ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

Mental Health Block Grant (MHBG)

Frequently Asked Questions

Learn more about the Mental Health Block Grant (MHBG) by exploring the frequently asked questions below. Select a question for additional information.

If you have any additional questions, please feel free to contact us at:

grantsmanagement@azahcccs.gov

or

mhbg@azahcccs.gov

Q1: What is the Mental Health Block Grant?

Q2: What are the federal requirements of the MHBG?

Q3: What uses of MHBG funding are prohibited?

Q4: Who can receive MHBG services?

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Q8: What is the Behavioral Health Planning Council (BHPC)?

Q1: What is the Mental Health Block Grant?

The Mental Health Block Grant (MHBG) is federal funding provided by the Substance Abuse and Mental Health Services Administration (SAMHSA) to help states provide community-based mental health services. States receive this funding based on a federal formula and do not compete for the grant.

The funding helps states strengthen and monitor their community-based mental health systems and fills gaps in services that may not be fully covered by Medicaid, Medicare, private insurance, or other funding sources.

The MHBG supports services for adults with Serious Mental Illness (SMI), children with Serious Emotional Disturbance (SED), and individuals experiencing Early Serious Mental Illness, including First Episode Psychosis (ESMI/FEP).

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Q2: What are the federal requirements of the MHBG?

SAMHSA requires states receiving MHBG funding to:

- Use at least 10% of MHBG funds for ESMI/FEP services.
- Use at least 5% of MHBG funds for crisis services.
- Support community-based mental health services for children with SED and adults with SMI, including required funding for children.
- Maintain a Behavioral Health Planning Council to support planning and oversight of the state's behavioral health system.
- Submit required applications and reports describing how MHBG funds are planned, used, and monitored.
- Follow all applicable federal laws, regulations, guidance, and funding requirements.

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Q3: What uses of MHBG funding are prohibited?

MHBG funds cannot be used for the following activities or expenses:

- Inpatient services.
- Acute care or physical health care services, including payment of copays.
- Cash payments to intended recipients of health services.
- Purchase or improvement of land; purchase, construction, or permanent improvement of any building or facility, except minor remodeling with written approval from AHCCCS.
- Purchase of major medical equipment.
- Satisfying any requirement for the expenditure of non-federal funds as a condition for receiving federal funds.

- Financial assistance or grants to any entity other than a public or nonprofit private entity.
- Providing individuals with hypodermic needles or syringes for illegal drug use, unless the Surgeon General of the Public Health Service determines that a demonstration needle exchange program would be effective in reducing drug use and the risk of AIDS infection.
- Paying an individual's salary through a grant or other extramural mechanism at a rate above Level I of the Executive Salary Schedule for the award year.
- Purchasing treatment services in penal or correctional institutions in the State of Arizona.
- Flex fund purchases.
- Sponsorship of events and conferences.

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Q4: Who can receive MHBG services?

The MHBG can only be used to provide services for members who are uninsured or underinsured and are:

- Adults (18+) with a Serious Mental Illness (SMI), or
- Children (17 and under) with a Serious Emotional Disturbance (SED), or
- Individuals experiencing symptoms of Early Serious Mental Illness (ESMI), including First Episode Psychosis (FEP).

Definitions for SMI, SED, and FEP can be found on the AHCCCS Definitions page.

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Q5: What services does the MHBG cover?

MHBG funds may support grant-related activities and eligible behavioral health services for individuals who are uninsured or underinsured, as well as certain services not covered by Medicaid.

For more information, see the AHCCCS Covered Behavioral Health Services Guide and AMPM Exhibit 300-2B.

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Q6: How are MHBG funds allocated?

MHBG funding supports mental health services and programs across Arizona. Funding is distributed through ACC-RBHAs to help uninsured and underinsured individuals access eligible behavioral health services statewide.

MHBG is the payor of last resort, meaning other available insurance or funding sources must be used before MHBG funding is used.

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Q7: Can individuals or providers receive MHBG funding directly from AHCCCS?

No. Federal requirements prohibit MHBG funds from being provided as direct financial assistance to individuals. AHCCCS administers funding for eligible behavioral health services through AHCCCS Complete Care-Regional Behavioral Health Agreements (ACC-RBHA) Health Plans and their provider networks.

Individuals seeking assistance:

Contact the ACC-RBHA serving your area. The ACC-RBHA can help connect you with providers and identify behavioral health services that may be available.

Providers:

Contact the ACC-RBHA serving your service area for information about MHBG funding opportunities and provider requirements.

To find the ACC-RBHA serving your community, please visit **AHCCCS Available Health Plans**.

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Q8: What is the Behavioral Health Planning Council (BHPC)?

As a condition of receiving Mental Health Block Grant (MHBG) funding, states are federally required to maintain a Behavioral Health Planning Council (BHPC). The Council promotes collaboration among state agencies and provides individuals, families, providers, and other community members with a voice in Arizona's behavioral health system.

The BHPC provides input on behavioral health needs, services, and statewide planning efforts, including Arizona's SUBG/MHBG Combined Application and Plan submitted to SAMHSA.

A majority of Council members, at least 51%, must be individuals with lived experience receiving behavioral health services or their family members.

Council membership includes:

- Individuals who receive behavioral health services.
- Family members, including family members of children with emotional disturbances.
- Behavioral health providers.
- Representatives from state agencies, including education, mental health, rehabilitation, criminal justice, housing, and social services.

BHPC meetings are open to the public, providing opportunities for community participation and input. For more information or to apply to join the Council, visit the AHCCCS Behavioral Health Planning Council webpage.

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