

January 4, 2022

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 2021**

**December, 2021
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) 2021, pursuant to A.R.S §36-3405(a)(b)(c). The report provides financial expenditures and identifies the number of members who received behavioral health services.

This year's report of financial expenditures is based on allocation methodologies due to the service package integration that took place in FY 2019, effective October 1, 2018, when the managed care organizations (MCOs) were contracted to manage the provision of physical and behavioral health care services for the majority of AHCCCS members. In FY 2019, the per member per month (pmpm) capitation rate paid by AHCCCS to the MCOs 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 annual reports prior to FY 2019.

Expenditures

Table 1 provides FY 2021 behavioral health expenditures by funding source. The FY 2021 Title XIX (TXIX) and XXI (TXXI) Medicaid Federal Grant Awards reported in the Table reflect an allocation of total payments based on the behavioral health proportional component of the total pmpm capitation rate. All other reported source amounts are actuals. Expenditures are reported on a cash basis that can result in timing differences between the receipt of funds and actual cash disbursements.

Table 1: Statewide Expenditures by Funding Source FY 2021

Total Behavioral Health Services Expenditures by Funding Source FY 2021		
Funding	Amount Paid	Percentage
General Fund - Medicaid	373,251,955	13.66%
Tobacco Tax Funds – Medically Needy Account	35,565,800	1.30%
Tobacco Tax Funds – Proposition 204 Protection Account	5,000,000	0.18%
Tobacco Tax Funds – Tobacco Litigation Settlement	30,154,400	1.10%
TXIX and TXXI Medicaid Federal Grant Awards	2,015,807,109	73.80%
Non TXIX General Fund	99,983,897	3.66%
Substance Abuse Services Fund	2,250,200	0.08%
Federal Grant - MHBG	19,608,451	0.72%
Federal Grant - SABG	38,590,698	1.41%
Federal Grants (Opioid/Other)	37,492,721	1.37%
County Funds	71,845,968	2.63%
SMI Housing Trust Fund	222,799	0.01%
Substance Use Disorder Funds	1,165,919	0.04%
Other (Liquor Service Fees)	583,823	0.02%
Total	2,731,523,738	100.00%
<i>TXIX/TXXI</i>	<i>2,459,779,263</i>	<i>90.05%</i>
<i>Non-TXIX/Non-TXXI</i>	<i>271,744,475</i>	<i>9.95%</i>

Table 2 on the following page provides FY 2021 behavioral health expenditures by the “behavioral health categories” specified in A.R.S §36-3405(b). The reported expenditures in this table are a further allocation of the figures from Table 1, based on the proportional use by service during the time period. Only claims with a primary diagnosis code that is behavioral health related or pharmacy claims that were behavioral health related, as defined by AHCCCS clinical criteria, were included. A.R.S § 36-3405(b) additionally specifies the report should include expenditures for behavioral health services related to domestic violence. AHCCCS has determined that it is not possible to accurately identify these services within agency data. To the extent that members used behavioral health services related to domestic violence, the associated expenditures are reported throughout the categories included in Table 2.

Table 2: Statewide Expenditures by Behavioral Health Category FY 2021

Total Behavioral Health Services Expenditures by Behavioral Health Category FY 2021			
Behavioral Health Category	TXIX/TXXI Funding	Non-TXIX/ Non-TXXI Funding	Total
Seriously Mentally Ill	671,587,621	133,688,093	805,275,714
Children with Severe Emotional Disabilities	421,042,249	13,015,298	434,057,548
Alcohol and Drug Abuse	519,880,687	51,799,592	571,680,279
Other Mental Health	847,268,707	73,241,491	920,510,198
Total	2,459,779,263	271,744,475	2,731,523,738

Members Served

Table 3 provides counts of members served in FY 2021 by behavioral health category specified in A.R.S §36-3405(b)(c). Served members had at least one claim submitted within the reporting time frame that included a primary diagnosis code that is behavioral health related or a pharmacy claim that is behavioral health related, as defined by AHCCCS clinical criteria. Users may be counted in multiple behavioral health categories. Users are also counted in TXIX/TXXI and Non-TXIX/Non-TXXI columns, if they used services under both eligibility categories during FY 2021. As a result, individual user counts reported do not sum to the totals in the table. As noted previously in the report, AHCCCS has determined that it is not possible to accurately identify behavioral health services resulting from domestic violence within agency data. To the extent that members used these behavioral health services, those members are reported throughout the behavioral health categories in Table 3.

Table 3: Members Served FY 2021

Members Served in FY 2021 by Behavioral Health Category			
Behavioral Health Category	TXIX/TXXI Eligibility	Non-TXIX/ Non-TXXI Eligibility	Total
Seriously Mentally Ill	46,234	15,191	57,807
Children with Severe Emotional Disabilities	66,762	2,927	69,315
Alcohol and Drug Abuse	105,896	11,297	115,230
Other Mental Health	448,089	22,041	467,899
Total	544,790	46,128	583,005