

January 2, 2025

The Honorable Katie Hobbs
Governor of Arizona
1700 W Washington
Phoenix, Arizona 85007

The Honorable Warren Petersen
President of the Senate
Arizona State Senate
1700 W Washington
Phoenix, Arizona 85007

The Honorable Ben Toma
Speaker of the House
Arizona House of Representatives
1700 W Washington
Phoenix, Arizona 85007

Dear Governor Hobbs, President Petersen, and Speaker Toma:

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,



Carmen Heredia
Director

cc: Sarah Brown, Director, Governor's Office of Strategic Planning and Budgeting
Richard Stavneak, Director, Joint Legislative Budget Committee
Zaida Dedolph Picoro, Governor's Office Health Policy Advisor

Behavioral Health Services
Annual Report
Fiscal Year 2024

December 2024



Behavioral Health Services Annual Report Fiscal Year 2024

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Behavioral Health Services Annual Report Fiscal Year 2024

Behavioral Health Services 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) 2024, 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.

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Behavioral Health Services Programmatic and Financial Report

Expenditures

Table 1 provides FY 2024 behavioral health expenditures by funding source. The FY 2024 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:

Total Behavioral Health Services Expenditures by Funding Source FY 2024		
Funding	Amount Paid	Percentage
General Fund - Medicaid	641,274,100	20.85%
Tobacco Tax Funds – Medically Needy Account	35,565,800	1.16%
Tobacco Tax Funds – Proposition 204 Protection Account	5,000,000	0.16%
Tobacco Tax Funds – Tobacco Litigation Settlement	30,154,400	0.98%
TXIX and TXXI Medicaid Federal Grant Awards	2,028,027,000	65.94%
Non TXIX General Fund	104,304,400	3.39%
Substance Abuse Services Fund	2,250,200	0.07%
Federal Grant - MHBG	42,216,500	1.38%
Federal Grant - SABG	64,935,300	2.11%
Federal Grants (Opioid/Other)	36,665,000	1.19%
County Funds	78,130,300	2.54%
SMI Housing Trust Fund	423,300	0.01%
Substance Use Disorder Funds	1,445,400	0.05%
Other (Liquor Service Fees)	5,120,100	0.17%
Total	3,075,511,800	100.00%
<i>TXIX/TXXI</i>	<i>2,740,021,300</i>	<i>89.09%</i>
<i>Non-TXIX/Non-TXXI</i>	<i>335,490,500</i>	<i>10.91%</i>

Table 2 on the following page provides FY 2024 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.

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Table 2:

Total Behavioral Health Services Expenditures by Behavioral Health Category FY 2024			
Behavioral Health Category	TXIX/TXXI Funding	Non-TXIX/Non-TXXI Funding	Total
Seriously Mentally Ill	748,300,145	144,711,751	893,011,896
Children with Severe Emotional Disabilities	366,149,478	21,725,642	387,875,120
Alcohol and Drug Abuse	685,571,541	55,130,852	740,702,393
Other Mental Health	940,000,136	113,922,256	1,053,922,391
Total	2,740,021,300	335,490,500	3,075,511,800

Members Served

Table 3 provides counts of members served in FY 2024 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 2024. 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 in FY 2024 by Behavioral Health Category			
Behavioral Health Category	TXIX/TXXI Eligibility	Non-TXIX/Non-TXXI Eligibility	Total
Seriously Mentally Ill	48,148	18,946	59,428
Children with Severe Emotional Disabilities	75,106	7,232	81,283
Alcohol and Drug Abuse	127,868	13,722	137,416
Other Mental Health	572,659	37,801	605,649
Total	664,842	66,650	714,823