

The Honorable David Gowan  
Chairman, Joint Legislative Budget Committee  
1700 West Washington Street  
Phoenix, Arizona 85007

**Re: *Arnold v. Sarn* Report**

Dear Senator Gowan:

The Arizona Health Care Cost Containment System (AHCCCS) is submitting this *Arnold v. Sarn* report, as required by Laws 2019, First Regular Session, Chapter 263, Section 12:

*On or before June 30, 2020, the AHCCCS Administration shall report to the Joint Legislative Budget Committee on the progress in implementing the Arnold v. Sarn lawsuit settlement. The report shall include at a minimum the Administration's progress toward meeting all criteria specified in the 2014 joint stipulation, including the development and estimated cost of additional behavioral health service capacity in Maricopa County for supported housing services for 1,200 class members, supported employment services for 750 class members, 8 assertive community treatment teams and consumer operated services for 1,500 class members. The Administration shall also report by fund source the amounts it plans to use to pay for expanded services (General Appropriation Act footnote).*

This report fulfills the deliverable due June 30, 2020

*Arnold v. Sarn*, the longest standing class action lawsuit in Arizona, was successfully exited by AHCCCS, the Governor's Office and Maricopa County on July 1, 2016. The requirements detailed in the *Arnold* exit agreement, filed in March 2014, were met and surpassed by AHCCCS providers, as demonstrated in this report. The delivery of behavioral health services to AHCCCS members determined to have a Seriously Mental Illness (SMI) is primarily managed through contract with Regional Behavioral Health Authority (RBHA) Contractors. Mercy Care is the RBHA in Maricopa County. This report was last submitted to the Committee in a letter dated June 28, 2019.

Specific to the *Arnold v. Sarn* reporting requirement, AHCCCS has determined that increased capacity is defined by member utilization of the targeted services for Mercy Care members who are determined to have a SMI, inclusive of Assertive Community Treatment (ACT), Peer Support, Supported Employment and Supportive Housing in Maricopa County for both Title XIX/XXI and Non-Title XIX/XXI SMI-determined members. The demonstrated results of increased capacity are being reported in this submission using the same format and methodology as previously reported.

Supportive Housing services are broken out to separately identify services that include Rental Subsidies and Wrap-around Services in order to demonstrate a clearer picture of the service utilization and associated funds used to pay for the increased capacity.

Data sources are identified and definitions are provided in the Table footnotes. Exhibit 1 details service capacity (Table 1) and the projected cost by fund source for those services (Table 2) for the June 2020 legislative report requirement as of April 2020.

**EXHIBIT 1 – Table 1**

**Tables for June 2020 Report**  
 Table 1

Service	2014 Joint Settlement Targets Title XIX/XXI and Non-Title XIX/XXI	July 2016 Settlement Fulfillment	Additional Capacity Measured as of April 2020		Total Capacity Measured as of April 2020 Title XIX/XXI and Non-Title XIX/XXI
Assertive Community Treatment	8 Teams	8	1	<sup>i</sup>	9
Peer Support	1,500 Class Members	1,500	677	<sup>ii</sup>	2,177
Supported Employment	750 Class Members	750	339	<sup>iii</sup>	1,089
Supportive Housing*	1,200 Class Members	1,200	4,116	<sup>iv</sup>	5,316
		*Rental Subsidies	1,149	<sup>v</sup>	
		*Wrap-around Services	4,167		
			<u>5,316</u>		

<sup>i</sup>Total number of teams since June 2014

<sup>ii</sup>Unduplicated count of members using a monthly average of one quarter - based on claims data (H2025-Ongoing Support to Maintain Employment, H2026-Ongoing Support to Maintain Employment and H2027-Pre-Job Training and Development based on a 90 day claim lag)

<sup>iii</sup>Unduplicated count of members for one month - based on provider reported data

<sup>iv</sup>Unduplicated count of members for one month - based on claims data (H2014-Skills Training and Development, H2017-Psychosocial Rehabilitation Service, T1019-Personal Care Services and/or T1020-Personal Care Services based on a 90 day claim lag)

<sup>v</sup> Number of members receiving rental subsidies - reported as of April 30, 2020

\*Rental Subsidies - a supported housing service funded through the General Fund. Subsidies are not a Title XIX covered service. They are intended to support individuals to obtain and maintain housing in an independent community setting, including an apartment or home owned or leased by a subcontracted provider.

\*Wrap-around Services - Medicaid funded support services, based upon an individual's needs and preferences, designed to help individuals choose, get and keep independent housing in the community.

**EXHIBIT 1 – Table 2**

Costs are Annualized Based on Average Costs during Contract Year Ending 2019

**Table 2**

<b>Cost by Fund Source</b>			
<b>Service</b>	<b>General Fund<sup>l</sup></b>	<b>Title XIX/XXI</b>	<b>Total</b>
Assertive Community Treatment	\$ 5,833,387	\$ 7,216,613	\$ 13,050,000
Peer Support	\$ 583,695	\$ 787,493	\$ 1,371,188
Supported Employment	\$ 470,115	\$ 677,210	\$ 1,147,325
Supportive Housing* <sup>ll</sup>	\$ 14,083,609	\$ 28,257,362	\$ 42,340,971
	*Rental Subsidies	\$ 11,140,704	
	*Wrap-around Services	\$ 31,200,267	
		<u>\$ 42,340,971</u>	

<sup>l</sup>General Fund represents covered services to Non-Title XIX/XXI members, Non-Title XIX/XXI covered services to Title and Non-Title XIX/XXI members, and the state match for Title XIX/XXI members

<sup>ll</sup>Rental subsidies, which are part of Supported Housing, are funded with 100% General Fund

\*Rental Subsidies - a supported housing service funded through the General Fund. Subsidies are not a Title XIX covered service. They are intended to support individuals to obtain and maintain housing in an independent community setting, including an apartment or home owned or leased by a subcontracted provider.

\*Wrap-around Services - Medicaid funded support services, based upon an individual's needs and preferences, designed to help individuals choose, get and keep independent housing in the community.

Substance Abuse and Mental Health Services Administration (SAMHSA) best practices for service delivery in the community and related audit tools are used to assess program fidelity. The corresponding technical assistance given to providers has resulted in continued improvement in the quality of services provided in Maricopa County for members determined to have a SMI. AHCCCS has contracted with the Western Interstate Commission for Higher Education (WICHE) to conduct fidelity reviews using the SAMHSA best practice tools and to provide technical assistance as needed. The reviews have been conducted since Fiscal Year 2015. The performance trend demonstrates sustained improvement since Fiscal Year 2015 as displayed in Exhibit 2. The overall fidelity ratings for the ACT teams reviewed during 2020 (Year 6) ranged from 73.6% to 86.4% with an average of 81.2% percent.

**EXHIBIT 2 –  
Provider Fidelity**

<b>ACT Fidelity Scores</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5*</b>	<b>Year 6*</b>
Lowest Rating	57.9%	64.3%	64.3%	68.6%	64.3%	73.6%
Highest Rating	81.4%	83.6%	91.4%	90.0%	85.8%	86.4%
Overall Average	74.8%	75.1%	76.9%	80.6%	77.5%	81.2%

\* Data from all ACT teams is included in Years 1-4 due to reviews of all ACT teams. In Year 5, only ACT teams that scored below 80% in Year 4 were reviewed. In Year 6, all remaining ACT teams not reviewed in Year 5 were reviewed. As such, conclusions should not be drawn about the ACT teams in Maricopa County based solely on Year 5 or Year 6 data.

To further improve services for members determined to have a SMI across the state, AHCCCS continued to provide Technical Assistance regarding the provision of SAMHSA best practice models and tools to the RBHAs in Greater Arizona in 2019-2020. This expansion includes Health Choice Arizona (Northern RBHA) and Arizona Complete Health - Complete Care Plan (Southern RBHA).

**Additional Settlement Service Results**  
(Point in Time - April 2020 Mercy Care Report)

The following utilization information encompasses a broader membership than the utilization information reported in Exhibit 1, Table 1. As such, the numbers of members reported for the same service will not match.

**Arizona State Hospital (ASH):**

In accordance with the exit agreement, AHCCCS has complied with the census limitation of 55. There are never more than 55 class members receiving treatment at ASH at one time.

**Supervisory Care Homes:**

AHCCCS has not encouraged or recommended that members reside in supervisory care homes.

**Crisis Services:**

Crisis services are available to any individual who calls a RBHA’s toll-free hotline (open 24-hours a day, seven days a week). A total of 16,192 unique callers utilized the crisis hotline in Maricopa County in one month’s time as of April 2020. During the same time, 237 crisis mobile teams were dispatched to assist members, and 943 unique members were involved in crisis stabilization. Access to crisis services including mobile crisis and stabilization never requires AHCCCS eligibility or enrollment, or other eligibility and enrollment.

**Assertive Community Treatment (ACT):**

There are 24 ACT teams, including four specialty teams. The ACT model requires 12 staff per 100 members. There are 2,307 unique members receiving ACT services. This is a 96.7% census rate, which is slightly up from 94.29% as reported in the June 2019 Arnold v. Sarn Legislative Report.

Three of the specialty teams are forensic ACT teams (fACT), working directly with individuals with a serious mental illness who are leaving incarceration. These teams work with members before their release to ensure members are not released to the streets, homeless. Additionally, the fACT teams work with the network of municipal mental health courts across the county, in collaboration with Mercy Care to prevent recidivism among members. The other specialty team is a medical specialty team (mACT).

**Peer Support:**

A total of 6,530 members received and participated in family and peer support services. This number has remained relatively stable since the June 2018 Arnold v. Sarn Legislative Report.

**Supported Employment:**

A total of 1,488 members received supported employment services. Services may include: assistance in preparing for, identifying, attaining and maintaining competitive employment, job coaching, transportation, assistive technology, specialized job training and individually tailored supervision. A total of 69 members, down from 164 in 2019 received referrals to Vocational Rehabilitation; and 171 members secured full time employment and 278 members secured part time employment with the support of Mercy Care's contracted network of employment support providers. The decline in the number of members referred to Vocational Rehabilitation is due, in part, to additional fidelity around the referral process that was implemented over the past year to ensure that appropriate triage was conducted. Also contributing to the decline is a drop in referrals beginning in March 2020 due to the COVID-19 pandemic.

**Supportive Housing:**

A total of 5,316 members received supportive housing services. These services may include: rental subsidies, vouchers and bridge funding to cover deposits and other household necessities. Supportive housing also includes support services provided by ACT teams and housing navigators

Should you have any questions, please contact Judie Walker at 602-417-4115.

Sincerely,



Jami Snyder, Director

cc: The Honorable Regina Cobb, Arizona House of Representatives  
Christina Corieri, Senior Policy Advisor, Office of the Governor  
Matthew Gress, Director, Governor's Office of Strategic Planning and Budgeting  
Robert Busch, Budget Analyst, Governor's Office of Strategic Planning and Budgeting  
Richard Stavneak, Director, Joint Legislative Budget Committee