay/2 Bed | Level I Residential Treatment Center Secure (IMD/non-IMD) | \$433.10 |
| 0124 | Psych Stay/2 Bed | Level I Residential Treatment Center-Non-Secure (IMD/non-IMD) | \$412.23 |
| 0124 | Psych Stay/2 Bed | Level I Subacute Facility (IMD) | \$423.58 |
| 0124 | Psych Stay/2 Bed | Level I Subacute Facility (non-IMD) | \$613.58 |
| 0126 | Detox/2 Bed | Level I Hospital/Level I Psych. Hospital | \$739.87 |
| 0126 | Detox/2 Bed | Level I Residential Treatment Center Secure (IMD/non-IMD) | \$735.06 |
| 0126 | Detox/2 Bed | Level I Residential Treatment Center-Non-Secure (IMD/non-IMD) | \$685.21 |
| 0126 | Detox/2 Bed | Level I Subacute Facility (IMD) | \$739.87 |
| 0126 | Detox/2 Bed | Level I Subacute Facility (non-IMD) | \$655.21 |
| 0130 | Room-Board/3&4 Bed | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0131 | Med-Sur-Gyn/3&4 Bed | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0132 | Ob/3&4 Bed | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0133 | Peds/3&4 Bed | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0134 | Pstay/3&4 Bed | Level I Hospital/Level I Psych. Hospital | \$816.39 |
| 0134 | Pstay/3&4 Bed | Level I Residential Treatment Center Secure (IMD/non-IMD) | \$433.10 |
| 0134 | Pstay/3&4 Bed | Level I Residential Treatment Center-Non-Secure (IMD/non-IMD) | \$412.23 |
| 0134 | Pstay/3&4 Bed | Level I Subacute Facility (IMD) | \$423.58 |
| 0134 | Pstay/3&4 Bed | Level I Subacute Facility (non-IMD) | \$613.58 |
| 0136 | Hospice/3&4 Bed | Level I Hospital/Level I Psych. Hospital | \$739.87 |
| 0136 | Hospice/3&4 Bed | Level I Residential Treatment Center Secure (IMD/non-IMD) | \$735.06 |
| 0136 | Hospice/3&4 Bed | Level I Residential Treatment Center-Non-Secure (IMD/non-IMD) | \$685.21 |
| 0136 | Hospice/3&4 Bed | Level I Subacute Facility (IMD) | \$739.87 |
| 0136 | Hospice/3&4 Bed | Level I Subacute Facility (non-IMD) | \$655.21 |
| 0150 | Room-Board/Ward | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0151 | Med-Sur-By/Ward | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0151 | Med-Sur-Gyn/Ward | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0152 | Ob/Ward | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0153 | Peds/Ward | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0154 | Psych/Ward | Level I Hospital/Level I Psych. Hospital | \$816.39 |
| 0154 | Psych/Ward | Level I Residential Treatment Center Secure (IMD/non-IMD) | \$433.10 |
| 0154 | Psych/Ward | Level I Residential Treatment Center-Non-Secure (IMD/non-IMD) | \$412.23 |
| 0154 | Psych/Ward | Level I Subacute Facility (IMD) | \$423.58 |
| 0154 | Psych/Ward | Level I Subacute Facility (non-IMD) | \$613.58 |
| 0156 | Detox/Ward | Level I Hospital/Level I Psych. Hospital | \$739.87 |
| 0156 | Detox/Ward | Level I Residential Treatment Center Secure (IMD/non-IMD) | \$735.06 |

Figure 2. Inpatient Revenue Codes and Descriptions (cont.)

| Revenue Codes | Services | Provider Type | FFS Rate |
|---------------|------------------------|---------------------------------------------------------------|----------|
| 0156 | Detox/Ward | Level I Residential Treatment Center-Non-Secure (IMD/non-IMD) | \$685.21 |
| 0156 | Detox/Ward | Level I Subacute Facility (IMD) | \$739.87 |
| 0156 | Detox/Ward | Level I Subacute Facility (non-IMD) | \$655.21 |
| 0160 | Room & Board, General | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0183 | Secure - Home Pass | Level I Residential Treatment Center Secure (IMD/non-IMD) | \$122.09 |
| 0183 | Non-Secure - Home Pass | Level I Residential Treatment Center-Non-Secure (IMD/non-IMD) | \$113.92 |
| 0189 | Secure - Bed Hold | Level I Residential Treatment Center Secure (IMD/non-IMD) | \$122.09 |
| 0189 | Non-Secure - Bed Hold | Level I Residential Treatment Center-Non-Secure (IMD/non-IMD) | \$113.92 |
| 0200 | Intensive Care | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0201 | ICU/Surgical | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0202 | ICU/Medical | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0203 | ICU/Peds | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0206 | ICU/Intermediate | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0209 | ICU/Other | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0210 | Coronary Care | Level I Hospital/Level I Psych. Hospital | \$678.64 |

Utilization Analysis

Navigant conducted a utilization analysis to determine what specific services had the highest and lowest number of payments, users, and units over the three years of data. The data used in this analysis was provided by AHCCCS and consisted of outpatient claims and encounter data. Encounter data includes payment and volume information for Arizona’s MCO populations. Claims data includes the same payment and volume details for the FFS population. These FFS populations have fewer members than the MCOs and therefore the volume and overall payment amounts is much lower.

1.1 Payment Analysis

Navigant examined the total payments from the claims data for each procedure code in years 2015-2017 and calculated the percent change over the years. Results are displayed in Figure 3 below with procedure codes listed in order of highest payment amount from the most recent year of data, 2017.

Figure 3. Total Payments from FFS Data, 2015-2017

| Procedure Code | 2015 Payments | 2016 Payments | 2017 Payments | Change '15 to '17 | Change '16 to '17 |
|----------------|---------------------|---------------------|---------------------|-------------------|-------------------|
| H0018 | \$15,711,735 | \$20,823,162 | \$24,544,746 | 56% | 18% |
| T1016 | \$7,936,764 | \$10,646,349 | \$10,522,301 | 33% | (1%) |
| H2014 | \$4,437,902 | \$6,076,972 | \$7,818,731 | 76% | 29% |
| H0004 | \$3,902,296 | \$4,370,042 | \$4,822,795 | 24% | 10% |
| H2017 | \$1,512,088 | \$2,349,197 | \$2,704,399 | 79% | 15% |
| S5109 | \$1,450,092 | \$1,757,675 | \$2,133,674 | 47% | 21% |
| S5110 | \$1,052,420 | \$1,313,150 | \$1,288,908 | 22% | (2%) |
| H2016 | \$864,600 | \$858,886 | \$1,205,729 | 39% | 40% |
| H0031 | \$1,135,171 | \$1,320,620 | \$1,144,873 | 1% | (13%) |
| H2015 | \$770,140 | \$878,507 | \$838,717 | 9% | (5%) |
| H2027 | \$193,952 | \$402,585 | \$731,154 | 277% | 82% |
| H2020 | \$621,445 | \$643,570 | \$618,560 | 0% | (4%) |
| S9485 | \$194,854 | \$246,891 | \$381,205 | 96% | 54% |
| H0038 | \$302,272 | \$256,511 | \$278,019 | (8%) | 8% |
| H2011 | \$84,800 | \$109,739 | \$111,409 | 31% | 2% |
| H2019 | \$364,000 | \$50,596 | \$88,299 | (76%) | 75% |
| S9484 | \$49,620 | \$43,769 | \$66,282 | 34% | 51% |
| H0002 | \$11,671 | \$23,120 | \$37,589 | 222% | 63% |
| H2012 | \$12,072 | \$8,660 | \$37,171 | 208% | 329% |
| H0025 | \$19,492 | \$18,997 | \$31,630 | 62% | 67% |
| H0001 | \$381 | \$54 | \$86 | (77%) | 58% |
| H0034 | \$67 | \$5 | \$79 | 19% | 1486% |
| H2025 | \$15,476 | \$5,485 | \$64 | (100%) | (99%) |
| H2026 | - | - | - | - | - |
| H2033 | - | - | - | - | - |
| H0036 | - | - | - | - | - |
| H0015 | \$22,877 | - | - | (100%) | - |
| Total | \$40,666,186 | \$52,204,541 | \$59,406,421 | 46% | 14% |

The top five services that accounted for the highest payments in 2017 FFS claims data are:

- Short-Term Residential Treatment (H0018)
- Case Management (T1016)
- Skills Training and Development (H2014)
- Behavioral Health Counseling and Therapy (H0004)
- Psychosocial Rehabilitation Services (H2017)

These top services had increased total payments each year, apart from Case Management that had a one percent decrease in total payments from 2016 to 2017. From 2015 to 2017, the total payment amount of outpatient behavioral health services increased 46 percent, and from 2016 to 2017, this amount increased 14 percent. In 2017, behavioral health services had nearly \$60 million in payments, which was notably made up largely from the top paying service, Short-Term Residential Treatment, accounting for almost \$25 million. Nine of the 27 services had total payment amounts greater than one million dollars in 2017.

The table below presents the same analysis applied to the MCO encounter data. As discussed earlier, the volume and payment amounts were considerably greater.

Figure 4. Total Payments from MCO Data, 2015-2017

| Procedure Code | 2015 Payments | 2016 Payments | 2017 Payments | Change '15 to '17 | Change '16 to '17 |
|----------------|----------------------|----------------------|----------------------|-------------------|-------------------|
| T1016 | \$201,780,797 | \$223,251,134 | \$219,730,873 | 9% | (2%) |
| H0004 | \$95,937,044 | \$119,760,065 | \$130,974,675 | 37% | 9% |
| H0018 | \$93,306,989 | \$113,155,778 | \$117,032,301 | 25% | 3% |
| H2014 | \$63,944,000 | \$77,494,160 | \$80,582,496 | 26% | 4% |
| H0031 | \$49,266,899 | \$58,843,139 | \$64,215,447 | 30% | 9% |
| S9485 | \$28,201,279 | \$46,164,075 | \$55,520,102 | 97% | 20% |
| H0038 | \$18,030,473 | \$19,971,102 | \$17,963,987 | 0% | (10%) |
| H2027 | \$27,383,513 | \$23,569,260 | \$15,641,682 | (43%) | (34%) |
| H2011 | \$12,778,013 | \$11,601,095 | \$14,596,905 | 14% | 26% |
| S5109 | \$12,095,257 | \$14,730,747 | \$14,542,999 | 20% | (1%) |
| H0025 | \$12,552,406 | \$10,516,776 | \$10,856,698 | (14%) | 3% |
| S5110 | \$8,253,287 | \$9,492,478 | \$9,921,388 | 20% | 5% |
| S9484 | \$5,151,260 | \$6,930,923 | \$7,537,131 | 46% | 9% |
| H2016 | \$5,505,349 | \$5,651,304 | \$6,598,379 | 20% | 17% |
| H2025 | \$2,659,354 | \$3,222,071 | \$3,062,911 | 15% | (5%) |
| H2017 | \$1,355,247 | \$1,606,379 | \$2,445,449 | 80% | 52% |
| H0002 | \$1,403,129 | \$2,120,930 | \$2,217,039 | 58% | 5% |
| H0015 | \$385,807 | \$548,715 | \$2,095,369 | 443% | 282% |
| H0034 | \$1,298,994 | \$1,456,835 | \$1,844,560 | 42% | 27% |
| H2019 | \$2,623,005 | \$2,200,852 | \$1,784,550 | (32%) | (19%) |
| H2012 | \$1,926,410 | \$2,072,208 | \$1,509,369 | (22%) | (27%) |
| H2020 | \$1,441,930 | \$1,454,749 | \$894,287 | (38%) | (39%) |
| H2015 | \$1,209,858 | \$1,170,844 | \$750,314 | (38%) | (36%) |
| H2033 | \$1,065,898 | \$1,019,847 | \$696,878 | (35%) | (32%) |
| H0001 | \$5,297 | \$5,476 | \$108,993 | 1958% | 1890% |
| H2026 | \$12,985 | \$29,841 | \$36,497 | 181% | 22% |
| H0036 | \$21 | \$60 | \$39 | 90% | (34%) |
| Total | \$649,574,501 | \$758,040,841 | \$783,161,322 | 21% | 3% |

The top five services that received the highest amount of payments in 2017 from MCOs are:

- Case Management (T1016)
- Behavioral Health Counseling and Therapy (H0004)
- Short-Term Residential Treatment (H0018)
- Skills Training and Development (H2014)
- Mental Health Assessment by Non-Physician (H0031)

Besides Case Management, which had a 2 percent decline in total payments from 2016 to 2017, all the total payment amounts for the top five services increased each year. From 2015 to 2017, the total payment amount of outpatient behavioral health services increased 21 percent, and from 2016 to 2017, this amount increased 3 percent. In 2017, behavioral health services totaled over \$783 million in payments.

The payment amounts from the MCO data are much higher than those of the FFS data. However, in general, the relative distribution of services and the percent change in payment

amounts between the years are similar for MCO and FFS. One difference is Psychosocial Rehabilitation Services (H2017), which ranks within the top 5 services for FFS, however, is the 16th highest utilized service by managed care enrollees. This service has seen a 52 percent increase in spend over the last year for managed care enrollees. The MCO data also indicates a sizeable decrease in total spend for Psychoeducational Services (H2027) from 2015 to 2017 of 43 percent. Over the same period, FFS spend for the same service increased 277 percent.

1.2 Users Analysis

Navigant examined the total number of unique users of each outpatient service in order to gauge member demand. The figure below shows each service's total unique users by year listed in descending order of total users in 2017. Note that the figures shown here reflect unique users for each service, so if a member received more than one service in the same year, that member would be included in the user count for each service.

Figure 5. Users per Service from FFS Data, 2015-2017

| Procedure Code | 2015 Users | 2016 Users | 2017 Users | Change '15 to '17 | Change '16 to '17 |
|----------------|------------|------------|------------|-------------------|-------------------|
| T1016 | 8,751 | 11,308 | 11,676 | 33% | 3% |
| H0004 | 5,506 | 5,684 | 5,125 | (7%) | (10%) |
| H0031 | 2,482 | 3,019 | 2,927 | 18% | (3%) |
| H2014 | 2,067 | 2,051 | 1,933 | (6%) | (6%) |
| H0038 | 1,274 | 1,299 | 1,294 | 2% | 0% |
| H0018 | 768 | 955 | 1,122 | 46% | 17% |
| H0002 | 542 | 864 | 1,041 | 92% | 20% |
| S5110 | 738 | 805 | 742 | 1% | (8%) |
| H2015 | 692 | 743 | 684 | (1%) | (8%) |
| H2016 | 521 | 616 | 659 | 26% | 7% |
| S9485 | 233 | 360 | 459 | 97% | 28% |
| H2017 | 359 | 445 | 413 | 15% | (7%) |
| H2011 | 478 | 455 | 396 | (17%) | (13%) |
| H2012 | 220 | 211 | 317 | 44% | 50% |
| S9484 | 203 | 227 | 293 | 44% | 29% |
| H2019 | 446 | 261 | 178 | (60%) | (32%) |
| H0025 | 122 | 107 | 119 | (2%) | 11% |
| H2027 | 264 | 60 | 91 | (66%) | 52% |
| S5109 | 67 | 66 | 91 | 36% | 38% |
| H2020 | 131 | 72 | 57 | (56%) | (21%) |
| H0001 | 14 | 8 | 13 | (7%) | 63% |
| H0015 | 18 | 10 | 8 | (56%) | (20%) |
| H0034 | 3 | 1 | 6 | 100% | 500% |
| H2025 | 11 | 6 | 4 | (64%) | (33%) |
| H2033 | - | - | - | - | - |
| H0036 | - | - | - | - | - |
| H2026 | - | - | - | - | - |

The behavioral health services with the most users in 2017 are:

- Case Management (T1016)
- Behavioral Health Counseling and Therapy (H0004)
- Mental Health Assessment by Non-Physician (H0031)
- Skills Training and Development (H2014)
- Self-Help/Peer Services (H0038)

The top services do not all increase in users between 2015 and 2017 as was the case with payments. In fact, the number of users receiving Behavioral Health Counseling and Therapy, Mental Health Assessment, and Skills Training and Development all declined from 2016 to 2017. The largest increases in the number of users between 2015 and 2017 were among the following services: Crisis Intervention Mental Health Services (S9484/S9485), Hourly Behavioral Health Day Treatment (H2012), and Behavioral Health Short-Term Residential Treatment (H0018). This may indicate increasing demand for these specific services, warranting further monitoring of these rates during future study. AHCCCS should continue to monitor these services to determine if this trend continues.

The same output is produced below using the MCO data. As stated earlier, there are more MCO users than FFS users.

Figure 6. Users per Service from MCO Data, 2015-2017

| Procedure Code | 2015 Users | 2016 Users | 2017 Users | Change '15 to '17 | Change '16 to '17 |
|----------------|------------|------------|------------|-------------------|-------------------|
| T1016 | 370,304 | 381,750 | 408,739 | 10% | 7% |
| H0004 | 190,494 | 207,386 | 221,377 | 16% | 7% |
| H0031 | 163,126 | 173,469 | 181,650 | 11% | 5% |
| H2014 | 55,003 | 62,318 | 67,780 | 23% | 9% |
| H0002 | 39,430 | 58,492 | 57,648 | 46% | (1%) |
| H0038 | 44,867 | 50,850 | 56,317 | 26% | 11% |
| H2011 | 26,371 | 25,539 | 27,740 | 5% | 9% |
| S9485 | 19,720 | 24,900 | 26,564 | 35% | 7% |
| H2027 | 22,653 | 22,035 | 24,758 | 9% | 12% |
| S5110 | 17,522 | 18,456 | 20,389 | 16% | 10% |
| H0025 | 27,177 | 26,456 | 20,063 | (26%) | (24%) |
| S9484 | 13,001 | 16,221 | 17,129 | 32% | 6% |
| H0018 | 8,023 | 8,674 | 10,410 | 30% | 20% |
| H0034 | 4,741 | 5,569 | 6,157 | 30% | 11% |
| H2025 | 6,074 | 5,832 | 5,491 | (10%) | (6%) |
| H0001 | 180 | 152 | 2,963 | 1546% | 1849% |
| H2016 | 2,695 | 2,685 | 2,853 | 6% | 6% |
| H2017 | 970 | 1,221 | 1,745 | 80% | 43% |
| H2019 | 1,758 | 1,525 | 1,417 | (19%) | (7%) |
| H2012 | 1,264 | 1,480 | 1,329 | 5% | (10%) |
| H0015 | 171 | 466 | 1,204 | 604% | 158% |
| S5109 | 478 | 637 | 720 | 51% | 13% |
| H2015 | 751 | 744 | 711 | (5%) | (4%) |
| H2020 | 707 | 706 | 586 | (17%) | (17%) |
| H2033 | 395 | 363 | 381 | (4%) | 5% |
| H2026 | 48 | 25 | 41 | (15%) | 64% |
| H0036 | 3 | 5 | 1 | (67%) | (80%) |

The behavioral health services with the most users in 2017 are:

- Case Management (T1016)
- Behavioral Health Counseling and Therapy (H0004)
- Mental Health Assessment by Non-Physician (H0031)
- Skills Training and Development (H2014)

- Behavioral Health Screening (H0002)

The top four services are identical for the FFS and MCO data, suggesting that although volume clearly differs between MCO and FFS, the relative distribution of users receiving these services is quite similar. Two services worth noting here are Alcohol and/or drug assessment (H0001) and Alcohol and/or drug services; intensive outpatient (H0015), which both saw a large growth in number of users, although the absolute number of users for each of these services is relatively low.

1.3 Units Analysis

Navigant examined the total number of units of each behavioral health service provided each year. Please note that units vary between different services, so 15-minute services are generally concentrated near the top of the following figures, while hourly and per diem services are generally listed lower. The percent changes for all services, however, are a good indicator of changes in demand during the years examined in the study. The results for the FFS populations are displayed in the figure below.

Figure 7. Total Behavioral Health Services Units from FFS Data, 2015-2017

| Procedure Code | 2015 Units | 2016 Units | 2017 Units | Change '15 to '17 | Change '16 to '17 |
|----------------|------------|------------|------------|-------------------|-------------------|
| H2014 | 406,678 | 532,622 | 607,726 | 49% | 14% |
| T1016 | 387,959 | 489,082 | 474,999 | 22% | (3%) |
| H2015 | 290,872 | 330,748 | 297,312 | 2% | (10%) |
| H0004 | 207,072 | 230,265 | 224,721 | 9% | (2%) |
| H2017 | 128,112 | 194,291 | 199,036 | 55% | 2% |
| H0018 | 105,215 | 129,890 | 139,265 | 32% | 7% |
| S5110 | 67,758 | 84,122 | 76,804 | 13% | (9%) |
| H2027 | 16,341 | 33,539 | 54,971 | 236% | 64% |
| H0038 | 73,826 | 50,170 | 44,088 | (40%) | (12%) |
| H2019 | 90,520 | 12,462 | 19,003 | (79%) | 52% |
| S5109 | 12,268 | 14,714 | 15,820 | 29% | 8% |
| H0031 | 9,158 | 10,511 | 8,855 | (3%) | (16%) |
| H2020 | 6,368 | 6,552 | 5,851 | (8%) | (11%) |
| H2016 | 3,888 | 3,842 | 4,766 | 23% | 24% |
| H0025 | 3,006 | 2,922 | 4,225 | 41% | 45% |
| H2012 | 1,086 | 776 | 3,623 | 234% | 367% |
| H2011 | 2,449 | 3,815 | 2,973 | 21% | (22%) |
| H0002 | 620 | 1,251 | 1,804 | 191% | 44% |
| S9485 | 628 | 786 | 1,133 | 80% | 44% |
| S9484 | 940 | 817 | 1,100 | 17% | 35% |
| H0015 | 195 | 98 | 80 | (59%) | (18%) |
| H2025 | 1,894 | 653 | 37 | (98%) | (94%) |
| H0001 | 14 | 8 | 13 | (7%) | 63% |
| H0034 | 10 | 5 | 10 | 0% | 100% |
| H2026 | - | - | - | - | - |

| | | | | | |
|--------------|------------------|------------------|------------------|------------|-----------|
| H0036 | - | - | - | - | - |
| H2033 | - | - | - | - | - |
| Total | 1,816,877 | 2,133,941 | 2,188,215 | 20% | 3% |

Within the FFS data, the services with the greatest number of units delivered in 2017 are:

- Skills Training and Development (H2014)
- Case Management (T1016)
- Comprehensive Community Support Services (H2015)
- Behavioral Health Counseling and Therapy (H0004)
- Psychosocial Rehabilitation Services (H2017)

From 2015 to 2017, the total number of units across all services increased 20 percent and from 2016 to 2017 total units increased 3 percent. In terms of individual services, Psychoeducational service (H2027) and Hourly Behavioral Health Day Treatment (H2012) had the largest changes in units by a wide margin, with total units for these two services nearly tripling from 2015 to 2017.

The same output is produced below using the MCO data.

Figure 8. Total Behavioral Health Services Units from MCO Data, 2015-2017

| Procedure Code | 2015 Units | 2016 Units | 2017 Units | Change '15 to '17 | Change '16 to '17 |
|----------------|------------|------------|------------|-------------------|-------------------|
| T1016 | 9,366,517 | 10,275,422 | 9,833,782 | 5% | (4%) |
| H0004 | 5,268,166 | 6,262,186 | 6,593,493 | 25% | 5% |
| H2014 | 4,296,220 | 5,260,451 | 5,404,985 | 26% | 3% |
| H0038 | 1,578,341 | 1,638,205 | 1,454,667 | (8%) | (11%) |
| H2027 | 1,534,692 | 1,221,829 | 1,163,394 | (24%) | (5%) |
| H0018 | 473,570 | 536,533 | 543,487 | 15% | 1% |
| H0025 | 529,066 | 466,965 | 445,068 | (16%) | (5%) |
| S5110 | 329,226 | 359,129 | 368,161 | 12% | 3% |
| H0031 | 284,199 | 306,117 | 305,696 | 8% | 0% |
| H2019 | 398,055 | 308,450 | 234,428 | (41%) | (24%) |
| H2015 | 359,712 | 343,085 | 221,590 | (38%) | (35%) |
| H2011 | 221,442 | 180,060 | 215,494 | (3%) | 20% |
| H2025 | 123,964 | 153,687 | 153,922 | 24% | 0% |
| H2017 | 74,959 | 77,431 | 113,868 | 52% | 47% |
| H0034 | 75,678 | 84,164 | 104,521 | 38% | 24% |
| H2012 | 121,175 | 129,102 | 95,053 | (22%) | (26%) |
| S5109 | 77,146 | 91,087 | 90,913 | 18% | 0% |
| H0002 | 54,779 | 86,257 | 87,020 | 59% | 1% |
| S9485 | 46,655 | 73,895 | 79,991 | 71% | 8% |
| S9484 | 51,512 | 68,105 | 71,124 | 38% | 4% |
| H2016 | 21,694 | 18,513 | 20,668 | (5%) | 12% |
| H2033 | 30,453 | 28,646 | 19,048 | (37%) | (34%) |
| H0015 | 3,008 | 5,314 | 14,154 | 371% | 166% |
| H2020 | 12,109 | 11,918 | 7,638 | (37%) | (36%) |
| H0001 | 186 | 165 | 3,642 | 1858% | 2107% |

| Procedure Code | 2015 Units | 2016 Units | 2017 Units | Change '15 to '17 | Change '16 to '17 |
|----------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| H2026 | 59 | 46 | 45 | (24%) | (2%) |
| H0036 | 4 | 10 | 5 | 25% | (50%) |
| Total | 25,332,587 | 27,986,772 | 27,645,857 | 9% | (1%) |

Within the MCO data, the services with the greatest number of units delivered in 2017 are:

- Case Management (T1016)
- Behavioral Health Counseling and Therapy (H0004)
- Skills Training and Development (H2014)
- Self-Help/Peer Services (H0038)
- Psychoeducational Service (H0027)

The large percentage increase in units for Alcohol and Drug Assessment (H0001) and Intensive Alcohol and Drug Services (H0015) is driven by a sharp increase in units delivered in Pima county in 2017. Three of the five top services are also the top services from the FFS data. From 2015 to 2017, the total number of units increased 9 percent and from 2016 to 2017 total units decreased 1 percent.

1.4 Payment, Users, Units Summary

For the FFS populations, the top ten services with the most payments reflect 96 percent of the \$60 million paid in 2017. The top five payments represent 85 percent, and the highest paid service, Short-Term Residential Behavioral Health (H0014), accounts for 41 percent of total payments. Case Management was one of the highest dollar volume services in 2017 because it had the most users with around 11,000, while the second highest demand was for Behavioral Health Counseling and Therapy (H0004) with 5,000 users.

For the MCOs, the top five services account for 78% of the total \$800 million in payments in 2017. The highest paying service, Case Management (T1016) accounts for 28 percent of the total payment in 2017. The total number of units of these services from 2016 to 2017 also increased between 5 percent and 201 percent, suggesting that the demand for these services is also increasing.

MCO Summary by County

From 2015 to 2017, AHCCCS provided behavioral health services for varying populations through different MCOs. For some populations, AHCCCS enrolled members in fully integrated physical and behavioral health MCOs. For other populations, AHCCCS enrolled members in Acute MCOs for physical health services and used Regional Behavioral Health Authority (RBHA) to provide their behavioral health services.

- **Fully Integrated Physical and Behavioral Health Services from single MCO**
 - Arizona Long Term Care System Elderly and Physically Disabled Program (ALTCS EPD)
 - Integrated RBHA for Seriously Mentally Ill (SMI)
 - Maricopa County – Implemented April 1, 2014
 - Greater Arizona – Implemented October 1, 2015

- Children’s Rehabilitative Services (CRS) Integrated
- **Separate Physical and Behavioral Health MCOs receive behavioral health services through a RBHA**
 - Acute MCO^[1]
 - Acute Comprehensive Medical & Dental Program (CMDP) MCO
 - ALTCS MCO Developmentally Disabled (ALTCS MCO DD)
 - Children’s Rehabilitative Services (CRS) Partially Integrated

2.1 MCO Inpatient Utilization

Using the inpatient encounter data provided by AHCCCS, Navigant analyzed the variance in payments, users, and units between the different MCOs in Arizona. The number of users of behavioral health services for each MCO in 2015 through 2017 is shown below in descending order of populations with the highest total users in 2017.

Figure 9. Behavioral Health Users for MCOs, 2015-2017

| MCO | 2015 Users | 2016 Users | 2017 Users | Change '15 to '17 | Change '16 to '17 |
|--------------------------|------------|------------|------------|-------------------|-------------------|
| Acute MCO | 56,714 | 58,543 | 56,592 | 0% | (3%) |
| RBHA | 15,465 | 15,712 | 17,892 | 16% | 14% |
| Integrated RBHA | 4,131 | 6,987 | 8,171 | 98% | 17% |
| ALTCS MCO EPD | 2,585 | 2,787 | 2,593 | 0% | (7%) |
| CRS Integrated | 683 | 792 | 762 | 12% | (4%) |
| ALTCS MCO DD | 719 | 736 | 658 | (8%) | (11%) |
| Acute CMDP MCO | 330 | 313 | 291 | (12%) | (7%) |
| CRS Partially Integrated | 162 | 251 | 177 | 9% | (29%) |

The total number of behavioral health members in managed care populations utilizing inpatient services increased 8 percent from 2015 to 2017 and 1 percent from 2016 to 2017. In 2017, there were a total of 87,136 users who received behavioral health inpatient services through MCOs. Of these, 65 percent were Acute MCO members. The number of members receiving behavioral health services from Acute MCOs remained consistent from 2015 to 2017, while user totals increased for RBHAs and Integrated RBHAs.

The figure below outlines the changes from 2015-2017 of each MCO’s total payment amount from behavioral health services rendered each year. The MCOs are listed in order of descending total payment amount in 2015.

^[1] Excluding dual eligible members who received behavioral health services under Acute MCOs as of 10/1/15.

Figure 10. Total Behavioral Health Payments of MCOs, 2015-2017

| MCO | Payments 2015 | Payments 2016 | Payments 2017 | Change '15 to '17 | Change '16 to '17 |
|--------------------------|-------------------------|-------------------------|-------------------------|-------------------|-------------------|
| Acute MCO | \$333,959,270.09 | \$384,439,334.48 | \$404,862,243.47 | 21% | 5% |
| RBHA | \$92,984,923.66 | \$110,855,795.34 | \$137,006,716.55 | 47% | 24% |
| Integrated RBHA | \$63,789,421.98 | \$102,038,848.25 | \$109,249,627.46 | 71% | 7% |
| ALTCS MCO | \$31,283,170.42 | \$38,780,560.25 | \$37,582,734.76 | 20% | (3%) |
| CRS Integrated | \$9,739,800.90 | \$16,190,212.72 | \$16,501,874.48 | 69% | 2% |
| ALTCS MCO DD | \$7,592,440.86 | \$8,756,090.22 | \$9,960,519.32 | 31% | 14% |
| CRS Partially Integrated | \$2,103,957.50 | \$4,623,329.87 | \$3,754,064.03 | 78% | (19%) |
| Acute CMDP MCO | \$1,883,896.83 | \$1,662,226.41 | \$2,231,006.09 | 18% | 34% |
| Total | \$543,336,882.24 | \$667,346,397.54 | \$721,148,786.16 | 33% | 8% |

The total amount of payments for inpatient behavioral health services increased 33% from \$543 million to \$721 million over the three years. The Acute MCO population had highest number of payments, accounting for 56 percent of total payments in 2017.

The unit analysis is shown in the figure below, listing the MCOs in descending order of total behavioral health service units provided in 2017.

Figure 11. Total Units of Behavioral Health Services Provided by MCOs, 2015-2017

| MCO | Units 2015 | Units 2016 | Units 2017 | Change '15 to '17 | Change '16 to '17 |
|--------------------------|----------------|----------------|----------------|-------------------|-------------------|
| Acute MCO | 254,544 | 282,003 | 276,829 | 9% | (2%) |
| RBHA | 171,047 | 169,820 | 194,470 | 14% | 15% |
| Integrated RBHA | 83,323 | 125,593 | 140,285 | 68% | 12% |
| ALTCS MCO | 23,435 | 27,822 | 25,169 | 7% | (10%) |
| CRS Integrated | 6,923 | 9,494 | 7,986 | 15% | (16%) |
| ALTCS MCO DD | 4,852 | 5,060 | 4,833 | 0% | (4%) |
| CRS Partially Integrated | 1,093 | 1,981 | 1,402 | 28% | (29%) |
| Acute CMDP MCO | 1,545 | 1,342 | 1,301 | (16%) | (3%) |
| Total | 546,762 | 623,115 | 652,275 | 19% | 5% |

The total number of units increased 19 percent during the three years, from around 550,000 to 650,000. All but two populations had a decrease in the number of units of inpatient behavioral health services provided from 2016 to 2017. Acute MCOs and RBHAs accounted for 72 percent of total units provided in 2017.

Navigant also examined the total payments from behavioral health services, total users of behavioral health services, and total units of behavioral health inpatient services provided by each county for 2017. Not all counties are included in this list because not every county had inpatient providers. The results of this are shown in the figure below alongside each county's population in 2017.

Figure 12. Total Payment, User, Units, and Population Detail by County, 2017

| Provider County | Users 2017 | Units 2017 | Payments 2017 | Population 2017 |
|-----------------|------------|------------|---------------|-----------------|
| Maricopa | 55,054 | 459,145 | \$489,411,632 | 4,155,501 |
| Pima | 25,381 | 158,552 | \$191,871,570 | 1,007,257 |

| Provider County | Users 2017 | Units 2017 | Payments 2017 | Population 2017 |
|--------------------|---------------|----------------|----------------------|------------------|
| Coconino | 2,486 | 13,121 | \$21,397,124 | 138,639 |
| Yavapai | 1,488 | 7,329 | \$8,148,507 | 220,972 |
| Cochise | 1,725 | 6,299 | \$5,827,658 | 126,516 |
| Navajo | 326 | 2,491 | \$1,809,439 | 107,902 |
| Mohave | 434 | 3,348 | \$1,525,085 | 204,691 |
| Yuma | 242 | 1,990 | \$1,157,771 | 204,281 |
| Grand Total | 87,136 | 652,275 | \$721,148,786 | 6,165,759 |

The top two counties with the highest populations, Maricopa and Pima, also had the highest number of users, units, and payments for behavioral health inpatient services in 2017. Counties with higher payment amounts are more correlated to counties with higher populations for the MCO populations than the FFS populations. The counties listed above are the counties in which the servicing provider is located.

2.2 MCO Outpatient Utilization

Using the encounter data provided by AHCCCS, Navigant analyzed the variance in payments, users, and units between the different MCOs in Arizona. The number of users of behavioral health services for each MCO in 2015 through 2017 is shown below in descending order of populations with the highest total users in 2017.

Figure 13. Behavioral Health Users for MCOs, 2015-2017¹

| MCO | 2015 Users | 2016 Users | 2017 Users | Change '15 to '17 | Change '16 to '17 |
|--------------------------|------------|------------|------------|-------------------|-------------------|
| RBHA | 248,021 | 257,262 | 254,298 | 3% | (1%) |
| Integrated RBHA | 19,580 | 38,317 | 40,795 | 108% | 6% |
| Acute MCO | 169 | 9,251 | 10,249 | 5964% | 11% |
| ALTCS MCO EPD | 2,537 | 2,975 | 3,286 | 30% | 10% |
| CRS Integrated | 2,186 | 2,467 | 2,525 | 16% | 2% |
| CRS Partially Integrated | 1,640 | 1,760 | 1,788 | 9% | 2% |
| ALTCS MCO DD | 410 | 456 | 363 | (11%) | (20%) |
| Acute CMDP MCO* | 2 | 32 | 64 | 3100% | 100% |

*CMDP children are served through the RBHAs

The total number of behavioral health unique users for managed care populations increased 14 percent from 2015 to 2017 and remained flat from 2016 to 2017. In 2017, there were a total of 313,368 unique users for behavioral health services through MCOs. Of these users, 81 percent were members served by Arizona's RBHAs, which provide only behavioral health services, and 13 percent were members served by Integrated RBHAs, which provide both behavioral health

¹ The user totals shown in Figure 13 include members who are enrolled in multiple MCO categories during the year, and thus does not represent a discrete count of unique users.

and physical health services. A small proportion of behavioral health services were provided to members served under the Children’s Rehabilitative Services (CRS) integrated program and partially-integrated programs. In the above table, “ALTCS MCO EPD” refers to the Arizona Long Term Care System Elderly and Physically Disabled Program (ALTCS EPD), which is a fully integrated program. Additionally, “ALTCS MCO DD” refers to the ALTCS Developmentally Disabled (ALTCS DD) program that generally only provides physical health or LTSS services; ALTCS DD members receive their behavioral health services through the RBHAs.

The figure below outlines the changes from 2015-2017 for each MCO’s total payment amount from behavioral health services rendered each year. The MCOs are listed in order of descending total payment amount in 2017.

Figure 14. Total Behavioral Health Payments of MCOs, 2015-2017

| MCO | Payments 2015 | Payments 2016 | Payments 2017 | Change '15 to '17 | Change '16 to '17 |
|--------------------------|----------------------|----------------------|----------------------|-------------------|-------------------|
| RBHA | \$499,820,019 | \$504,920,496 | \$507,885,819 | 2% | 1% |
| Integrated RBHA | \$133,926,325 | \$227,612,936 | \$248,227,159 | 85% | 9% |
| ALTCS MCO EPD | \$7,097,715 | \$9,512,026 | \$9,801,470 | 38% | 3% |
| CRS Partially Integrated | \$6,405 | \$6,010,402 | \$7,774,373 | 121,287% | 29% |
| Acute MCO | \$4,213,176 | \$5,250,251 | \$5,037,259 | 20% | (4%) |
| CRS Integrated | \$4,009,810 | \$4,232,682 | \$4,154,793 | 4% | -2% |
| ALTCS MCO DD | \$500,967 | \$498,212 | \$268,802 | (46%) | (46%) |
| Acute CMDP MCO* | \$85 | \$3,837 | \$11,646 | 13,651% | 203% |
| Grand Total | \$649,574,501 | \$758,040,841 | \$783,161,322 | 21% | 3% |

*CMDP children are served through the RBHAs

The total of all behavioral health payments increased 21 percent from 2015 to 2017, from around \$649 million in payments to \$783 million. There was a smaller increase in payments (3 percent) from 2016 to 2017. In 2017, most payments (97 percent) came from the RBHAs and Integrated RBHAs.

The unit analysis is shown in the figure below, listing the MCOs in descending order of total behavioral health service units provided in 2017.

Figure 15. Total Units of Behavioral Health Services Provided by MCOs, 2015-2017

| MCO | Units 2015 | Units 2016 | Units 2017 | Change '15 to '17 | Change '16 to '17 |
|--------------------------|------------|------------|------------|-------------------|-------------------|
| RBHA ² | 19,106,255 | 18,372,473 | 17,615,377 | (8%) | (4%) |
| Integrated RBHA | 5,688,476 | 8,582,673 | 8,933,954 | 57% | 4% |
| ALTCS MCO EPD | 551 | 343,192 | 441,865 | 80,093% | 29% |
| Acute MCO | 188,937 | 291,299 | 279,775 | 48% | (4%) |
| CRS Partially Integrated | 178,540 | 185,656 | 193,335 | 8% | 4% |

² Includes DD and CMDP enrollees who receive BH services through a RBHA.

| MCO | Units 2015 | Units 2016 | Units 2017 | Change '15 to '17 | Change '16 to '17 |
|----------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| CRS Integrated | 167,049 | 208,450 | 178,984 | 7% | (14%) |
| ALTCS MCO DD | 2,770 | 2,679 | 2,011 | (27%) | (25%) |
| Acute CMDP MCO | 9 | 350 | 556 | 6,078% | 59% |
| Total | 25,332,587 | 27,986,772 | 27,645,857 | 9% | (1%) |

The total number of units increased 9 percent during the three years, from around 25.3 million to 27.6 million and there was a 1 percent decrease from 2016 to 2017. As was the case in analyzing users and payments, the RBHAs and Integrated RBHAs accounted for most (96 percent) of total units provided in 2017.

Navigant also examined the total payments from behavioral health services, total users of behavioral health services, and total units of behavioral health services provided by county in which services were provided for 2017. The results are shown in the figure below alongside each county's total population in 2017.

Figure 16. Total Payment, User, Units, and Population Detail by County, 2017

| County | Payments | Users | Units | Population |
|-------------------------|----------------------|----------------|-------------------|------------------|
| Maricopa | \$410,344,363 | 176,036 | 16,071,647 | 4,155,501 |
| Pima | \$165,960,091 | 65,112 | 4,797,327 | 1,007,257 |
| Pinal | \$37,180,762 | 12,788 | 1,216,156 | 220,972 |
| Yavapai | \$36,538,347 | 11,823 | 1,177,728 | 405,537 |
| Yuma | \$34,746,530 | 9,697 | 1,245,391 | 204,281 |
| Mohave | \$28,322,006 | 12,190 | 920,305 | 204,691 |
| Cochise | \$19,812,918 | 6,929 | 644,311 | 138,639 |
| Coconino | \$17,253,734 | 5,594 | 474,045 | 126,516 |
| Navajo | \$8,245,807 | 3,884 | 313,951 | 53,145 |
| Gila | \$7,484,492 | 2,773 | 228,810 | 107,902 |
| Santa Cruz | \$6,191,406 | 2,099 | 227,626 | 71,602 |
| Graham | \$5,170,367 | 2,002 | 140,946 | 46,358 |
| Apache | \$2,814,678 | 1,084 | 93,182 | 37,700 |
| La Paz | \$2,224,322 | 812 | 76,410 | 20,477 |
| Greenlee | \$710,151 | 286 | 13,397 | 9,368 |
| Unassigned ³ | \$161,349 | 259 | 4,627 | N/A |
| Total | \$783,161,322 | 313,368 | 27,645,857 | 6,809,946 |

Total payment, users, and units in 2017 are shown in each county. These results are unsurprising, as the greatest payment, users, and unit amounts align with the most populous counties. Yuma county has the highest payment per user amount (\$3,583) and Mohave has the lowest (\$2,323). The average payment per user amount for all counties is \$2,499.

³ Some claims data was missing a county designation. These claims were grouped into the "Unassigned" category

MCO Surveys from AHCCCS

Using data obtained from a recent AHCCCS survey of AHCCCS Complete Care (ACC) MCOs, Navigant examined the changes in rates from 2016 to 2018 and the differences in rates across counties and services. Effective October 1, 2018, most AHCCCS members receive integrated physical and behavioral health services under the ACC program. Navigant compared the inpatient and outpatient rates received from the surveys to the corresponding FFS rates provided by AHCCCS for corresponding years and revenue codes.

3.1 Inpatient Rates

The figure below details the specific revenue codes, services and provider types of the inpatient behavioral health services examined in our analysis. The FFS rate for these inpatient services remained the same from 2016 through 2018 and therefore is only listed once.

Figure 17. Behavioral Health Inpatient Services, 2016-2018

| Revenue Codes | Services | Provider Type | FFS Rate |
|---------------|-------------------|---------------------------------------------------------------|----------|
| 0110 | Room-Board/Pvt | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0111 | Med-Sur-Gyn/Pvt | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0112 | Ob/Pvt | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0113 | Peds/Pvt | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0114 | Psych/Pvt | Level I Hospital/Level I Psych. Hospital | \$816.39 |
| 0114 | Psych/Pvt | Level I Residential Treatment Center Secure (IMD/non-IMD) | \$433.10 |
| 0114 | Psych/Pvt | Level I Residential Treatment Center-Non-Secure (IMD/non-IMD) | \$412.23 |
| 0114 | Psych/Pvt | Level I Subacute Facility (IMD) | \$423.58 |
| 0114 | Psych/Pvt | Level I Subacute Facility (non-IMD) | \$613.58 |
| 0116 | Detox/Pvt | Level I Hospital/Level I Psych. Hospital | \$739.87 |
| 0116 | Detox/Pvt | Level I Residential Treatment Center Secure (IMD/non-IMD) | \$735.06 |
| 0116 | Detox/Pvt | Level I Residential Treatment Center-Non-Secure (IMD/non-IMD) | \$685.21 |
| 0116 | Detox/Pvt | Level I Subacute Facility (IMD) | \$739.87 |
| 0116 | Detox/Pvt | Level I Subacute Facility (non-IMD) | \$655.21 |
| 0120 | Room/Board/Semi | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0121 | Med-Surg-Gyn/2Bed | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0122 | Ob/2 Bed | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0123 | Peds/2Bed | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0124 | Psych Stay/2 Bed | Level I Hospital/Level I Psych. Hospital | \$816.39 |
| 0124 | Psych Stay/2 Bed | Level I Residential Treatment Center Secure (IMD/non-IMD) | \$433.10 |
| 0124 | Psych Stay/2 Bed | Level I Residential Treatment Center-Non-Secure (IMD/non-IMD) | \$412.23 |
| 0124 | Psych Stay/2 Bed | Level I Subacute Facility (IMD) | \$423.58 |
| 0124 | Psych Stay/2 Bed | Level I Subacute Facility (non-IMD) | \$613.58 |
| 0126 | Detox/2 Bed | Level I Hospital/Level I Psych. Hospital | \$739.87 |

| Revenue Codes | Services | Provider Type | FFS Rate |
|---------------|-----------------------|---------------------------------------------------------------|----------|
| 0126 | Detox/2 Bed | Level I Residential Treatment Center Secure (IMD/non-IMD) | \$735.06 |
| 0126 | Detox/2 Bed | Level I Residential Treatment Center-Non-Secure (IMD/non-IMD) | \$685.21 |
| 0126 | Detox/2 Bed | Level I Subacute Facility (IMD) | \$739.87 |
| 0126 | Detox/2 Bed | Level I Subacute Facility (non-IMD) | \$655.21 |
| 0130 | Room-Board/3&4 Bed | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0131 | Med-Sur-Gy/3&4 Bed | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0132 | Ob/3&4 Bed | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0133 | Peds/3&4 Bed | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0134 | Pstay/3&4 Bed | Level I Hospital/Level I Psych. Hospital | \$816.39 |
| 0134 | Pstay/3&4 Bed | Level I Residential Treatment Center Secure (IMD/non-IMD) | \$433.10 |
| 0134 | Pstay/3&4 Bed | Level I Residential Treatment Center-Non-Secure (IMD/non-IMD) | \$412.23 |
| 0134 | Pstay/3&4 Bed | Level I Subacute Facility (IMD) | \$423.58 |
| 0134 | Pstay/3&4 Bed | Level I Subacute Facility (non-IMD) | \$613.58 |
| 0136 | Hospice/3&4 Bed | Level I Hospital/Level I Psych. Hospital | \$739.87 |
| 0136 | Hospice/3&4 Bed | Level I Residential Treatment Center Secure (IMD/non-IMD) | \$735.06 |
| 0136 | Hospice/3&4 Bed | Level I Residential Treatment Center-Non-Secure (IMD/non-IMD) | \$685.21 |
| 0136 | Hospice/3&4 Bed | Level I Subacute Facility (IMD) | \$739.87 |
| 0136 | Hospice/3&4 Bed | Level I Subacute Facility (non-IMD) | \$655.21 |
| 0150 | Room-Board/Ward | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0151 | Med-Sur-By/Ward | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0151 | Med-Sur-Gyn/Ward | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0152 | Ob/Ward | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0153 | Peds/Ward | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0154 | Psych/Ward | Level I Hospital/Level I Psych. Hospital | \$816.39 |
| 0154 | Psych/Ward | Level I Residential Treatment Center Secure (IMD/non-IMD) | \$433.10 |
| 0154 | Psych/Ward | Level I Residential Treatment Center-Non-Secure (IMD/non-IMD) | \$412.23 |
| 0154 | Psych/Ward | Level I Subacute Facility (IMD) | \$423.58 |
| 0154 | Psych/Ward | Level I Subacute Facility (non-IMD) | \$613.58 |
| 0156 | Detox/Ward | Level I Hospital/Level I Psych. Hospital | \$739.87 |
| 0156 | Detox/Ward | Level I Residential Treatment Center Secure (IMD/non-IMD) | \$735.06 |
| 0156 | Detox/Ward | Level I Residential Treatment Center-Non-Secure (IMD/non-IMD) | \$685.21 |
| 0156 | Detox/Ward | Level I Subacute Facility (IMD) | \$739.87 |
| 0156 | Detox/Ward | Level I Subacute Facility (non-IMD) | \$655.21 |
| 0160 | Room & Board, General | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0183 | Secure - Home Pass | Level I Residential Treatment Center Secure (IMD/non-IMD) | \$122.09 |
| 0183 | Non-Secure - | Level I Residential Treatment Center-Non-Secure (IMD/non- | \$113.92 |

| Revenue Codes | Services | Provider Type | FFS Rate |
|---------------|-----------------------|---------------------------------------------------------------|----------|
| | Home Pass | IMD) | |
| 0189 | Secure - Bed Hold | Level I Residential Treatment Center Secure (IMD/non-IMD) | \$122.09 |
| 0189 | Non-Secure - Bed Hold | Level I Residential Treatment Center-Non-Secure (IMD/non-IMD) | \$113.92 |
| 0200 | Intensive Care | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0201 | ICU/Surgical | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0202 | ICU/Medical | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0203 | ICU/Peds | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0206 | ICU/Intermediate | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0209 | ICU/Other | Level I Hospital/Level I Psych. Hospital | \$678.64 |
| 0210 | Coronary Care | Level I Hospital/Level I Psych. Hospital | \$678.64 |

Navigant compared the FFS rate, shown in the figure above, for all 69 inpatient revenue codes to each MCO's reported rates for each year, county, and service overall. In 2018, most services in most counties had higher rates through the MCOs than that which was paid through FFS. The only five services for which the FFS rates were higher than the rates paid by MCOs were:

- Residential Treatment Center – Secure (IMD/Non-IMD)
 - All Psych Stays (0114,0124,0134,0154)
 - All Detox Stays (0116,0126,0136,0156)
- Residential Treatment Center – Non-Secure (IMD/Non-IMD)
 - All Psych Stays (0114,0124,0134,0154)
 - All Detox Stays (0116,0126,0136,0156)
- Level I Hospital/Level I Psychiatric Hospital
 - All Psych Stays (0114,0124,0134,0154)
 - All Detox Stays (0116,0126,0136,0156)
 - Intensive Care (0200)
- Subacute Facility – IMD
 - All Detox Stays (0116,0126,0136,0156)
- Subacute Facility – Non-IMD
 - All Detox Stays (0116,0126,0136,0156)
- Level I Residential Treatment Center – Secure
 - Secure – Bed Hold

Note that the revenue codes listed above have MCO rates below the FFS rate for at least one county. Most of the codes listed are above the FFS rate in the majority of counties. However, MCO rates for Intensive Care for Level I Hospitals (0200) were below the FFS rates in 14 out of 15 counties, and both Secure and Non-Secure Residential Treatment Center MCO rates were below the FFS rates in all 15 counties for all Psych and Detox revenue codes.

The figure below shows the breakdown of the number of counties that had an average reported reimbursement rate below, at, or above the FFS rate for each service.

Figure 18. Provider Reported Rate Comparison to Inpatient FFS Rates, County Level, CYE 18

| Revenue Codes | Services | Provider Type | Number of Counties with Rates | | |
|---------------|--------------------|---------------------------------------------------------------|-------------------------------|--------|-----------|
| | | | Below FFS | At FFS | Above FFS |
| 0110 | Room-Board/Pvt | Level I Hospital/Level I Psych. Hospital | 0 | 2 | 13 |
| 0111 | Med-Sur-Gyn/Pvt | Level I Hospital/Level I Psych. Hospital | 0 | 2 | 13 |
| 0112 | Ob/Pvt | Level I Hospital/Level I Psych. Hospital | 0 | 2 | 13 |
| 0113 | Peds/Pvt | Level I Hospital/Level I Psych. Hospital | 0 | 2 | 13 |
| 0114 | Psych/Pvt | Level I Hospital/Level I Psych. Hospital | 3 | 0 | 12 |
| 0114 | Psych/Pvt | Level I Residential Treatment Center Secure (IMD/non-IMD) | 15 | 0 | 0 |
| 0114 | Psych/Pvt | Level I Residential Treatment Center-Non-Secure (IMD/non-IMD) | 15 | 0 | 0 |
| 0114 | Psych/Pvt | Level I Subacute Facility (IMD) | 0 | 0 | 15 |
| 0114 | Psych/Pvt | Level I Subacute Facility (non-IMD) | 2 | 0 | 13 |
| 0116 | Detox/Pvt | Level I Hospital/Level I Psych. Hospital | 4 | 0 | 11 |
| 0116 | Detox/Pvt | Level I Residential Treatment Center Secure (IMD/non-IMD) | 7 | 0 | 8 |
| 0116 | Detox/Pvt | Level I Residential Treatment Center-Non-Secure (IMD/non-IMD) | 6 | 0 | 9 |
| 0116 | Detox/Pvt | Level I Subacute Facility (IMD) | 7 | 0 | 8 |
| 0116 | Detox/Pvt | Level I Subacute Facility (non-IMD) | 2 | 0 | 13 |
| 0120 | Room/Board/Semi | Level I Hospital/Level I Psych. Hospital | 0 | 2 | 13 |
| 0121 | Med-Surg-Gyn/2Bed | Level I Hospital/Level I Psych. Hospital | 0 | 2 | 13 |
| 0122 | Ob/2 Bed | Level I Hospital/Level I Psych. Hospital | 0 | 2 | 13 |
| 0123 | Peds/2Bed | Level I Hospital/Level I Psych. Hospital | 0 | 2 | 13 |
| 0124 | Psych Stay/2 Bed | Level I Hospital/Level I Psych. Hospital | 3 | 0 | 12 |
| 0124 | Psych Stay/2 Bed | Level I Residential Treatment Center Secure (IMD/non-IMD) | 15 | 0 | 0 |
| 0124 | Psych Stay/2 Bed | Level I Residential Treatment Center-Non-Secure (IMD/non-IMD) | 15 | 0 | 0 |
| 0124 | Psych Stay/2 Bed | Level I Subacute Facility (IMD) | 0 | 0 | 15 |
| 0124 | Psych Stay/2 Bed | Level I Subacute Facility (non-IMD) | 2 | 0 | 13 |
| 0126 | Detox/2 Bed | Level I Hospital/Level I Psych. Hospital | 4 | 0 | 11 |
| 0126 | Detox/2 Bed | Level I Residential Treatment Center Secure (IMD/non-IMD) | 7 | 0 | 8 |
| 0126 | Detox/2 Bed | Level I Residential Treatment Center-Non-Secure (IMD/non-IMD) | 6 | 0 | 9 |
| 0126 | Detox/2 Bed | Level I Subacute Facility (IMD) | 7 | 0 | 8 |
| 0126 | Detox/2 Bed | Level I Subacute Facility (non-IMD) | 2 | 0 | 13 |
| 0130 | Room-Board/3&4 Bed | Level I Hospital/Level I Psych. Hospital | 0 | 2 | 13 |
| 0131 | Med-Sur-Gy/3&4 Bed | Level I Hospital/Level I Psych. Hospital | 0 | 2 | 13 |
| 0132 | Ob/3&4 Bed | Level I Hospital/Level I Psych. Hospital | 0 | 2 | 13 |
| 0133 | Peds/3&4 Bed | Level I Hospital/Level I Psych. Hospital | 0 | 2 | 13 |
| 0134 | Pstay/3&4 Bed | Level I Hospital/Level I Psych. Hospital | 3 | 0 | 12 |
| 0134 | Pstay/3&4 Bed | Level I Residential Treatment Center Secure (IMD/non-IMD) | 15 | 0 | 0 |
| 0134 | Pstay/3&4 Bed | Level I Residential Treatment Center-Non-Secure (IMD/non- | 15 | 0 | 0 |

| Revenue Codes | Services | Provider Type | Number of Counties with Rates | | |
|---------------|------------------------|---------------------------------------------------------------|-------------------------------|--------|-----------|
| | | | Below FFS | At FFS | Above FFS |
| | | IMD) | | | |
| 0134 | Pstay/3&4 Bed | Level I Subacute Facility (IMD) | 0 | 0 | 15 |
| 0134 | Pstay/3&4 Bed | Level I Subacute Facility (non-IMD) | 2 | 0 | 13 |
| 0136 | Hospice/3&4 Bed | Level I Hospital/Level I Psych. Hospital | 4 | 0 | 11 |
| 0136 | Hospice/3&4 Bed | Level I Residential Treatment Center Secure (IMD/non-IMD) | 7 | 0 | 8 |
| 0136 | Hospice/3&4 Bed | Level I Residential Treatment Center-Non-Secure (IMD/non-IMD) | 6 | 0 | 9 |
| 0136 | Hospice/3&4 Bed | Level I Subacute Facility (IMD) | 7 | 0 | 8 |
| 0136 | Hospice/3&4 Bed | Level I Subacute Facility (non-IMD) | 0 | 2 | 13 |
| 0150 | Room-Board/Ward | Level I Hospital/Level I Psych. Hospital | 0 | 2 | 13 |
| 0151 | Med-Sur-By/Ward | Level I Hospital/Level I Psych. Hospital | 0 | 2 | 13 |
| 0151 | Med-Sur-Gyn/Ward | Level I Hospital/Level I Psych. Hospital | 0 | 2 | 13 |
| 0152 | Ob/Ward | Level I Hospital/Level I Psych. Hospital | 0 | 2 | 13 |
| 0153 | Peds/Ward | Level I Hospital/Level I Psych. Hospital | 0 | 2 | 13 |
| 0154 | Psych/Ward | Level I Hospital/Level I Psych. Hospital | 3 | 0 | 12 |
| 0154 | Psych/Ward | Level I Residential Treatment Center Secure (IMD/non-IMD) | 15 | 0 | 0 |
| 0154 | Psych/Ward | Level I Residential Treatment Center-Non-Secure (IMD/non-IMD) | 15 | 0 | 0 |
| 0154 | Psych/Ward | Level I Subacute Facility (IMD) | 0 | 0 | 15 |
| 0154 | Psych/Ward | Level I Subacute Facility (non-IMD) | 2 | 0 | 13 |
| 0156 | Detox/Ward | Level I Hospital/Level I Psych. Hospital | 4 | 0 | 11 |
| 0156 | Detox/Ward | Level I Residential Treatment Center Secure (IMD/non-IMD) | 7 | 0 | 8 |
| 0156 | Detox/Ward | Level I Residential Treatment Center-Non-Secure (IMD/non-IMD) | 6 | 0 | 9 |
| 0156 | Detox/Ward | Level I Subacute Facility (IMD) | 7 | 0 | 8 |
| 0156 | Detox/Ward | Level I Subacute Facility (non-IMD) | 2 | 0 | 13 |
| 0160 | Room & Board, General | Level I Hospital/Level I Psych. Hospital | 0 | 2 | 13 |
| 0183 | Secure - Home Pass | Level I Residential Treatment Center Secure (IMD/non-IMD) | 0 | 0 | 15 |
| 0183 | Non-Secure - Home Pass | Level I Residential Treatment Center-Non-Secure (IMD/non-IMD) | 0 | 0 | 15 |
| 0189 | Secure - Bed Hold | Level I Residential Treatment Center Secure (IMD/non-IMD) | 6 | 0 | 9 |
| 0189 | Non-Secure - Bed Hold | Level I Residential Treatment Center-Non-Secure (IMD/non-IMD) | 0 | 0 | 15 |
| 0200 | Intensive Care | Level I Hospital/Level I Psych. Hospital | 14 | 0 | 1 |
| 0201 | ICU/Surgical | Level I Hospital/Level I Psych. Hospital | 0 | 2 | 13 |
| 0202 | ICU/Medical | Level I Hospital/Level I Psych. Hospital | 0 | 2 | 13 |
| 0203 | ICU/Peds | Level I Hospital/Level I Psych. Hospital | 0 | 2 | 13 |
| 0206 | ICU/Intermediate | Level I Hospital/Level I Psych. Hospital | 0 | 2 | 13 |
| 0209 | ICU/Other | Level I Hospital/Level I Psych. Hospital | 0 | 2 | 13 |
| 0210 | Coronary Care | Level I Hospital/Level I Psych. Hospital | 0 | 2 | 13 |

As shown in the figure above, 37 of the 69 inpatient revenue codes have instances in one or more counties of MCOs paying, on average, below the FFS amount. Of these 37 revenue codes, 17 have average rates that are below the FFS amount in seven or more counties.

3.2 Outpatient Rates

The list of procedure codes below outlines the specific outpatient services analyzed and the FFS rate paid to providers each year. Unlike the inpatient services, the outpatient FFS rates varied from year to year.

Figure 19. Behavioral Health Outpatient Services

| Procedure Code | Procedure Code Description | FFS 2016 Rate | FFS 2017 Rate | FFS 2018 Rate | Change '16 to '18 |
|----------------|---------------------------------------------------------------------------------|---------------|---------------|---------------|-------------------|
| H0001 | ALCOHOL AND/OR DRUG ASSESSMENT | \$31.81 | \$32.06 | \$32.06 | 1% |
| H0002 | BEHAVIORAL HEALTH SCREENING TO DETERMINE ELIGIBILITY FOR ADMISSION TO TREATMENT | \$22.06 | \$22.14 | \$22.14 | 0% |
| H0004 | BEHAVIORAL HEALTH COUNSELING AND THERAPY, PER 15 MINUTES (GROUP) | \$24.13 | \$24.12 | \$24.12 | 0% |
| H0015 | ALCOHOL AND/OR DRUG SERVICES; INTENSIVE OUTPATIENT | | | | |
| H0018 | BEHAVIORAL HEALTH; SHORT-TERM RESIDENTIAL - NON-HOSPITAL RESIDENTIAL TREATMENT | \$195.09 | \$196.02 | \$201.90 | 3% |
| H0020 | ALCOHOL AND/OR DRUG SERVICES; METHADONE ADMINISTRATION AND/OR SERVICE | \$3.75 | \$3.76 | \$3.76 | 0% |
| H0025 | BEHAVIORAL HEALTH PREVENTION EDUCATION SERVICE (DELIVERY OF SERVICES WITH | \$7.90 | \$7.91 | \$7.91 | 0% |
| H0031 | MENTAL HEALTH ASSESSMENT, BY NON-PHYSICIAN | \$154.34 | \$155.00 | \$155.00 | 0% |
| H0034 | MEDICATION TRAINING AND SUPPORT, PER 15 MINUTES | \$7.93 | \$7.88 | \$7.88 | (1%) |
| H0036 | COMMUNITY PSYCHIATRIC SUPPORTIVE TREATMENT, FACE-TO-FACE, PER 15 MINUTES | \$6.56 | \$6.52 | \$6.52 | (1%) |
| H0037 | COMMUNITY PSYCHIATRIC SUPPORTIVE TREATMENT PROGRAM, PER DIEM | \$146.72 | \$145.86 | \$145.86 | (1%) |
| H0038 | SELF-HELP/PEER SERVICES, PER 15 MINUTES | \$7.67 | \$7.69 | \$7.69 | 0% |
| H2010 | COMPREHENSIVE MEDICATION SERVICES, PER 15 MINUTES | \$13.61 | \$13.65 | \$13.65 | 0% |
| H2011 | CRISIS INTERVENTION SERVICE, PER 15 MINUTES | \$42.85 | \$43.04 | \$43.04 | 0% |
| H2012 | BEHAVIORAL HEALTH DAY TREATMENT, PER HOUR | \$13.38 | \$13.46 | \$13.46 | 1% |
| H2014 | SKILLS TRAINING AND DEVELOPMENT, PER 15 MINUTES | \$8.86 | \$8.81 | \$8.81 | (1%) |
| H2015 | COMPREHENSIVE COMMUNITY SUPPORT SERVICES, PER 15 MINUTES | \$3.03 | \$3.04 | \$3.04 | 0% |
| H2016 | COMPREHENSIVE COMMUNITY SUPPORT SERVICES, PER DIEM | \$261.88 | \$263.12 | \$263.12 | 0% |
| H2017 | PSYCHOSOCIAL REHABILITATION SERVICES, PER 15 MINUTES | \$14.30 | \$14.22 | \$14.22 | (1%) |

| Procedure Code | Procedure Code Description | FFS 2016 Rate | FFS 2017 Rate | FFS 2018 Rate | Change '16 to '18 |
|----------------|-------------------------------------------------------------------------------|---------------|---------------|---------------|-------------------|
| H2019 | THERAPEUTIC BEHAVIORAL SERVICES, PER 15 MINUTES | \$5.13 | \$5.10 | \$5.10 | (1%) |
| H2020 | THERAPEUTIC BEHAVIORAL SERVICES, PER DIEM | \$111.73 | \$111.08 | \$111.08 | (1%) |
| H2025 | ONGOING SUPPORT TO MAINTAIN EMPLOYMENT, PER 15 MINUTES | \$10.07 | \$10.07 | \$10.07 | 0% |
| H2026 | ONGOING SUPPORT TO MAINTAIN EMPLOYMENT, PER DIEM | \$229.63 | \$230.72 | \$230.72 | 0% |
| H2027 | PSYCHOEDUCATIONAL SERVICE, PER 15 MINUTES | \$14.41 | \$14.41 | \$14.41 | 0% |
| H2033 | MULTISYSTEMIC THERAPY FOR JUVENILES, PER 15 MINUTES | \$16.88 | \$16.95 | \$37.24 | 121% |
| S5109 | HOME CARE TRAINING TO HOME CARE CLIENT, PER SESSION | \$143.00 | \$142.09 | \$142.09 | (1%) |
| S5110 | HOME CARE TRAINING, FAMILY; PER 15 MINUTES | \$17.31 | \$17.22 | \$17.22 | (1%) |
| S5150 | UNSKILLED RESPITE CARE, NOT HOSPICE; PER 15 MINUTES | \$7.58 | \$7.80 | \$7.91 | 4% |
| S5151 | UNSKILLED RESPITE CARE, NOT HOSPICE; PER DIEM | \$219.79 | \$224.35 | \$227.49 | 4% |
| S9480 | INTENSIVE OUTPATIENT PSYCHIATRIC SERVICES, PER DIEM | | | | |
| S9484 | CRISIS INTERVENTION MENTAL HEALTH SERVICES, PER HOUR | \$63.04 | \$63.33 | \$63.33 | 0% |
| S9485 | CRISIS INTERVENTION MENTAL HEALTH SERVICES, PER DIEM | \$348.83 | \$350.51 | \$350.51 | 0% |
| T1002 | RN SERVICES, UP TO 15 MINUTES | \$19.40 | \$19.40 | \$19.40 | 0% |
| T1003 | LPN/LVN SERVICES, UP TO 15 MINUTES | \$15.27 | \$15.27 | \$15.27 | 0% |
| T1016 | CASE MANAGEMENT, EACH 15 MINUTES | \$21.37 | \$21.37 | \$21.37 | 0% |
| T1019 | PERSONAL CARE SERVICES, PER 15 MINUTES, NOT FOR AN INPATIENT OR RESIDENT OF A | \$6.07 | \$6.38 | \$6.07 | 0% |
| T1020 | PERSONAL CARE SERVICES, PER DIEM, NOT FOR AN INPATIENT OR RESIDENT OF A | \$264.72 | \$264.72 | \$264.72 | 0% |

Of the 38 outpatient behavioral health services listed above, the majority did not experience a significant increase or decrease in FFS rates from 2016 to 2018. One service with notable changes in rates is:

- Multisystemic Therapy for Juveniles (H2033) with a 121 percent increase.
 - This service received an adjustment from AHCCCS to bring it more in line with MCO rates.

In 2018, the state-wide average of MCO provider reimbursement rates for outpatient services collected from the survey was higher than the corresponding FFS rate for every service. This may suggest a need to increase the FFS rates to be more aligned with the MCOs serving the same population.

Outpatient rates were also examined by county in which services were provided. The figure below details the number of counties that had an average reported MCO rate below, at, or above the FFS rate for each service.

Figure 20. Provider Rate Comparison to Outpatient FFS Rates

| Procedure Code | Procedure Code Description | Number of Counties with Rates | | |
|----------------|---------------------------------------------------------------------------------|-------------------------------|--------|-----------|
| | | Below FFS | At FFS | Above FFS |
| H0001 | ALCOHOL AND/OR DRUG ASSESSMENT | 0 | 0 | 15 |
| H0002 | BEHAVIORAL HEALTH SCREENING TO DETERMINE ELIGIBILITY FOR ADMISSION TO TREATMENT | 0 | 0 | 15 |
| H0004 | BEHAVIORAL HEALTH COUNSELING AND THERAPY, PER 15 MINUTES (GROUP) | 10 | 0 | 5 |
| H0015 | ALCOHOL AND/OR DRUG SERVICES; INTENSIVE OUTPATIENT (TREATMENT PROGRAM THAT | 0 | 15 | 0 |
| H0018 | BEHAVIORAL HEALTH; SHORT-TERM RESIDENTIAL - NON-HOSPITAL RESIDENTIAL TREATMENT | 0 | 3 | 12 |
| H0020 | ALCOHOL AND/OR DRUG SERVICES; METHADONE ADMINISTRATION AND/OR SERVICE | 0 | 0 | 15 |
| H0025 | BEHAVIORAL HEALTH PREVENTION EDUCATION SERVICE | 0 | 0 | 15 |
| H0031 | MENTAL HEALTH ASSESSMENT, BY NON-PHYSICIAN | 0 | 0 | 15 |
| H0034 | MEDICATION TRAINING AND SUPPORT, PER 15 MINUTES | 0 | 0 | 15 |
| H0036 | COMMUNITY PSYCHIATRIC SUPPORTIVE TREATMENT, FACE-TO-FACE, PER 15 MINUTES | 0 | 0 | 15 |
| H0037 | COMMUNITY PSYCHIATRIC SUPPORTIVE TREATMENT PROGRAM, PER DIEM | 0 | 0 | 15 |
| H0038 | SELF-HELP/PEER SERVICES, PER 15 MINUTES | 0 | 0 | 15 |
| H2010 | COMPREHENSIVE MEDICATION SERVICES, PER 15 MINUTES | 0 | 0 | 15 |
| H2011 | CRISIS INTERVENTION SERVICE, PER 15 MINUTES | 0 | 0 | 15 |
| H2012 | BEHAVIORAL HEALTH DAY TREATMENT, PER HOUR | 0 | 0 | 15 |
| H2014 | SKILLS TRAINING AND DEVELOPMENT, PER 15 MINUTES | 0 | 0 | 15 |
| H2015 | COMPREHENSIVE COMMUNITY SUPPORT SERVICES, PER 15 MINUTES | 0 | 0 | 15 |
| H2016 | COMPREHENSIVE COMMUNITY SUPPORT SERVICES, PER DIEM | 0 | 0 | 15 |
| H2017 | PSYCHOSOCIAL REHABILITATION SERVICES, PER 15 MINUTES | 0 | 0 | 15 |
| H2019 | THERAPEUTIC BEHAVIORAL SERVICES, PER 15 MINUTES | 0 | 0 | 15 |
| H2020 | THERAPEUTIC BEHAVIORAL SERVICES, PER DIEM | 0 | 0 | 15 |
| H2025 | ONGOING SUPPORT TO MAINTAIN EMPLOYMENT, PER 15 MINUTES | 0 | 0 | 15 |
| H2026 | ONGOING SUPPORT TO MAINTAIN EMPLOYMENT, PER DIEM | 2 | 0 | 13 |
| H2027 | PSYCHOEDUCATIONAL SERVICE, PER 15 MINUTES | 0 | 0 | 15 |
| H2033 | MULTISYSTEMIC THERAPY FOR JUVENILES, PER 15 MINUTES | 1 | 0 | 14 |
| S5109 | HOME CARE TRAINING TO HOME CARE CLIENT, PER SESSION | 0 | 0 | 15 |
| S5110 | HOME CARE TRAINING, FAMILY; PER 15 MINUTES | 0 | 0 | 15 |
| S5150 | UNSKILLED RESPITE CARE, NOT HOSPICE; PER 15 MINUTES | 14 | 0 | 1 |
| S5151 | UNSKILLED RESPITE CARE, NOT HOSPICE; PER | 0 | 0 | 15 |

| Procedure Code | Procedure Code Description | Number of Counties with Rates | | |
|----------------|-------------------------------------------------------------------------------|-------------------------------|--------|-----------|
| | | Below FFS | At FFS | Above FFS |
| | DIEM | | | |
| S9480 | INTENSIVE OUTPATIENT PSYCHIATRIC SERVICES, PER DIEM | 0 | 0 | 0 |
| S9484 | CRISIS INTERVENTION MENTAL HEALTH SERVICES, PER HOUR | 0 | 5 | 10 |
| S9485 | CRISIS INTERVENTION MENTAL HEALTH SERVICES, PER DIEM | 0 | 5 | 10 |
| T1002 | RN SERVICES, UP TO 15 MINUTES | 0 | 0 | 15 |
| T1003 | LPN/LVN SERVICES, UP TO 15 MINUTES | 0 | 0 | 15 |
| T1016 | CASE MANAGEMENT, EACH 15 MINUTES | 9 | 0 | 6 |
| T1019 | PERSONAL CARE SERVICES, PER 15 MINUTES, NOT FOR AN INPATIENT OR RESIDENT OF A | 0 | 0 | 15 |
| T1020 | PERSONAL CARE SERVICES, PER DIEM, NOT FOR AN INPATIENT OR RESIDENT OF A | 0 | 0 | 15 |

As shown in the figure above, MCOs pay for most outpatient behavioral health services at or above the FFS rate. There are only five services that have an average reported provider rate below the FFS amount for a given service. These services are:

- Behavioral Health Counseling and Therapy, per 15 minutes (Group) (H0004)
- Ongoing Support to Maintain Employment, per diem (H2026)
- Multisystemic Therapy for Juveniles, per 15 minutes (S2033)
- Unskilled Respite Care, Not Hospice, per 15 minutes (S5150)
- Case Management, each 15 minutes (T1016)

Three of these services have average MCO rates lower than the FFS rate in nine or more counties.

Provider Survey for Outpatient Services

Navigant distributed a survey to behavioral health providers via email which requested geographic service location, patient access, and rate information for the seven MCOs operating under the ACC contract. Twenty-three providers responded to the survey and their answers provided the data that will be examined in this section. The number of unique patients for each provider included in the survey responses ranged from 52 to 52,500, with an average of 7,457 unique patients. The percentage of these patients that were AHCCCS members ranged from 26 percent to 100 percent, with an average of 74 percent of patients being enrolled in AHCCCS. All 23 providers indicated that they are presently accepting new AHCCCS patients at all their facilities.

Regarding patient wait time, most providers indicated having new patients wait less than one week for services, while four providers indicated wait times ranging from one to over four weeks. Five providers responded that a patient wait time is correlated with the type of insurance they have. Four providers noted having to dismiss and/or restrict an AHCCCS member's access to services due to no-shows or verbal abuse from the patient. The next section will discuss the service rate detail for the following behavioral health categories:

- Treatment Services
- Rehabilitation Services

- Medical Services
- Support Services
- Crisis Intervention Services
- Behavioral Health Residential Services/Day Programs
- Inpatient Services

4.1 2017 Outpatient Service Category Rates

In the survey, providers were asked to report their contracted outpatient rates with each of the seven MCOs that operate under the ACC program. Not every provider has a contract with all seven ACC MCOs. The figure below shows the average of the ten providers who have contracted rates. Their rates are expressed as a percentage of the Medicaid FFS Fee Schedule. All of the data appearing in the following tables were reported by providers in the Provider Survey.

Figure 21. Percent of Medicaid Fee Schedule by MCO

| Behavioral Health Category | MCO A | MCO B | MCO C | MCO D | MCO E | MCO F | MCO G |
|----------------------------|-------|-------|-------|-------|-------|-------|-------|
| Treatment | 102% | 102% | 124% | 105% | 111% | (95%) | 108% |
| Rehabilitation | 100% | 101% | 124% | 104% | 111% | (94%) | 107% |
| Medical | (98%) | 102% | 112% | 111% | 125% | (95%) | 124% |
| Support | 100% | 101% | 124% | 104% | 111% | (94%) | 107% |
| Crisis Intervention | 100% | 113% | 133% | 125% | 133% | 100% | 185% |
| BH Residential & Day | 100% | 100% | 121% | 120% | 116% | (90%) | 134% |

As shown, most MCOs pay at or above 100 percent of the Medicaid Fee Schedule for each behavioral health service category. One MCO, however, pays as much as 10 percent below for four categories. The Medical Services category has two MCOs averaging paying below 100 percent of the fee schedule.

In the figures that follow in this section, we examine, by behavioral health category, the number of MCOs that pay below and at/above the Medicaid FFS Fee Schedule for each reported CPT/ HCPCS code. We highlight the instances where MCOs pay below FFS as an indicator of the market rate comparison.

If the provider did not indicate contracting based on a percentage of Medicaid, then the providers were asked to indicate the specific rate for each CPT/ HCPCS code. In most cases, the average provider reimbursement for treatment services was greater than or equal to the corresponding Medicaid FFS rate.

Figure 22. Number of MCOs Paying Above, At, or Below FFS for Treatment Services

| Category | Code | Service Name | Number of MCOs | |
|-----------|----------|-----------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------|
| | | | Below | At/Above |
| Treatment | H0001 | Alcohol and/or drug assessment | 1 | 6 |
| Treatment | H0004 | Individual Behavioral Health Counseling and Therapy – Home | 1 | 6 |
| Treatment | H0004 | Individual Behavioral Health Counseling and Therapy – Office | 0 | 7 |
| Treatment | H0004 HQ | Group Behavioral Health Counseling and Therapy | 0 | 7 |
| Treatment | H0004 HR | Family Behavioral Health Counseling and Therapy – Office, With Client Present | 0 | 7 |
| Treatment | H0004 HR | Family Behavioral Health Counseling and Therapy – Out-of-Office, With Client Present | 1 | 6 |
| Treatment | H0004 HS | Family Behavioral Health Counseling and Therapy – Office, Without Client Present | 0 | 7 |
| Treatment | H0004 HS | Family Behavioral Health Counseling and Therapy - Out-of-Office, Without Client Present | 1 | 6 |
| Treatment | H0015 | Alcohol and/or drug services; intensive outpatient including assessment, counseling, crisis intervention and activity therapies or education. | 0 | 0 |
| Treatment | H0031 | Mental Health Assessment –By Non-Physician | 0 | 7 |
| Treatment | H1002 | Behavioral Health Screening to Determine Eligibility for Admission | 0 | 0 |
| Treatment | H2033 | Multisystemic therapy for juveniles | 0 | 0 |

For treatment services, there are only four services where one MCO pays less than the FFS rate, suggesting that the FFS rates may need to slightly increase to be more competitive with the market for these services. However, no providers indicated offering services H0015, H1002, or H2033.

Figure 23. Number of MCOs Paying Above, At, or Below FFS for Rehabilitation Services

| Category | Code | Service Name | Number of MCOs | |
|----------|----------|------------------------------------------------------------------------------------------------------------------------------|----------------|----------|
| | | | Below | At/Above |
| Rehab | H0025 | Behavioral Health Prevention Education Service | 0 | 6 |
| Rehab | H0025 HQ | Behavioral Health Prevention Education Service – Group | 1 | 0 |
| Rehab | H0034 | Medication Training and Support | 2 | 3 |
| Rehab | H2014 | Skills Training and Development – Individual | 0 | 7 |
| Rehab | H2014 GT | Skills Training and Development and Psychosocial Rehabilitation Living Skills Training - Telemedicine w/ Place of Service 02 | 0 | 0 |
| Rehab | H2014 GT | Skills Training and Development and Psychosocial Rehabilitation Living Skills Training - Telephonic w/ Place of Service 02 | 0 | 0 |
| Rehab | H2014 HQ | Skills Training and Development – Group | 0 | 7 |
| Rehab | H2017 | Psychosocial Rehabilitation Services (Living Skills Training) | 0 | 6 |
| Rehab | H2025 | Ongoing Support to Maintain Employment, 15 Minutes | 3 | 4 |
| Rehab | H2025 02 | Ongoing Support to Maintain Employment Telephonic, with Place of Service 02 | 5 | 0 |
| Rehab | H2025 HQ | Ongoing Support to Maintain Employment – Group | 0 | 7 |
| Rehab | H2026 | Ongoing Support to Maintain Employment, Per Diem | 2 | 3 |
| Rehab | H2027 | Psychoeducational Services (Pre-Job Training and Development) | 0 | 7 |
| Rehab | H2027 HQ | Psychoeducational Services (Pre-Job Training and Development) – Group | 0 | 7 |

For rehabilitation services, there are five services that have one or more MCOs with an average provider reported rate below the FFS rate. Two notable services with three or more MCOs paying under the FFS rate: Ongoing Support to Maintain Employment (H20125) and Ongoing Support to Maintain Employment Telephonic (H2025 02).

Figure 24. Number of MCOs Paying Above, At, or Below FFS for Medical Services

| Category | Code | Service Name | Number of MCOs | |
|----------|----------|----------------------------------------------------------------------------------------------------------------------|----------------|----------|
| | | | Below | At/Above |
| Medical | H0020 HG | Alcohol and/or Drug Services; Methadone Administration and/or Services (provision of the drug by a licensed program) | 0 | 7 |
| Medical | H2010 HG | Comprehensive Medication Services, 15 minutes | 1 | 6 |
| Medical | T1002 | RN Services | 0 | 7 |
| Medical | T1003 | LPN Services | 0 | 6 |

Only one medical service, Comprehensive Medication Services (H2010 HG), has one MCO averaging reported provider rates below the FFS rate.

Figure 25. Number of MCOs Paying Above, At, or Below FFS for Support Services

| Category | Code | Service Name | Number of MCOs | |
|----------|-------------|-------------------------------------------------------------------------------------------------------------------------------|----------------|----------|
| | | | Below | At/Above |
| Support | H0038 | Self-Help/Peer Services | 0 | 7 |
| Support | H0038 GT | Self-Help/Peer Services (Peer Support) – Telemedicine, Place of Service 02 | 0 | 1 |
| Support | H0038 GT | Self-Help/Peer Services (Peer Support) -Telephonic, Place of Service 02 | 0 | 1 |
| Support | H0038 HQ | Self-Help/Peer Services - Group | 0 | 7 |
| Support | H2016 | Comprehensive Community Support Services (Peer Support), Per Diem | 1 | 4 |
| Support | S5109 HA | Home Care Training to Home Care Client (Child) – Age 0-17 years | 1 | 5 |
| Support | S5109 HB | Home Care Training to Home Care Client (Adult) – Age 18-64 years | 2 | 1 |
| Support | S5109 HC | Home Care Training to Home Care Client (Adult geriatric) – Age 65 years and older | 2 | 0 |
| Support | S5110 | Home Care Training, Family (Family Support),15 Minutes | 0 | 7 |
| Support | S5110 CG | Home Care Training, Family (Family Support) – Credentialed through State Approved Training | 0 | 0 |
| Support | S5110 CG GT | Home Care Training, Family (Family Support) – Credentialed through State Approved Training – Telemedicine, Place of Service 2 | 0 | 0 |
| Support | S5110 CG GT | Home Care Training, Family (Family Support) – Credentialed through State Approved Training - Telephonic | 0 | 0 |
| Support | S5110 CG HQ | Home Care Training, Family (Family Support) – Credentialed through State Approved Training -Group | 0 | 0 |
| Support | S5110 GT | Home Care Training, Family (Family Support) - Telephonic, Place of Service 02 | 0 | 0 |
| Support | S5110 GT | Home Care Training, Family (Family Support)–Telemedicine, Place of Service 02 | 0 | 0 |
| Support | S5110 HQ | Home Care Training, Family (Family Support) – Group | 0 | 0 |
| Support | S5150 | Unskilled respite care: not hospice, 15 Minutes | 2 | 5 |

| Category | Code | Service Name | Number of MCOs | |
|----------|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------|
| | | | Below | At/Above |
| Support | S5151 | Unskilled respite care - not hospice, Per Diem | 1 | 6 |
| Support | T1016 | Case Management – Telephonic, Place of Service 02 | 0 | 0 |
| Support | T1016 GT | Case Management – Telemedicine, Place of Service 02 | 0 | 0 |
| Support | T1016 HN | Case Management - Office | 0 | 7 |
| Support | T1016 HN | Case Management - Out-of-Office | 0 | 7 |
| Support | T1016 HO | Case Management by Behavioral Health Professional - Office | 0 | 7 |
| Support | T1019 | Personal Care Services, not for an inpatient or resident of a hospital, nursing facility, Intermediate Care Facility for the Mentally Retarded (ICF/MR) or (Institution of Mental Disease (IMD), part of the individualized plan of treatment (code may not be used to identify services provided by home health aide or certified nurse assistant),15 minutes | 0 | 6 |
| Support | T1020 | Personal Care Services, not for inpatient or resident of a hospital, nursing facility, ICF/MR or IMD, part of the individualized plan of treatment (code may not be used to identify services provided by home health aide or certified nurse assistant), Per Diem | 1 | 3 |

The support service category has the greatest number of services that were surveyed. Seven of the 26 services had one or two MCOs with an average provider rate below the FFS rate.

Figure 26. Number of MCOs Paying Above, At, or Below FFS for Crisis Intervention Services

| Category | Code | Service Name | Number of MCOs | |
|---------------------|----------|------------------------------------------------------------------------|----------------|----------|
| | | | Below | At/Above |
| Crisis Intervention | H2011 | Crisis Intervention Service | 1 | 6 |
| Crisis Intervention | H2011 HT | Crisis Intervention Service – multi-disciplinary team | 1 | 6 |
| Crisis Intervention | S9484 | Crisis Intervention Mental Health Services – (Stabilization), Hourly | 0 | 2 |
| Crisis Intervention | S9485 | Crisis Intervention Mental Health Services – (Stabilization), Per Diem | 0 | 2 |

Two crisis intervention services had one MCO with an average provider reported rate lower than the FFS amount for those services. Besides this one MCO, rates for these services appear lower than the MCOs.

Figure 27. Number of MCOs Paying Above, At, or Below FFS for Behavioral Health Residential & Day Services

| Category | Code | Service Name | Number of MCOs | |
|----------------------|----------|-----------------------------------------------------------------------------------|----------------|----------|
| | | | Below | At/Above |
| BH Residential & Day | H0018 | Behavioral Health Short-Term Residential, without room and board | 0 | 7 |
| BH Residential & Day | H0036 | Community Psychiatric Supportive Treatment, face-to-face, 15 Minutes | 0 | 2 |
| BH Residential & Day | H0036 TF | Community Psychiatric Supportive Treatment, face-to-face (Home), Intermediate LOC | 0 | 2 |

| Category | Code | Service Name | Number of MCOs | |
|----------------------|----------|-------------------------------------------------------------------------------|----------------|----------|
| | | | Below | At/Above |
| BH Residential & Day | H0036 TF | Community Psychiatric Supportive Treatment, face-to-face, Intermediate LOC | 0 | 2 |
| BH Residential & Day | H0037 | Community Psychiatric Supportive Treatment Program (Home), Per Diem | 0 | 2 |
| BH Residential & Day | H0037 | Community Psychiatric Supportive Treatment Program, Per Diem | 0 | 2 |
| BH Residential & Day | H2012 | Behavioral Health Day Treatment (Supervised), Hourly | 0 | 2 |
| BH Residential & Day | H2015 | Comprehensive Community Support Services (Supervised Day Program), 15 Minutes | 0 | 2 |
| BH Residential & Day | H2019 | Therapeutic Behavioral Services | 0 | 7 |
| BH Residential & Day | H2019 TF | Therapeutic Behavioral Services, Intermediate LOC | 0 | 7 |
| BH Residential & Day | H2020 | Therapeutic Behavioral Services, Per Diem | 0 | 7 |

For behavioral health residential and day services, no providers indicate any MCOs with average reported provider rates below the FFS amount. Additionally, all services had at least two MCOs offering services.

Figure 28. Number of MCOs Paying Above, At, or Below FFS for Inpatient Services

| Category | Revenue Code | Service Name | Number of MCOs | |
|-----------|------------------------|-------------------------|----------------|----------|
| | | | Below | At/Above |
| Inpatient | 0114, 0124, 0134, 0154 | Psychiatric Hospital | 0 | 2 |
| Inpatient | 0116, 0126, 0136, 0156 | Detoxification Hospital | 0 | 2 |
| Inpatient | 0189 | Secure – Bed Hold | 0 | 2 |
| Inpatient | 0114, 0124, 0134, 0154 | Psychiatric Hospital | 1 | 1 |

Only two providers who responded to the survey indicated they provided Inpatient behavioral health services. Those two providers were only contracted with three of the MCOs in the survey.

4.2 Geographic Service Location Information

Navigant also examined the number of providers who responded to the survey offering behavioral health services in each county and the respective rates they offer to gauge any geographic disparity in the number of providers of behavioral health services. The figure below shows the number of providers (out of the twenty who responded to the survey) in each county offering each category of behavioral health services.

Figure 29. Number of Providers Offering Behavioral Health Services by County

| County | BH Residential Services | Crisis Intervention Services | Inpatient Services | Medical Services | Rehabilitation Services | Support Services | Treatment Services |
|--------|-------------------------|------------------------------|--------------------|------------------|-------------------------|------------------|--------------------|
|--------|-------------------------|------------------------------|--------------------|------------------|-------------------------|------------------|--------------------|

| County | BH Residential Services | Crisis Intervention Services | Inpatient Services | Medical Services | Rehabilitation Services | Support Services | Treatment Services |
|------------|-------------------------|------------------------------|--------------------|------------------|-------------------------|------------------|--------------------|
| Apache | | 1 | | 1 | 1 | 1 | 1 |
| Cochise | 1 | | | | 1 | 1 | 1 |
| Coconino | | 1 | | 2 | 2 | 2 | 3 |
| Gila | | | | 1 | 2 | 2 | 3 |
| Graham | | | | 1 | 1 | 1 | 2 |
| Greenlee | | | | | 1 | 1 | 2 |
| La Paz | | | | | | | |
| Maricopa | 2 | 2 | | 5 | 8 | 10 | 10 |
| Mohave | | 1 | | 1 | 1 | 1 | 2 |
| Navajo | 1 | 2 | 1 | 2 | 2 | 2 | 3 |
| Pima | 1 | 1 | 1 | 4 | 7 | 6 | 7 |
| Pinal | | | | 2 | 2 | 3 | 3 |
| Santa Cruz | | | | | | | |
| Yavapai | 1 | 1 | | 1 | 1 | 1 | 1 |
| Yuma | | | | 1 | 1 | 3 | 2 |

Most providers offer services in Maricopa, Navajo, Pima, and Pinal counties. These are also the counties with the highest populations. No providers reported serving members in La Paz or Santa Cruz counties. This does not imply that there are no providers of behavioral health services in these counties, but is rather a limitation of the provider survey itself, which did not receive responses from providers in those counties. Treatment, Support, and Rehabilitation services are the most commonly provided services among the providers who responded to the survey.

BLS Wage Analysis

Navigant examined data from the Bureau of Labor Statistics (BLS) for occupations most likely to provide behavioral health services. Rate and employment information obtained from the site's Occupational Employment Statistics were from May 2017. The figure below shows the Occupation Codes (OCC) codes and titles of occupations providing behavioral health services that were used in this analysis.

Figure 30. BLS OCC Codes and Titles of occupations providing behavioral health services

| OCC Code | OCC Title |
|----------|-----------------------------------------------------|
| 19-3031 | Clinical, Counseling, and School Psychologists |
| 21-1011 | Substance Abuse and Behavioral Disorder Counselors |
| 21-1013 | Marriage and Family Therapists |
| 21-1014 | Mental Health Counselors |
| 21-1015 | Rehabilitation Counselors |
| 21-1019 | Counselors, All Other |
| 21-1021 | Child, Family, and School Social Workers |
| 21-1022 | Healthcare Social Workers |
| 21-1023 | Mental Health and Substance Abuse Social Workers |
| 21-1029 | Social Workers, All Other |
| 21-1094 | Community Health Workers |
| 21-1099 | Community and Social Service Specialists, All Other |
| 29-1066 | Psychiatrists |
| 29-1069 | Physicians and Surgeons, All Other |

| OCC Code | OCC Title |
|----------|---------------------------------------------------|
| 29-1071 | Physician Assistants |
| 29-1141 | Registered Nurses |
| 29-1171 | Nurse Practitioners |
| 31-0000 | Healthcare Support Occupations |
| 31-9099 | Healthcare Support Workers, All Other |
| 29-2061 | Licensed Practical and Licensed Vocational Nurses |

The above services were chosen because their service descriptions most closely fit the service specifications of the outpatient procedure codes used in our review. There are many occupational employment statistics available on the BLS website relating to healthcare and social service occupations, but the titles listed above had the most relevance to the behavioral health services analyzed in AHCCCS claims and encounter data.

5.1 Wage Analysis

Navigant reviewed the hourly wages from the BLS data for each service listed in Figure 30 above and compared the wages in Arizona to five (5) states of similar geography and demography. These states include Colorado, Nevada, New Mexico, Oregon, and Washington. The figures below display the average hourly wage in each state for each occupation.

Figure 31. Hourly Wage Comparison Across States

| Occupation Title | Arizona | Colorado | Nevada | New Mexico | Oregon | Washington |
|-----------------------------------------------------|----------|----------|----------|------------|----------|------------|
| Physicians and Surgeons, All Other | \$114.99 | \$121.63 | \$118.06 | \$118.15 | \$99.11 | \$112.52 |
| Psychiatrists | \$113.76 | \$113.2 | \$94.67 | \$113.89 | \$110.99 | \$116.12 |
| Nurse Practitioners | \$50.47 | \$53.10 | \$50.73 | \$52.56 | \$54.27 | \$55.41 |
| Physician Assistants | \$44.36 | \$50.05 | \$57.31 | \$50.58 | \$54.43 | \$57.79 |
| Registered Nurses | \$36.11 | \$34.89 | \$40.86 | \$33.58 | \$42.68 | \$38.37 |
| Marriage and Family Therapists | \$31.00 | \$32.79 | \$25.11 | \$26.76 | \$24.21 | \$21.80 |
| Clinical, Counseling, and School Psychologists | \$30.99 | \$38.44 | \$37.60 | \$34.13 | \$44.75 | \$34.84 |
| Social Workers, All Other | \$29.50 | \$26.42 | \$34.25 | \$27.27 | \$25.66 | \$32.78 |
| Licensed Practical and Licensed Vocational Nurses | \$25.32 | \$23.91 | \$26.60 | \$23.11 | \$24.54 | \$25.56 |
| Counselors, All Other | \$24.04 | \$27.00 | N/A | \$24.42 | \$25.13 | \$25.86 |
| Healthcare Social Workers | \$23.52 | \$24.99 | \$37.95 | \$26.75 | \$33.74 | \$29.35 |
| Child, Family, and School Social Workers | \$18.45 | \$24.14 | \$24.92 | \$20.03 | \$24.57 | \$24.30 |
| Community Health Workers | \$18.21 | \$20.45 | \$20.52 | \$16.19 | \$19.13 | \$19.65 |
| Mental Health and Substance Abuse Social Workers | \$17.91 | \$20.88 | \$29.00 | \$18.57 | \$23.84 | \$26.43 |
| Community and Social Service Specialists, All Other | \$17.70 | \$20.45 | \$21.27 | \$20.33 | \$18.70 | \$19.01 |
| Healthcare Support Workers, All Other | \$17.34 | \$15.70 | \$20.02 | \$18.38 | \$19.00 | \$20.20 |
| Rehabilitation Counselors | \$15.26 | \$24.06 | \$17.95 | \$17.56 | \$20.84 | \$22.13 |

| Occupation Title | Arizona | Colorado | Nevada | New Mexico | Oregon | Washington |
|-------------------|---------|----------|---------|------------|---------|------------|
| Home Health Aides | \$11.53 | \$12.76 | \$13.60 | \$11.47 | \$11.98 | \$13.76 |

Of the eighteen occupations listed above, individuals in Arizona were paid average hourly wages lower than all five other comparison states for eight occupation titles. These occupations were:

- Nurse Practitioners
- Physician Assistants
- Clinical, Counseling, and School Psychologists
- Healthcare Social Workers
- Child, Family, and School Social Workers
- Mental Health and Substance Abuse Social Workers
- Community and Social Service Specialists
- Rehabilitation Counselors

Three of these services, Healthcare Social Workers, Mental Health and Substance Abuse Social Workers, and Rehabilitation Counselors, had wages lower than the average annual wage of all six states by more than 20 percent. On average, Arizona rates were lower than Colorado by 10 percent, Nevada by 11 percent, New Mexico by 3 percent, Oregon by 12 percent, and Washington by 14 percent.

Individuals in Arizona were paid the second highest of the six states for Marriage and Family Therapists. Individuals in Arizona were paid the third highest wages for Psychiatrists, All Other Social Workers, and Licensed Practical and Vocational Nurses among the comparison states. There were no occupations, reviewed for this analysis, where Arizona had the highest wages.

To improve the meaningfulness of the comparisons between state hourly wages, the above average wages were adjusted to account for the cost of living in each state. For instance, a lower hourly wage for a service cannot be considered inadequate without considering the cost of living, since a potential lower cost of living in a state makes up for the lower wages. In 2018, there was not much variation in the cost of living between states. As shown in Figure 32 below, the value of a dollar in the six states ranged from \$0.95 to \$1.06. Notably, Arizona had the second lowest cost of living of the states. The cost of living adjustment is reflected in Figure 32 in which the hourly wages formerly presented in Figure 31 are multiplied by the value of a dollar in each respective state listed below in Figure 33.

Figure 32. Cost of Living, 2018

| State | Arizona | Colorado | Nevada | New Mexico | Oregon | Washington |
|------------------------|---------|----------|--------|------------|--------|------------|
| Value of a Dollar 2018 | \$1.04 | \$0.97 | \$1.02 | \$1.06 | \$1.01 | \$0.95 |

Figure 33. Hourly Wage Comparison Across States

| Occupation Title | Arizona | Colorado | Nevada | New Mexico | Oregon | Washington |
|-----------------------------------------------------|----------|----------|----------|------------|----------|------------|
| Physicians and Surgeons, All Other | \$119.59 | \$117.98 | \$120.42 | \$125.24 | \$100.10 | \$106.89 |
| Psychiatrists | \$118.31 | \$109.80 | \$96.56 | \$120.72 | \$112.10 | \$110.31 |
| Nurse Practitioners | \$52.49 | \$51.51 | \$51.74 | \$55.71 | \$54.81 | \$52.64 |
| Physician Assistants | \$46.13 | \$48.55 | \$58.46 | \$53.61 | \$54.97 | \$54.90 |
| Registered Nurses | \$37.55 | \$33.84 | \$41.68 | \$35.59 | \$43.11 | \$36.45 |
| Marriage and Family Therapists | \$32.24 | \$31.81 | \$25.61 | \$28.37 | \$24.45 | \$20.71 |
| Clinical, Counseling, and School Psychologists | \$32.23 | \$37.29 | \$38.35 | \$36.18 | \$45.20 | \$33.10 |
| Social Workers, All Other | \$30.68 | \$25.63 | \$34.94 | \$28.91 | \$25.92 | \$31.14 |
| Licensed Practical and Licensed Vocational Nurses | \$26.33 | \$23.19 | \$27.13 | \$24.50 | \$24.79 | \$24.28 |
| Counselors, All Other | \$25.00 | \$26.19 | N/A | \$25.89 | \$25.38 | \$24.57 |
| Healthcare Social Workers | \$24.46 | \$24.24 | \$38.71 | \$28.36 | \$34.08 | \$27.88 |
| Child, Family, and School Social Workers | \$19.19 | \$23.42 | \$25.42 | \$21.23 | \$24.82 | \$23.09 |
| Community Health Workers | \$18.94 | \$19.84 | \$20.93 | \$17.16 | \$19.32 | \$18.67 |
| Mental Health and Substance Abuse Social Workers | \$18.63 | \$20.25 | \$29.58 | \$19.68 | \$24.08 | \$25.11 |
| Community and Social Service Specialists, All Other | \$18.41 | \$19.84 | \$21.70 | \$21.55 | \$18.89 | \$18.06 |
| Healthcare Support Workers, All Other | \$18.03 | \$15.23 | \$20.42 | \$19.48 | \$19.19 | \$19.19 |
| Rehabilitation Counselors | \$15.87 | \$23.34 | \$18.31 | \$18.61 | \$21.05 | \$21.02 |
| Home Health Aides | \$11.99 | \$12.38 | \$13.87 | \$12.16 | \$12.10 | \$13.07 |

Comparing the hourly wages between states post cost of living adjustment yields slightly better results for Arizona since the state had the second highest value of a dollar of the six states in our comparison. Arizona hourly wages are highest now in one service, Marriage and Family Therapists. Arizona employers pay the second highest of the states for Psychiatrists and Licensed Practical and Licensed Vocational Nurses. Arizona still has the lowest wages in six of the eighteen occupations:

- Physician Assistants
- Clinical, Counseling, and School Psychologists
- Child, Family, and School Social Workers
- Mental Health and Substance Abuse Social Workers
- Rehabilitation Counselors
- Home Health Aides

On average, Arizona wages were lower than Colorado by 3 percent, less than Nevada by 9 percent, less than New Mexico by 5 percent, less than Oregon by 9 percent, and less than Washington by 4 percent.

Interestingly, Arizona employers pay less than other states in lower paying occupations, such as Rehabilitation Counselors and Home Health Aides and more in higher compensated

occupations, such as Physicians and Psychiatrists. For occupations paying over \$100 per hour, Arizona employers pay on average 5 percent higher than the other states. For occupations paying between \$30 and \$55 per hour, Arizona rates are about 1 percent less than the other states. For occupations between \$20 and \$30 per hour, Arizona employers pays less by 5 percent, and for occupations between \$10 and \$20 per hour, Arizona employers pays less by 10 percent. It is important to note though that most of the behavioral health occupations pay less than \$30 per hour.

5.2 Employment Analysis

Navigant also examined the BLS employment data for behavioral health occupations to gauge the ability of Arizona to employ workers to provide behavioral health services compared to other states. Arizona’s employment being lower than most states in a certain service could be an indicator that there is not enough of that type of worker staffed to adequately provide the service.

Navigant calculated the average number of employed persons for each relevant occupation title from the BLS and then weighted by each state’s population in 2017. This weighting allows us to reasonably compare employment figures between the states. Figure 34 below shows the state population from 2017 used to weight each employment average. Figure 35 shows the weighted employment totals by state and by occupation title.

Figure 34. State Populations, 2017

| State | Arizona | Colorado | Nevada | New Mexico | Oregon | Washington |
|-----------------------|---------|----------|--------|------------|--------|------------|
| Population (Millions) | 7.016 | 5.607 | 2.998 | 2.088 | 4.143 | 7.406 |

Figure 35. Weighted Occupation Employment Across States

| Occupation Title | Arizona | Colorado | Nevada | New Mexico | Oregon | Washington |
|-----------------------------------------------------|---------|----------|--------|------------|--------|------------|
| Child, Family, and School Social Workers | 8,680 | 11,540 | 10,140 | 10,250 | 8,300 | 9,480 |
| Clinical, Counseling, and School Psychologists | 3,620 | 4,940 | 1,400 | 5,510 | 2,490 | 2,920 |
| Community and Social Service Specialists, All Other | 1,670 | 5,280 | 1,370 | 1,630 | 4,180 | 2,300 |
| Community Health Workers | 1,500 | 1,360 | 500 | 1,290 | 1,860 | 2,350 |
| Counselors, All Other | 610 | 520 | N/A | 720 | 460 | 510 |
| Healthcare Social Workers | 5,360 | 4,730 | 2,430 | 5,750 | 3,570 | 4,870 |
| Healthcare Support Workers, All Other | 3,650 | 4,300 | 5,140 | 4,070 | 4,560 | 3,560 |
| Home Health Aides | 22,410 | 16,370 | 4,700 | 35,110 | 12,190 | 12,520 |
| Licensed Practical and Licensed Vocational Nurses | 9,420 | 9,520 | 8,770 | 10,250 | 7,460 | 9,960 |
| Marriage and Family Therapists | 2,150 | 1,370 | 1,330 | 340 | 920 | 340 |

| Occupation Title | Arizona | Colorado | Nevada | New Mexico | Oregon | Washington |
|--------------------------------------------------|---------|----------|--------|------------|--------|------------|
| Mental Health and Substance Abuse Social Workers | 3,630 | 3,530 | 2,430 | 3,300 | 5,240 | 2,930 |
| Nurse Practitioners | 4,450 | 5,010 | 2,270 | 4,600 | 3,790 | 4,200 |
| Physician Assistants | 3,340 | 5,670 | 1,900 | 3,210 | 2,970 | 3,120 |
| Physicians and Surgeons, All Other | 8,150 | 4,850 | 7,470 | 8,240 | 11,750 | 9,780 |
| Psychiatrists | 1,170 | 800 | 270 | 570 | 530 | 730 |
| Registered Nurses | 77,860 | 88,000 | 70,250 | 78,020 | 84,820 | 76,800 |
| Rehabilitation Counselors | 2,180 | 2,960 | 1,870 | 1,340 | 4,060 | 6,630 |
| Social Workers, All Other | 1,750 | 2,280 | 1,000 | 2,390 | 4,880 | 1,010 |

According to the BLS data, there were 113,380 total employed persons in behavioral health occupations in Arizona. This is the second highest number of employees for all the states, which is most likely because Arizona also has the second highest population of the states.

Comparing the weighted employment totals, Arizona has 16 percent fewer employed behavioral health workers than Colorado, 35 percent more than Nevada, 1 percent less than New Mexico, 14 percent less than Oregon, and 2 percent less than Washington. Arizona had the most employees for Psychiatrist and Marriage and Family Therapists, and had the highest rate for this service, suggesting that this profession could possibly be overpaid and/or overstaffed. Arizona had the second lowest number of employees for Child, Family, and School Social Workers and Healthcare Support Workers. In general, Arizona compares more favorably in employment figures than rate figures. This could suggest that there are enough workers to provide behavioral health services, but that they are not being paid at a rate sufficient enough to attract and retain workers in those professions.

Conclusion

A review of AHCCCS' MCO Survey and Navigant's Provider Survey showed trends from both sources that indicate behavioral health provider reimbursement rates are, at the very least, marginally adequate across the State of Arizona. Our review of the surveys did indicate that MCOs reimburse providers at a rate higher than the FFS Fee Schedule for most services. There was no indication of any geographic disparities between the MCOs, meaning we saw no evidence that reimbursement rates were lower in any individual county. It appears that payments below the Fee Schedule are limited to a subset of offered services, rather than MCOs adjusting their payments based on the county in which services are provided.

From the Navigant Provider Survey, every responding provider indicated they were accepting Medicaid members at all of their sites of service and that nearly all providers had less than a two-week wait for new Medicaid members. Additionally, for providers who reported their unit MCO reimbursement rates for the services they provide, nearly all reported being reimbursed above Fee Schedule rates for all services by the MCOs. Reported reimbursement rates that were below the Fee Schedule were usually driven by a single provider reporting low rates and does not always indicate that reimbursements for a particular service are low across all providers or across all counties. For providers who reported their rates as a percentage of the Medicaid Fee Schedule, we saw that MCOs reimbursed at or above 100 percent of the Fee Schedule for nearly every MCO in every category of service. Again, for the MCOs and service groups that were below 100 percent, this is generally driven by a single provider reporting low reimbursement rates, which brings down the overall average due to the small sample size of surveys being analyzed. While we received responses from providers in every county except for La Paz and Santa Cruz, for most counties there were only a few responding providers, which makes it difficult to draw strong conclusions about geographic trends in reimbursement rates. We saw no indication that the rates for any individual counties were consistently low across MCOs or across service groups, which aligns with our findings from the AHCCCS MCO Survey. Given the preponderance of providers still accepting both FFS and managed care enrolled Medicaid members, it appears that the current AHCCCS FFS reimbursement rates are adequate.

However, it is also important to consider current reimbursement rates in the context of trends in AHCCCS enrollment and changing economic conditions in the State of Arizona. As indicated by our analysis of AHCCCS claims and encounter data, the number of members continues to increase year over year, which implies that the demand for behavioral health services is only going to increase over time. In addition, Propositions 206 and 414, which mandate increased minimum wages statewide and in Flagstaff, respectively, will soon be impacting costs for providers, if they have not already. While minimum wage changes may not directly affect the professional staff delivering services to AHCCCS members, the costs of support staff and other ancillary services will likely increase. This two-fold pressure of increasing costs and increasing member populations, coupled with current reported managed care reimbursement rates generally being at or only slightly above the current FFS Fee Schedule, suggests that AHCCCS may need to increase its FFS rates to maintain the current levels of provider participation and availability of services for its members in the future.