

December 30, 2020

The Honorable Douglas A. Ducey
Governor of Arizona
1700 W Washington
Phoenix, Arizona 85007

The Honorable Karen Fann
Arizona State Senate
1700 W Washington
Phoenix, Arizona 85007

The Honorable Russell Bowers
Speaker of the House
Arizona House of Representatives
1700 W Washington
Phoenix, Arizona 85007

Dear Governor Ducey, President Fann, and Speaker Bowers:

In accordance with A.R.S. § 36-3405, please find the enclosed report supplying programmatic and financial information related to the provision of behavioral health services. Do not hesitate to contact me at (602) 417-4711 if you have any questions or would like additional information.

Sincerely,



Jami Snyder
Director

cc: Christina Corieri, Governor's Office Senior Policy Advisor
Matthew Gress, Director, Governor's Office of Strategic Planning and Budgeting
Richard Stavneak, Director, Joint Legislative Budget Committee



**BEHAVIORAL HEALTH SERVICES
ANNUAL REPORT
FISCAL YEAR 2020**

December, 2020

Jami Snyder, Director

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PROGRAMMATIC AND FINANCIAL REPORT

Introduction

The Arizona Health Care Cost Containment System (AHCCCS) submits the following financial and programmatic annual report for State Fiscal Year (FY) 2020, pursuant to A.R.S. § 36-3405(a)(b)(c). The report provides programmatic financial expenditures and identifies the number of members who received behavioral health services.

This year's report of financial expenditures is based on an allocation methodology due to the service package integration that took place in FY 2019, effective October 1, 2018, when the managed care organizations (MCOs) were first contracted to manage the provision of physical and behavioral health care services. In FY 2019, the per member per month (pmpm) capitation payment changed to a single combined payment covering the full integrated services. The annual legislative appropriation also changed to reflect this integrated model and no longer separately appropriated behavioral health funding that was the basis for reporting years prior to FY 2019. The FY 2020 Title XIX and XXI Medicaid reported program and funding source expenditures are an allocation of total payments based on the behavioral health proportional component of the total pmpm capitation rate. All other reported programs and sources amounts are actuals.

Expenditures

Tables 1 and 2 provide the FY 2020 behavioral health expenditures. Expenditures are reported on a cash basis that can result in timing differences between the receipt of funds and actual cash disbursements.

Expenditures are categorized by funding source and by appropriated program.

Table 1: Statewide Expenditures by Funding Source FY 2020

Total Behavioral Health Services Expenditures by Funding Source FY 2020		
Funding	Amount Paid	Percentage
General Fund - Medicaid	383,749,984	14.90%
Tobacco Tax Funds – Medically Needy Account	35,565,800	1.38%
Tobacco Tax Funds – Proposition 204 Protection Account	5,000,000	0.19%
Tobacco Tax Funds – Tobacco Litigation Settlement	30,154,400	1.17%
TXIX and TXXI Medicaid Federal Grant Awards	1,865,739,262	72.42%
Non TXIX General Fund	97,993,106	3.80%
Substance Abuse Services Fund	2,250,200	0.09%
Federal Grant Funds	82,498,411	3.20%
County Funds	68,783,375	2.67%
SMI Housing Trust Fund	1,244,733	0.05%
Substance Use Disorder Funds	3,306,849	0.13%
Other (Liquor Service Fees)	58,715	0.00%
Total	2,576,344,835	100.00%

Table 2: Statewide Expenditures by Program FY 2020

Total Behavioral Health Services Expenditures by Program FY 2020		
Funding	Amount Paid	Percentage
Traditional Medicaid Services	1,036,203,510	40.21%
Proposition 204 Services	992,913,930	38.54%
ACA Adult Expansion	68,789,399	2.76%
CMDP	142,692,100	5.54%
KidsCare	22,821,399	0.89%
Medicaid Fee-for-Service	56,789,107	2.20%
Non TXIX Child	9,737,237	0.38%
Non TXIX SMI	157,466,713	6.11%
Non TXIX GMH/SA	63,046,397	2.45%
Non TXIX Crisis	16,386,563	0.64%
Non TXIX Prevention	9,498,480	0.37%
Total	2,576,344,835	100.00%

During FY 2020, behavioral health recipients received behavioral health services as depicted in Table 3, which provides information on the number of members who were served under the following assumptions:

1. Member eligibility is provided by TXIX/TXXI and Non-TXIX.
2. Member behavioral health category is broken out by Child and Comprehensive Medical and Dental Program (CMDP) members under 18 years of age, and Seriously Mentally Ill (SMI) and General Mental Health/Substance Abuse (GMH/SA) adult members 18 years of age or older.
3. BHS "Served" in this report means that the member had at least one behavioral health service encounter or claim submitted within the reporting time frame.
4. Behavioral health service means any service with a primary diagnosis code that is behavioral health related or pharmacy claim that is behavioral health related, as defined by AHCCCS clinical criteria.

Table 3: Members Served in FY 2020

Members Served in FY 2020		
Note: The term "served" is defined as clients that had at least one BH encounter in FY 2020		
Eligibility	BH Category	Count
TXIX/TXXI	CHILD	162,745
	CMDP	19,447
	GMH /SA	362,446
	SMI	48,449
	Total	593,087
Non-TXIX	CHILD	6,105
	CMDP	-
	GMH /SA	30,497
	SMI	18,206
	Total	54,808
All Eligibilities	CHILD	168,850
	CMDP	19,447
	GMH /SA	392,943
	SMI	66,655
	Total	647,895