

March 20, 2025

Richard Stavneak, Director
Joint Legislative Budget Committee
1716 West Adams
Phoenix, Arizona 85007

Dear Mr. Stavneak:

In accordance with ARS § 36-2903.13, please find the enclosed report on inpatient psychiatric treatment. Please do not hesitate to contact me at (602) 417-4111 if you have any questions or would like additional information.

Sincerely,



Carmen Heredia
Director

Cc: Ben Henderson, Director, Governor's Office of Strategic Planning and Budgeting
Meaghan Kramer, Health Policy Advisor, Office of Governor

**Report to the Director of the Joint Legislative
Budget Committee Regarding Inpatient Psychiatric
Treatment Availability**

March 2025



Inpatient Psychiatric Treatment Availability

BACKGROUND

ARS § 36-2903.13 requires the following:

- A. On or before January 2, 2020 and each year thereafter, the director of the Arizona Health Care Cost Containment System (AHCCCS) administration shall submit a report to the Director of the Joint Legislative Budget Committee on the availability of inpatient psychiatric treatment both for adults and for children and adolescents who receive services from the Regional Behavioral Health Agreements . The report shall include all of the following information:
 1. The total number of inpatient psychiatric treatment beds available and the occupancy rate for those beds.
 2. Expenditures on inpatient psychiatric treatment.
 3. The total number of individuals in this state who are sent out of state for inpatient psychiatric treatment.
 4. The prevalence of psychiatric boarding or holding psychiatric patients in emergency rooms for at least twenty-four hours before transferring the patients to a psychiatric facility.
- B. The report shall provide the information specified in subsection A of this section separately for adults who are at least twenty-one years of age and for children and adolescents who are twenty years of age or younger.

INPATIENT PSYCHIATRIC TREATMENT DATA

Total Number of Inpatient Psychiatric Treatment Beds Available and Occupancy Rate for Those Beds

Based on AHCCCS billing reports for January 1 through October 15, 2024, 3,704 unique members utilized inpatient psychiatric treatment beds in Arizona¹. For this report, AHCCCS used billing data for the following provider types (PT) to accurately capture inpatient psychiatric bed capacity: Psychiatric Hospital (PT 71), Secure Residential Treatment Center (RTC) with 17 or more beds (or Institution for Mental Disease - IMD) (PT B1), Subacute Facility with between 1-16 beds (PT B5), and Subacute Facility 17 or more beds (IMD) (PT B6). Per the ADHS dashboard data, in October 2024, there were 2,073 licensed inpatient psychiatric hospital beds available at licensed Subacute and Secure RTC facilities for occupancy in Arizona². Also in October 2024, ADHS reported 2,148 beds available at hospitals specializing in behavioral health³. This results in a total of 4,221 beds available among all four provider types able to bill AHCCCS for inpatient psychiatric services during the reporting period. In August 2024, St. Luke's Behavioral Health was required to close, reducing the state's bed availability by 127 beds; however, shortly thereafter, Agave Ridge Behavioral Hospital opened with 100 beds. St. Lukes Behavioral Health Hospital accepted patients who were on Amended Court Ordered Treatment (ACOT), those with co-morbid complex medical and behavioral health issues, and adolescents where Agave Ridge Behavioral Hospital only accepted voluntary, adult behavioral health patients.

An occupancy rate of approximately 88% at any given time during the reporting period. This is a sharp increase from the 61.57% occupancy reported in 2023. Arizona has seen an increase in overall population in addition

¹ Data Source: AHCCCS Encounter and Claims Data.

² <https://www.azdhs.gov/licensing/index.php#databases>

³ <https://www.azdhs.gov/licensing/index.php#databases>

Inpatient Psychiatric Treatment Availability

to provider reports that acuity of behavioral health symptomology is increasingly severe is being observed in both youth and adult populations resulting in more people requiring hospitalization for their symptomatology and for longer periods of time. Based on increasing occupancy rates and ongoing reports from members, providers, and communities, AHCCCS has partnered with AHCCCS Complete Care Contractors with Regional Behavioral Health Agreements (ACC-RBHAs) to bolster access to quality evidence-based practices such as Assertive Community Treatment and Permanent Supported Housing throughout for adults and Therapeutic Foster Care and Wraparound Services for children and youth throughout the state to provide earlier and intensive outpatient intervention and reduce the need for inpatient psychiatric treatment. Mental Health Block Grant ARPA funding is also being leveraged to stand up two crisis stabilization and behavioral health residential facilities for youth and families in the historically underserved Northern region. St. Lukes Behavioral Health Hospital is reportedly also looking to re-open under new ownership within the next year.

The reporting period for this report includes claims and encounters for the time period of January 1 through October 15 of any given calendar year. Due to AHCCCS standard billing practice that gives Contractors 90 days to submit claims; claims between October 16 and December 31 are not included in this report⁴.

Expenditures on Inpatient Psychiatric Treatment

Table 1 displays data for all psychiatric inpatient stays for AHCCCS members separately for adults who are at least 21 years of age and for children/adolescents who are 20 years of age or younger between January 1, 2024 and October 15, 2024.

Table 1. Expenditures: Inpatient Psychiatric Treatment⁵

	Members Less than 21 Years of Age	Members Aged 21 and Older
Total Expenditures 1/1 - 10/15, 2024	\$116,542,297	\$279,055,864

Total Number of Individuals in State Who are Sent Out of State for Inpatient Psychiatric Care

Table 2 displays data for all out-of-state psychiatric inpatient stays for AHCCCS members separately for adults who are at least 21 years of age and for children/adolescents who are 20 years of age or younger between January 1, 2024 and October 15, 2024.

Table 2. Unique Members Receiving Inpatient Psychiatric Services Out of State⁶

	Members Less than 21 Years of Age	Members Aged 21 and Older

⁴ The timeframe included in this report is specific to this legislative report and can not be compared to other reports.

⁵ Data Source: AHCCCS Encounter and Claims Data.

⁶ Data Source: AHCCCS Encounter and Claims Data.

Inpatient Psychiatric Treatment Availability

Unique members with one or more psychiatric inpatient stay(s) out of state, 1/1 - 10/15, 2024	104	109
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Prevalence of Psychiatric Boarding or Holding of Psychiatric Patients in Emergency Rooms for At Least Twenty-Four Hours Before Transferring Patient to a Psychiatric Facility

AHCCCS requires the Managed Care Organizations (MCOs) to monitor the number of members and time spent waiting in the emergency department (ED) for placement at a psychiatric facility and to coordinate care and monitor potential quality of care concerns. AHCCCS requires the MCOs to engage in care coordination with the hospital once an individual has been identified as awaiting discharge to the appropriate level of care in the community. AHCCCS is spearheading the standardization of the reporting methodology for this metric between the Health Information Exchange (HIE) and the MCOs.

As a long-term goal, AHCCCS is working to gain access to direct source data from hospitals to utilize for monitoring and oversight. Utilizing the direct source data from the hospitals will provide more accurate reflection of this metric. Over the last year, AHCCCS facilitated collaborative meetings with hospital systems and MCO leadership to increase bed capacity and expedite discharges for those pending psychiatric admissions to community settings that appropriately met their level of care needs.

CONCLUSION

AHCCCS continues to monitor and report on psychiatric inpatient service utilization, bed availability, and how access to inpatient psychiatric care and overall psychiatric inpatient network capacity impacts members. AHCCCS aims to engage in additional tracking and oversight of in-patient services both in and out of state for Arizona residents in the coming year. AHCCCS Child System of Care Team monitors the number of children ages 0-21 who are sent out-of-state for psychiatric inpatient treatment and works to ensure that providers and Contractors are meeting the needs of child members and engaging in thorough oversight of services despite the provider being out-of-state.