

AMERICAN RESCUE PLAN FUNDING SPECIFIC TO THE MENTAL HEALTH BLOCK GRANT (MHBG)

The American Rescue Plan Act of 2021 (ARPA), signed by President Biden on March 11, 2021, directed the Substance Abuse and Mental Health Services Administration (SAMHSA) to provide additional funds to support states through Block Grants to address the effects of the COVID-19 pandemic for Americans with a mental illness. The COVID-19 pandemic has exposed and exacerbated severe and pervasive health and social inequities in America, including the critical importance of supporting people with a mental illness. As the pandemic swept through the states, societal stress and distress over this newly emerging disaster created the need for nimble and evolving policy and planning in addressing mental and substance use disorder services.

Arizona was allocated \$39 million in supplementation Mental Health Block Grant (MHBG) funding through ARPA to implement and to enhance services for adults designated with a Serious Mental Illness (SMI), children designated with a Serious Emotional Disturbance (SED) and individuals designated with an Early Serious Mental Illness (ESMI). While SAMHSA allowed for state flexibility, the following set asides were required in planning:

- Ten percent of the allocation must be spent for First-Episode Psychosis (FEP) programs.
- Support for the behavioral health crisis continuum is encouraged.

AHCCCS is currently seeking approval from SAMHSA on a spending plan, which will allow programs to address mental health needs resulting from the COVID-19 pandemic. Included efforts submitted for review will support opportunities to enhance the identification and referrals for SED assessments, enhancement of treatment for justice involved youth, Child Psychiatry Access Programs, technical assistance expansion for evidence-based-practices, expansion of peer support services, electronic crisis bed locator, 23-hour crisis stabilization for children with SED designation, and FEP outreach positions and treatment expansion.

The proposed spending plan was based on feedback presented to AHCCCS from state agencies, regional behavioral health authorities and tribal regional behavioral health authorities, system delivery partners, and other key stakeholders. These proposed programs and projects will allow for increased service capacity and improved access to mental health continuum of services within Arizona.

Funds must be expended by September 30, 2025.



Upon receipt of SAMHSA’s approval, AHCCCS will move into its plan implementation phase to begin expending the funds as required. AHCCCS will provide updates to the spending plan through AHCCCS’ [Grants Administration website](#).

Key programs and projects highlighted in this ARPA MHBG proposal include:

MHBG Funding Priorities	
First Episode Psychosis \$3,922,907.00	Serious Mental Illness \$7,800,000.00
<ol style="list-style-type: none"> 1. Support for additional FEP positions to provide outreach and treatment services. 2. Support the training and staff time to participate in evidence-based practices. 3. Funding of supplies and outreach materials 	<ol style="list-style-type: none"> 1. Expansion of technical assistance efforts and monitoring fidelity of Assertive Community Treatment (ACT), Supportive Housing, Supported Employment, and Peer Support. 2. Expansion of the availability of peer support services. 3. Expansion of the capacity of behavioral health providers to serve individuals with Intellectual and Developmental Disabilities (I-DD) through the National Association of Dually Diagnosed (NADD) accreditation and Project Extension for Community Health care Outcomes (ECHO). 4. Implementation of a digital identification wallet.
Serious Emotional Disturbance \$20,399.115.00	Crisis \$5,145,592.00
<ol style="list-style-type: none"> 1. Implementation of a statewide standardized process for early identification and referral for SED assessment. 2. Implementation of co-located models of care and strengthening of evidence-based practice delivery for justice involved youth. 3. Implementation of a Child Psychiatry Access Program (CPAP) in order to expand access to child and adolescent psychiatrists for Primary Care Providers (PCPs). 4. Expansion of the availability of parent and family support services, Child and Family Team (CFT) coaches, and professional development opportunities to support the behavioral health workforce. 	<ol style="list-style-type: none"> 1. Implementation of an electronic crisis services locator where providers can access real-time information on available crisis beds. 2. Creation of specialized wraparound teams for crisis stabilization for children with an SED designation. 3. Development of 23-hour crisis stabilization units for children with an SED designation in regions where they are currently not available. 4. Expansion of short-term behavioral health residential settings to serve children with an SED designation who present in crisis.