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Douglas A. Ducey, Governor

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Delivered via Electronic Mail

January 21, 2016

Sita Diehl
NAMI, Director of State Policy and Advocacy

RE: State Mental Health Legislation 2015 Trends, Themes and Effective Practices Report

Dear Ms. Diehl:

The Arizona Department of Health Services / Division of Behavioral Health Services (DBHS) and the Arizona Health Care Cost Containment System (AHCCCS – Arizona’s Medicaid Program) have jointly drafted this letter to ensure you have comprehensive and up-to-date information on the status of Arizona’s publicly-funded behavioral health system and our commitment to ensuring high quality, whole person-focused service delivery. It is clear from the NAMI State Mental Health Legislation 2015: Trends, Themes and Effective Practices that the information you have been provided is limited, or possibly out of date, and we wanted to give you the opportunity to correct misinformation included in the report.

As you know, DBHS and AHCCCS are merging to consolidate administration of physical and behavioral health services under one agency. While we have worked collaboratively on numerous significant initiatives related to integration and care coordination, the merger provides us with opportunity to increase focus on whole-person health, reduce stigma and enhance service delivery not only for members living with mental illness, but for all members. The coming together of DBHS and AHCCCS also builds a stronger and better informed Medicaid leadership and builds greater awareness of behavioral health services in the Medicaid program.

Arizona’s commitment to provide comprehensive, quality health care for those in need across Arizona can be seen through our policy decisions that include expansion of Medicaid, contributing to increases in annual funding for behavioral health care for Arizonans over the past three years. Below is our funding levels for behavioral health services over the past few years:

- \$1,463,064,200 in FY 2014,
- \$1,775,643,600 (+ \$312,579,400) in FY 2015, *and*
- \$1,889,466,300 (+ \$113,822,700) in FY 2016 (estimate).

Despite a significant state budget deficit that required a reduction in state spending in 2015, Arizona’s commitment to continuously improve behavioral health services was clearly evidenced by its increasing total funding for behavioral health services, as you can see in the data above, while also averting the legislatively mandated 5% provider rate decreases.

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The NAMI report, however, contains an inaccurate statement implying that services were reduced. Page 1 of the report reads: "Warning bells are sounding in four states where, after two years of increases, cuts in mental health services occurred in 2015: Arizona, Iowa, Kansas and Ohio. D.C. is hearing the warning bells as well." We respectfully request that you correct this error in your report as it paints an incredibly misleading picture of the status of mental health services in Arizona, and has caused confusion and concern among the community.

We were able to see your comments below in response to an inquiry from the Arizona Council of Human Services Providers and would like to share our thoughts related to those comments.

You stated:

We do still consider Administrative Simplification to represent a cut in services and funding, particularly in the state's ability to administer its oversight role, because the Division of Behavioral Health is absorbed into AHCCCS and no longer identified as a State Behavioral Health Authority. In our experience, the more removed the state behavioral health authority is from the governor, the less influence it has.

This is simply incorrect. There is no reduction in services or funding for services. Moreover, Administrative Simplification results in moving the state behavioral health authority closer to the Governor, not further. In the current structure, the Deputy Director for DBHS reports to the Director of ADHS who then reports to the Governor. When Administrative Simplification is completed in July of 2016, the AHCCCS Director, who reports directly to the Governor, will be responsible for oversight of behavioral health.

In addition to the Medicaid Director assuming direct responsibility for behavioral health service delivery, AHCCCS has created a new Division of Health Care Advocacy and Advancement that includes the Office of Individual and Family Affairs. That team is leading efforts to incorporate peer and family involvement within the AHCCCS Policy Committee and representatives from the Arizona Peer and Family Coalition are also participating in the Quality Management Committee. This marriage of DBHS and AHCCCS presents an incredible opportunity to engage Peers and Family Members and support their efforts on a broader scale. It is our view that one's physical health and wellbeing also impacts the road to recovery and that giving people tools to manage their whole health will yield greater outcomes for our members. Arizona is a leader in Peer and Family Member supports. We believe that Peers and Family Members have an even greater role to play in reshaping the physical health environment, helping members achieve greater access to physical health and improving overall health literacy for members. In other words, our view is the influence of behavioral health is expanding, not being lost.

As we develop efforts designed to transform the health care system, we do so with an eye towards building greater partnerships between the physical and behavioral health communities. This is our goal in developing a Delivery System Reform Incentive Payment (DSRIP) program for Arizona, for instance, as a part of our 1115 Waiver. This is also our goal throughout the many other initiatives we have undertaken, including being a leader in transitions for persons involved in the justice system, building care coordination efforts for our American Indian/Alaska Native members, increasing value based purchasing opportunities and requirements, and focusing on the right interventions and strategies for members with complex needs.

We cannot be successful in achieving the Triple Aim if we operate in silos as we have been for far too long. We have a health care system to build in this country and it cannot be built with an "us and them" mentality. Rather, we must work together to actually build a health care system that cares for the whole health of a

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person, mind and body, if we are to be successful in improving health outcomes, reducing stigma and creating greater accountability for our health care dollars.

This is our goal as a state. Arizona does prioritize behavioral health services and we are actively engaged in efforts to integrate behavioral and physical health care to better meet the needs of people across Arizona. We ask that you please correct the areas of this report that inaccurately reflect a reduction in funding and the goals of the State of Arizona. NAMI's work is important to our state and we believe accurate reporting of this information is imperative to advancing our efforts. We look forward to hearing your reply.

Sincerely,



Thomas J. Betlach
Director
Arizona Health Care Cost Containment System



Margery Ault
Interim Deputy Director
Arizona Department of Health Services
Division of Behavioral Health Services

cc: Jim Dunn, NAMI Arizona