

July 29, 2021

The Honorable Regina Cobb
Chairman, Joint Legislative Budget Committee
1700 West Washington Street
Phoenix, Arizona 85007

Dear Representative Cobb:

The Arizona Health Care Cost Containment System (AHCCCS) is submitting this Arnold v. Sarn report, as required by Laws 2020, Second Regular Session, Chapter 58, Section 8:

On or before June 30, 2021, 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).

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.

Specific to the Arnold v. Sarn reporting requirement, AHCCCS defines increased capacity 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 members with an SMI determination. 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); Exhibit 1 (Table 2) identifies the projected costs by fund source for those services as of April 2021.

EXHIBIT 1 – 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 2021		Total Capacity Measured as of April 2021 Title XIX/XXI and Non-Title XIX/XXI
Assertive Community Treatment	8 Teams	8	1	I	9
Peer Support	1,500 Class Members	1,500	639	II	2,139
Supported Employment	750 Class Members	750	428	II I	1,178
Supportive Housing*	1,200 Class Members	1,200	4,025	I V	5,225
		*Rental Subsidies	1,146	V	
		*Wrap-around Services	4,079		
			<u>5,225</u>		

I Total number of teams since June 2014

II 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

III Unduplicated count of members for one month - based on provider reported data

IV 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)

V Number of members receiving rental subsidies - reported as of April 30, 2021

*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 2020

Service	Cost by Fund Source		
	General Fund	Title XIX/XXI	Total
Assertive Community Treatment	\$ 5,195,415	\$7,854,585	\$13,050,000
Peer Support	\$ 378,637	\$631,291	\$ 1,009,928
Supported Employment	\$ 406,844	\$730,963	\$ 1,137,807
Supportive Housing*	\$ 13,889,334	\$28,383,530	\$42,272,864
	*Rental Subsidies	\$ 11,606,688	
	*Wrap-around Services	\$ 30,666,176	
		\$ 42,272,864	

Substance Abuse and Mental Health Services Administration (SAMHSA) best practices for service delivery

¹General 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

²Rental subsidies, which are part of Supported Housing, are funded with 100% General Fund

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*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.

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. Two providers were not able to be reviewed in 2020 (Year 6) due to the onset of the COVID-19 public health emergency (PHE). In 2021 (Year 7), all reviews were completed remotely due to the continuance of the PHE. The two provider reviews remaining from Year 6 were completed along with the providers scheduled for Year 7 and their results are included in the Year 7 data. Results are shown in Exhibit 2.

EXHIBIT 2 – Provider Fidelity

ACT Fidelity Scores	Year 1	Year 2	Year 3	Year 4	Year 5*	Year 6*	Year 7*
Lowest Rating	57.9%	64.3%	64.3%	68.6%	64.3%	73.6%	66.4%
Highest Rating	81.4%	83.6%	91.4%	90.0%	85.8%	86.4%	84.3%
Overall Average	74.8%	75.1%	76.9%	80.6%	77.5%	81.2%	77.9%

* Data from all ACT teams are included in 2015 – 2018 (Years 1-4) due to reviews of all ACT teams. In 2019 (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. All ACT teams were reviewed in Year 7.

The overall fidelity ratings for the ACT teams reviewed during Year 7 ranged from 66.4% to 84.3% with an average of 77.9% percent. There is one remaining ACT review that was completed for Year 7; however, due to the timing of the review (June 1-2, 2021), the final report and related scoring is not available yet for inclusion in this summary. The Year 7 results will be updated to reflect the additional review in the 2022 report submission.

In addition to the annual fidelity reviews, WICHE provided training sessions on each of the four evidence-based practices: Assertive Community Treatment, peer support, supported employment, and supportive housing. Each training topic was offered in a two-part series. The first session was a high-level overview of the evidence-based practice, designed to provide an orientation to the basic principles of the programs to refresh experienced staff on the specific requirements or for anyone else who wanted to learn more about each practice. Participants were then invited to submit questions through an online survey, which was utilized to inform a second training session; the questions were answered by a subject matter expert from WICHE. All sessions were recorded and have been made available on the AHCCCS website.

Additional Settlement Service Results

(Point in Time - April 2021 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:

Supervisory care homes provide limited services for two or more unrelated individuals. These settings are not licensed or certified by the state. In accordance with the exit agreement, AHCCCS has worked to ensure that all members residing in supervisory care homes are transitioned to alternative settings with appropriate supports consistent with their needs and preferences and any members remaining in supervisory care homes are receiving appropriate supports consistent with their needs and preferences. AHCCCS has not encouraged or recommended that members reside in supervisory care homes. Rather, AHCCCS has continued to expand the delivery of evidence-based Supportive Housing services to support members to achieve their vision of recovery.

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 19,186 unique callers utilized the crisis hotline in Maricopa County in one month's time as of April 2021. During the same time, 186 crisis mobile teams were dispatched to assist members, and 876 unique members were involved in crisis stabilization. The remainder of calls were able to be successfully stabilized or managed through the crisis hotline. 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 2,310 unique members receiving ACT services. This is 96% of the census rate, which is slightly up from 94.29% as reported in the June 2020 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 6,416 members received and participated in family and peer support services. This number has remained relatively stable for the past four years with no notable change.

Supported Employment:

A total of 1,178 members received supportive 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 211 members, up from 69 in 2020, received referrals to Vocational Rehabilitation; and 253 members secured full time employment, up from 171 in 2020. Additionally, 307 members secured part time employment with the support of Mercy Care's contracted network of employment support providers.

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Supportive Housing:

A total of 5,225 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,

A handwritten signature in black ink that reads "Jami Snyder". The signature is written in a cursive, flowing style.

Jami Snyder

Director

cc: The Honorable David Gowan, Arizona State Senate

Christina Corieri, Senior Policy Advisor, Office of the Governor

Matthew Gress, Director, Governor's Office of Strategic Planning and Budgeting

Susan Nie, Budget Analyst, Governor's Office of Strategic Planning and Budgeting

Richard Stavneak, Director, Joint Legislative Budget Committee