

March 12, 2025

The Honorable Katie Hobbs  
Governor of Arizona  
State Capitol  
1700 West Washington  
Phoenix, AZ 85007

The Honorable Warren Petersen, President  
Arizona State Senate  
1700 West Washington  
Phoenix, AZ 85007

The Honorable Steve Montenegro, Speaker  
Arizona State House of Representatives  
1700 West Washington  
Phoenix, AZ 85007

Dear Governor Hobbs, President Petersen, and Speaker Montenegro:

In accordance with Laws 2022, Second Regular Session, Chapter 305, (ARS § 36-3432) Arizona Health Care Cost Containment System (AHCCCS) has completed a review of children who received behavioral health services during State Fiscal Year (SFY) 2022 (July 1, 2021 – June 30, 2022) and State Fiscal Year (SFY) 2023 (July 1, 2022 – June 30, 2023).

Sincerely,



Carmen Heredia  
Director

CC: Meaghan Kramer, Health Policy Advisor, Office of Governor

**ARS § 36-3432**  
**Annual Children's System Report**

**For The Period:**  
**State Fiscal Year (SFY) 2022**  
**(July 1, 2021 – June 30, 2022)**  
**And**  
**State Fiscal Year (SFY) 2023**  
**(July 1, 2022 – June 30, 2023)**

**February 2025**

# ARS § 36-3432 Annual Children’s System Report

## Background

The Arizona Revised Statute § 36-3432 requires the following:

### *System plan; annual report*

*The administration shall develop a plan for each fiscal year identifying the services, the estimated number of clients and an appropriations request for the purposes of systematic development and implementation of the comprehensive behavioral health service system for children. The plan shall be presented to the speaker of the house of representatives, the president of the senate and the governor on or before November 1 of each year.*

In accordance with Laws 2022, Second Regular Session, Chapter 305, Arizona Health Care Cost Containment System (AHCCCS) has completed a review of children who received behavioral health services during State Fiscal Year (SFY) 2022 (July 1, 2021 – June 30, 2022) and State Fiscal Year (SFY) 2023 (July 1, 2022 – June 30, 2023).

This report is comprised of information related to children enrolled in AHCCCS and Fee-for-Service, which includes the Managed Care Organizations (MCOs), American Indian Health Program (AIHP), Arizona Complete Care with Regional Behavioral Health Agreements (ACC-RHBAs), and Tribal Regional Behavioral Health Authorities (TRBHAs). Youth who are uninsured or underinsured and designated with a Serious Emotional Disturbance (SED) receiving services funded by the Mental Health Block Grant (MHBG) are also included in this report. Members are identified by behavioral health category and age (under 18 years old) during SFY2022 and SFY2023.

In State Fiscal Year 2023, the AHCCCS Office of Inspector General and the Arizona Attorney General’s Office launched a multiagency review and investigation of potential fraud, waste, and abuse among behavioral health residential and outpatient services throughout the state. AHCCCS identified irregular billing patterns of these services with alleged criminal activity targeting Indigenous peoples and other vulnerable Arizonans. In subsequent months, AHCCCS enacted payment suspensions as the result of credible allegations of fraud against multiple registered behavioral health providers. System-wide fraudulent claims and encounter data impacts the information presented in this report for SFY2022 and SFY2023.

AHCCCS maintains a comprehensive, integrated, behavioral health service system for children, which includes:

1. Annual needs assessment and resource assessment conducted through actuarial review and evaluation of system expenditures and capitation rates annually<sup>1</sup>.
2. Annual planning to develop policies, programs, and services in partnership with Managed Care Organizations<sup>2</sup>, providers, tribal partners, and other system stakeholders.
3. Community education to increase public awareness of the needs of children, to include system of care trainings through National Wraparound Implementation Center beginning in 2024<sup>3</sup>.
4. Centralized and coordinated screening and intake<sup>4</sup>.

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<sup>1</sup> <https://www.azahcccs.gov/shared/Downloads/Reporting/2023/AHCCCSAnnualBHRReportSFY22.pdf>

<sup>2</sup> [https://www.azahcccs.gov/shared/Downloads/Reporting/2023/AHCCCS\\_ClinicalOversightReport.pdf](https://www.azahcccs.gov/shared/Downloads/Reporting/2023/AHCCCS_ClinicalOversightReport.pdf)

<sup>3</sup>

<https://www.azahcccs.gov/Resources/Downloads/NationalWraparoundImplementationCenterWraparoundProcessUsersGuide2024.pdf>

<sup>4</sup> <https://www.azahcccs.gov/shared/Downloads/MedicalPolicyManual/300/320-O.pdf>

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5. Coordinated case management<sup>5</sup>.
6. A continuum of treatment services<sup>6</sup>, which may include the following:
  - (a) Home-based services.
  - (b) Prevention and early intervention.
  - (c) Psychological evaluation and consultation.
  - (d) Ancillary support services.
  - (e) Crisis intervention.
  - (f) Outpatient counseling.
  - (g) Independent living services.
  - (h) Secure residential treatment services for children with serious emotional disturbance.
  - (i) Residential treatment services for children's substance abuse.
  - (j) Psychiatric hospitalization services.

The primary goal of the children’s behavioral health system is to provide a comprehensive continuum of care to support the child and family in the least restrictive, most effective manner. AHCCCS monitors qualitative and quantitative data related to the various aspects of the children’s system of care to ensure quality and efficacy of services, including the data in this report. AHCCCS monitors progress and implements system enhancements to support existing and forecasted needs based on the data, stakeholder and member feedback, and best practice standards.

### Child Member Enrollment by Geographic Service Area and Eligibility Category

There were 190,803 child members aged 0-17 enrolled in AHCCCS and Fee-For-Service during SFY 2022 and 215,326 child members aged 0-17 enrolled in AHCCCS and Fee-For-Service during SFY 2023. As presented in Table I below, the majority of the state’s child population were enrolled within the Central Geographic Service Area (GSA) consisting of Maricopa, Pinal, and Gila Counties.

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<sup>5</sup> <https://www.azahcccs.gov/shared/MedicalPolicyManual/#Ch500>;  
<https://www.azahcccs.gov/shared/Downloads/MedicalPolicyManual/500/580.pdf>

<sup>6</sup> <https://www.azahcccs.gov/shared/Downloads/MedicalPolicyManual/500/580.pdf>. List found at Arizona Revised Statute § 36-3431.

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**Table I – SFY 2022 and SFY 2023 Child Member Enrollment by Geographic Service Area and Eligibility Category**

Number of Enrolled Children Aged 0-17 listed by GSA and Funding Source SFY 2022 <sup>7</sup>								
<b>Central</b>	TXIX	117,819	TXXI	7,099	Non-TXIX/XXI	5,533	Total	128,271
<b>North</b>	TXIX	17,833	TXXI	916	Non-TXIX/XXI	507	Total	18,963
<b>South</b>	TXIX	41,400	TXXI	2,597	Non-TXIX/XXI	1,722	Total	44,863
<b>Total</b>	<b>TXIX</b>	<b>175,847</b>	<b>TXXI</b>	<b>10,594</b>	<b>Non-TXIX/XXI</b>	<b>7,713</b>	<b>Total</b>	<b>190,803</b>
Number of Enrolled Children Aged 0-17 listed by GSA and Funding Source SFY 2023 <sup>8</sup>								
<b>Central</b>	TXIX	132,846	TXXI	9,523	Non-TXIX/XXI	7,293	Total	146,334
<b>North</b>	TXIX	19,455	TXXI	1,167	Non-TXIX/XXI	818	Total	20,955
<b>South</b>	TXIX	45,414	TXXI	3,330	Non-TXIX/XXI	2,334	Total	49,700
<b>Total</b>	<b>TXIX</b>	<b>196,160</b>	<b>TXXI</b>	<b>14,000</b>	<b>Non-TXIX/XXI</b>	<b>10,380</b>	<b>Total</b>	<b>215,326</b>

During SFY 2022 and SFY 2023, the majority of enrolled child members were Title XIX and Title XXI (Medicaid funds). The remaining enrollees were Non-Title XIX/XXI. Services for Non-Title XIX/XXI members were funded using a combination of state, local, and federal block grant funds.

### Number of Behavioral Health Children Served and Amounts Paid for Services by Geographic Service Area and Eligibility Category

The Medicaid and non-Medicaid behavioral health expenditures for SFY 2022 and 2023 are provided in Tables II and III below.

In this report, behavioral health services are defined as a service provided to an individual under the age of 18 with a primary behavioral health diagnosis or a pharmacy claim that is behavioral health related, as defined by AHCCCS clinical criteria. Expenditure data includes MCOs and Fee-For-Service (FFS) providers. Children may move across the various eligibility categories throughout the year and amounts spent are reflected in Tables II and

<sup>7</sup> Children are counted in TXIX, TXXI, and NTXIX/XXI columns if they used services under either eligibility categories during SFY 2022. Distinct member count enrollment summaries for GSA and member populations are distinct in total. The statewide total will not equal the summation of the three GSAs due to members moving between GSAs during the year. As a result, individual child counts reported do not sum to the totals in the table.

<sup>8</sup> Children are counted in TXIX, TXXI, and NTXIX/XXI columns if they used services under either eligibility categories during SFY 2023. Distinct member count enrollment summaries for GSA and member populations are distinct in total. The statewide total will not equal the summation of the three GSAs due to members moving between GSAs during the year. As a result, individual child counts reported do not sum to the totals in the table.

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III.

As presented in Tables II and III, most of the state's child population were enrolled within the Central Geographic Service Area (GSA) and were Title XIX and Title XXI.

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**Table II – SFY 2022 Total Services and Amount Spent for Enrolled Children by GSA and Eligibility**

Number of Total Services to Enrolled Children Aged 0-17 SFY 2022 <sup>9</sup>								
<b>Central</b>	NTXIX/XXI	100,372	TXIX	5,908,262	TXXI	115,122	Total	6,123,756
<b>North</b>	NTXIX/XXI	9,982	TXIX	698,463	TXXI	18,891	Total	727,336
<b>South</b>	NTXIX/XXI	19,677	TXIX	1,558,514	TXXI	39,351	Total	1,617,542
<b>Total</b>	<b>NTXIX/XXI</b>	<b>130,031</b>	<b>TXIX</b>	<b>8,165,239</b>	<b>TXXI</b>	<b>173,364</b>	<b>Total</b>	<b>8,468,634</b>
Amount spent on services for Enrolled Children Aged 0-17 SFY 2022								
<b>Central</b>	NTXIX/XXI	\$929,619	TXIX	\$652,612,399	TXXI	\$17,157,736	Total	\$670,699,754
<b>North</b>	NTXIX/XXI	\$740,225	TXIX	\$112,601,463	TXXI	\$2,704,753	Total	\$116,046,441
<b>South</b>	NTXIX/XXI	\$2,244,924	TXIX	\$185,295,042	TXXI	\$5,870,361	Total	\$193,410,327
<b>Total</b>	<b>NTXIX/XXI</b>	<b>\$3,914,768</b>	<b>TXIX</b>	<b>\$950,508,904</b>	<b>TXXI</b>	<b>\$25,732,850</b>	<b>Total</b>	<b>\$980,156,522</b>

**Table III - SFY 2023 Total Services and Amount Spent for Enrolled Children by GSA and Eligibility**

Number of Total Services to Enrolled Children Aged 0-17 SFY 2023 <sup>10</sup>								
<b>Central</b>	NTXIX/XXI	132,265	TXIX	6,051,739	TXXI	141,921	Total	6,325,925
<b>North</b>	NTXIX/XXI	13,996	TXIX	707,622	TXXI	20,722	Total	742,340
<b>South</b>	NTXIX/XXI	37,328	TXIX	1,692,507	TXXI	52,737	Total	1,782,572
<b>Total</b>	<b>NTXIX/XXI</b>	<b>183,589</b>	<b>TXIX</b>	<b>8,451,868</b>	<b>TXXI</b>	<b>215,380</b>	<b>Total</b>	<b>8,850,837</b>
Amount spent on services for Enrolled Children Aged 0-17 SFY 2023								
<b>Central</b>	NTXIX/XXI	\$1,104,145	TXIX	\$815,592,187	TXXI	\$23,870,966	Total	\$840,567,298
<b>North</b>	NTXIX/XXI	\$1,377,301	TXIX	\$130,355,152	TXXI	\$3,018,202	Total	\$134,750,655
<b>South</b>	NTXIX/XXI	\$3,365,803	TXIX	\$230,962,164	TXXI	\$8,364,497	Total	\$242,692,464
<b>Total</b>	<b>NTXIX/XXI</b>	<b>\$5,847,249</b>	<b>TXIX</b>	<b>\$1,176,909,503</b>	<b>TXXI</b>	<b>\$35,253,665</b>	<b>Total</b>	<b>\$1,218,010,417</b>

<sup>9</sup> Children are counted in TXIX, TXXI, and NTXIX/XXI columns if they used services under either eligibility categories during SFY 2022. Distinct member count enrollment summaries for GSA and member populations are distinct in total. The statewide total will not equal the summation of the three GSAs due to members moving between GSAs during the year. As a result, individual child counts reported do not sum to the totals in the table.

<sup>10</sup> Children are counted in TXIX, TXXI, and NTIX/XXI columns if they used services under either eligibility categories during SFY 2023. Distinct member count enrollment summaries for GSA and member populations are distinct in total. The statewide total will not equal the summation of the three GSAs due to members moving between GSAs during the year. As a result, individual child counts reported do not sum to the totals in the table.

### Behavioral Health Service Utilization by Behavioral Health Service Type and Eligibility Category

#### Home-Based Services

Home-based services are described as services that are provided in the home rather than in offices or facility settings. In addition, home-based services are provided in partnership with the family and are trauma-focused and culturally appropriate. Home-based services are meant to restore, enhance, and maintain the child's functions to increase the child and family's ability to effectively interact and care for the child in their own home environment. AHCCCS has undertaken a project with the University of Connecticut (UCONN) to implement best practices for serving children and families with nationally recognized models for guiding service delivery for children to remain in their homes and prevent use of higher level and more costly services such as inpatient and residential facilities. UCONN's Innovations Institute uses implementation science to install multiple models of evidence-based practice in states. Children and their families needing services to stabilize and prevent escalation of needs or behaviors have been minimal. Services offered to families who fall into this category are rarely focused on preventing escalation of behaviors or needs that result in a child needing high needs care coordination. The FOCUS model offers a preventative level of care that is an empirically based program with a targeted approach to working with children and families that provides support and whole-family stabilization prior to the child member receiving a Child and Adolescent Level of Care Utilization System (CALOCUS) score of 4, 5, or 6 (indicating the need for intensive, high needs, and/or crisis level intervention). The Mobile Response Stabilization Services (MRSS) model offers a mobile response and up to eight weeks of stabilization services for children, youth, and families to address urgent behavioral health needs to offset the need for future more intensive services by determining needs and establishing connection to care before problems become more complex. The goal of MRSS implementation is to prevent unnecessary Emergency Department (ED) visits, inpatient/residential placements, child welfare placement disruptions, and to improve outcomes for children and families while reducing overall system costs. The Wraparound model is a researched based care coordination model targeted at keeping children with complex behavioral health needs at home with their family (and therefore out of placements in residential levels of care settings). UCONN is also assisting AHCCCS in analyzing the state's current care pathways and how AHCCCS can make intentional changes to improve the way children and families access the continuum of behavioral health services throughout Arizona. All three models are validated and supported by qualitative and quantitative research and include programmatic strategies to ensure fidelity to each model while promoting the provision of excellent, responsive services to children and their families seeking behavioral health services. AHCCCS is capitalizing on these models to enhance our ability to ensure that Arizona children and families are receiving the right services at the right time, in the least restrictive environment.

Pursuant to A.R.S. 8-512.01, AHCCCS is required to report annually on a number of requirements for purposes of ensuring easier access to behavioral health services for children in the legal custody of the Department of Child Safety (DCS) and adopted children who are Medicaid eligible under Title XIX or XXI. AHCCCS has taken steps to simplify members' ability to access behavioral health care services in addressing the needs of children in out-of-home care known as Jacob's Law. AHCCCS tracks the number of grievances filed for members in the custody of DCS that do not receive services within the 21 days required by Jacob's Law and requires managed care organization address issues associated with behavioral health service delivery to members in



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the custody of DCS. Reporting for these efforts is provided to legislation as required by law<sup>11</sup>.

Home-based services represent an important function for members and services provided and amount paid are shown for SFY 2022 and SFY 2023 in the following Table IV.

**Table IV - SFY 2022 and SFY 2023 Child Member Number of Services and Cost for Home-based Services by Eligibility Category**

Number of Homebased Services to Enrolled Children Aged 0-17 SFY 2022												
GSA	Funding Source	# of Services	Cost	Funding Source	# of Services	Cost	Funding Source	# of Services	Cost	Total	# of Services	Cost
Central	NTXIX/XXI	4,624	\$16,603	TXIX	57,845	\$6,728,719	TXXI	1,874	\$140,191	Total	64,343	\$6,885,513
North	NTXIX/XXI	104	\$6,313	TXIX	10,571	\$1,111,583	TXXI	202	\$19,054	Total	10,877	\$1,136,950
South	NTXIX/XXI	511	\$28,732	TXIX	32,653	\$2,319,239	TXXI	1,223	\$85,648	Total	34,387	\$2,433,619
<b>Total</b>	<b>NTXIX/XXI</b>	<b>5,239</b>	<b>\$51,648</b>	<b>TXIX</b>	<b>101,069</b>	<b>\$10,159,541</b>	<b>TXXI</b>	<b>3,299</b>	<b>\$244,893</b>	<b>Total</b>	<b>109,607</b>	<b>\$10,456,082</b>
Number of Homebased Services to Enrolled Children Aged 0-17 SFY 2023												
GSA	Funding Source	# of Services	Cost	Funding Source	# of Services	Cost	Funding Source	# of Services	Cost	Total	# of Services	Cost
Central	NTXIX/XXI	5,485	\$13,000	TXIX	54,423	\$12,570,253	TXXI	2,082	\$156,101	Total	61,990	\$12,739,354
North	NTXIX/XXI	100	\$6,756	TXIX	10,650	\$1,761,702	TXXI	277	\$28,281	Total	11,027	\$1,796,739
South	NTXIX/XXI	979	\$43,930	TXIX	33,102	\$3,347,952	TXXI	1,380	\$97,487	Total	35,461	\$3,489,369
<b>Total</b>	<b>NTXIX/XXI</b>	<b>6,564</b>	<b>\$63,686</b>	<b>TXIX</b>	<b>98,175</b>	<b>\$17,679,907</b>	<b>TXXI</b>	<b>3,739</b>	<b>\$281,869</b>	<b>Total</b>	<b>108,478</b>	<b>\$18,025,462</b>

### Prevention and Early Intervention

Prevention and early intervention are imperative for minimizing the impact of any serious health condition and this is equally relevant for behavioral health conditions. Recent evidence in the field of youth mental health suggests that half of all mental health disorders begin by age 14 and the children’s system of care at AHCCCS supports and continues to pursue multiple and integrated prevention and early intervention initiatives to support positive outcomes for youth and lifelong holistic wellbeing.

A major goal for the children’s system is to advance behavioral health initiatives within schools, fostering a supportive environment that promotes the mental well-being and academic success of all students. The Behavioral Health in Schools program, in partnership with the Arizona Department of

<sup>11</sup> Legislative reporting can be found at <https://www.azahcccs.gov/Resources/Reports/state.html>.

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Education (ADE), has been instrumental in expanding mental health services for students across the state. In Contract Year 2022, 9,808 students were referred for behavioral health services<sup>12</sup>, with 1,032 utilizing funding from the Children's Behavioral Health Services Fund (CBHSF). This increased further in 2023, with 840 students receiving CBHSF services, up from 711 in 2022. Note: services included individuals up to the age of 21.99 as the requirement was for an education institution to provide the referral which does include higher learning institutions recognized by the state. The top services provided included treatment services (assessment, evaluation, and psychotherapy) (55.34%), case management (26.18%), rehabilitation (11.11%), and family support (3.33%). This growth highlights the increasing demand for school-based mental health services and AHCCCS's critical role in addressing these needs.

Project AWARE I (2018-2023), funded by SAMHSA, focused on increasing mental health awareness, promoting early intervention, and improving school capacity to respond to mental health needs. By the end of Project AWARE I, 22,084 individuals were trained in mental health-related practices, far exceeding the goal of 8,700. In addition, 8,972 students were referred to mental health services, and 80% of referred students received services. Project AWARE II (2021-2026) continues these efforts, expanding the infrastructure and services. As of Year 3, Project AWARE II trained 1,370 individuals and made 346 mental health referrals, with 71% of students accessing services. The initiative also reached over 7,959 individuals through campaigns focused on mental health education.

Together, the AHCCCS Behavioral Health in Schools program and Project AWARE initiatives have significantly expanded access to critical behavioral health services in Arizona schools. The combined efforts have increased awareness, reduced stigma, and improved school-based mental health services, creating a stronger support system for students. The partnerships and collaborative efforts between AHCCCS, ADE, and local education agencies have been key in developing sustainable mental health infrastructures that continue to serve thousands of students each year.

The federal Mental Health Block Grant (MHBG) issued to states by the Substance Abuse and Mental Health Services Administration (SAMHSA) on an annual basis have a mandatory ten percent set aside of funding for first-episode psychosis (FEP). The symptoms of psychosis commonly first appear in late adolescence or early adulthood and the period referred to as FEP is the first five years after the onset of psychotic symptoms; however based on the fear, stigma, stress, and not knowing where to find support, many young people go untreated for a year on average. Early intervention is imperative at this clinically significant time for this population using a shared decision-making framework through use of the national evidence-based practice, Coordinated Specialty Care (CSC). Arizona leverages the current Regional Behavioral Health Agreements (RBHAs) and Tribal Regional Behavioral Health Authorities (TRBHAs) that are providing First Episode Psychosis (FEP) services. Services and support will be enhanced through these FEP providers include: funding of additional FEP positions to provide outreach and treatment services, training and staff time to participate in the following evidence-based practices in addition to the CSC model to treat individuals with FEP: Eye Movement Desensitization and Reprocessing (EMDR), and Cognitive Enhancement Therapy (CET). Community education regarding the symptoms of first episode psychosis is included in these efforts to reduce the stigma

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<sup>12</sup> Legislative reporting can be found at <https://www.azahcccs.gov/Resources/Reports/state.html>.

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and enhance public awareness of the resources available for early intervention and improved long term outcomes.

Prevention and early intervention service category for members and services provided and amount paid are shown for SFY 2022 and SFY 2023 in the following Table V.

**Table V - SFY 2022 and SFY 2023 Child Member Number of Services and Cost for Prevention and Early Intervention Services by Eligibility Category**

Number of Prevention and Early Intervention Services to Enrolled Children Aged 0-17 SFY 2022												
GSA	Funding Source	# of Services	Cost	Funding Source	# of Services	Cost	Funding Source	# of Services	Cost	Total	# of Services	Cost
Central	NTXIX/XXI	311	\$352	TXIX	6,531	\$757,558	TXXI	361	\$41,132	Total	7,203	\$799,042
North	NTXIX/XXI	11	\$327	TXIX	509	\$27,965	TXXI	18	\$995	Total	538	\$29,287
South	NTXIX/XXI	34	\$1,034	TXIX	2,248	\$452,943	TXXI	109	\$11,448	Total	2,391	\$465,425
<b>Total</b>	<b>NTXIX/XXI</b>	<b>356</b>	<b>\$1,713</b>	<b>TXIX</b>	<b>9,288</b>	<b>\$1,238,466</b>	<b>TXXI</b>	<b>488</b>	<b>\$53,575</b>	<b>Total</b>	<b>10,132</b>	<b>\$1,293,754</b>
Number of Prevention and Early Intervention Services to Enrolled Children Aged 0-17 SFY 2023												
GSA	Funding Source	# of Services	Cost	Funding Source	# of Services	Cost	Funding Source	# of Services	Cost	Total	# of Services	Cost
Central	NTXIX/XXI	583	\$378	TXIX	5,810	\$548,296	TXXI	425	\$48,947	Total	6,818	\$597,621
North	NTXIX/XXI	39	\$1,690	TXIX	1,333	\$488,422	TXXI	50	\$1,438	Total	1,422	\$491,550
South	NTXIX/XXI	11	\$176	TXIX	1,049	\$19,218	TXXI	131	\$40,660	Total	1,191	\$60,054
<b>Total</b>	<b>NTXIX/XXI</b>	<b>633</b>	<b>\$2,244</b>	<b>TXIX</b>	<b>8,192</b>	<b>\$1,055,936</b>	<b>TXXI</b>	<b>606</b>	<b>\$91,045</b>	<b>Total</b>	<b>9,431</b>	<b>\$1,149,225</b>

### Psychological Evaluation and Consultation

AHCCCS supports a comprehensive variety of behavioral health evaluation and consultation services for youth throughout the continuum of behavioral health care. AHCCCS adopted the Child and Adolescent Level of Care Utilization System (CALOCUS) in 2021 for use with children 6 to 18 years of age as a standardized assessment scoring tool to assist in the determination of the appropriate intensity of services needed by a child or adolescent and their family. The CALOCUS guides service planning and treatment outcome monitoring in all clinical and community-based settings. This tool identifies children with complex needs that are at-risk of being placed in an out-of-home placement. AHCCCS requires that behavioral health providers assign children with complex needs to high needs case management. The intention is to partner with the family in a team-approach and provide all the support and services needed to keep the child in their home with the family. This approach is more cost effective, and research has shown that it has better outcomes for children.

AHCCCS purchased provider training for use of the Early Childhood Service Intensity Instrument (ECSII) in 2022 that ended in March 2024. ECSII is the stand-alone screening tool for assessment of children birth through five for identification of infants and toddlers at the highest need for intervention. 414 providers throughout the state were trained in the use of this tool. The value of the ECSII lies in its ability to conduct evaluations of these risk and

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protective factors at the most critical years of brain development. ECSII use has provided an advanced pathway to intervention and treatment strategies that build the capacity of the parents and/or caregivers to support healthy child development. Use of the ECSII tool, in combination with use of the CALOCUS, will allow providers guidance tools that ultimately offer a total life-span approach to assessment of need across all AHCCCS service delivery programs.

The psychological evaluation and consultation service category for members and services provided and amount paid are shown for SFY 2022 and SFY 2023 in the following Table VI.

**Table VI - SFY 2022 and SFY 2023 Child Member Number of Services and Cost for Psychological Evaluation and Consultation by Eligibility Category**

Number of Psychological Evaluation and Consultation Services to Enrolled Children Aged 0-17 SFY 2022												
GSA	Funding Source	# of Services	Cost	Funding Source	# of Services	Cost	Funding Source	# of Services	Cost	Total	# of Services	Cost
Central	NTXIX/XXI	6,095	\$91,053	TXIX	131,092	\$22,083,615	TXXI	7,283	\$1,131,483	Total	144,470	\$23,306,151
North	NTXIX/XXI	593	\$90,126	TXIX	15,643	\$3,347,484	TXXI	741	\$164,023	Total	16,977	\$3,601,633
South	NTXIX/XXI	1,796	\$284,483	TXIX	39,692	\$6,689,162	TXXI	2,098	\$328,825	Total	43,586	\$7,302,470
<b>Total</b>	<b>NTXIX/XXI</b>	<b>8,484</b>	<b>\$465,662</b>	<b>TXIX</b>	<b>186,427</b>	<b>\$32,120,261</b>	<b>TXXI</b>	<b>10,122</b>	<b>\$1,624,331</b>	<b>Total</b>	<b>205,033</b>	<b>\$34,210,254</b>
Number of Psychological Evaluation and Consultation Services to Enrolled Children Aged 0-17 SFY 2023												
GSA	Funding Source	# of Services	Cost	Funding Source	# of Services	Cost	Funding Source	# of Services	Cost	Total	# of Services	Cost
Central	NTXIX/XXI	8,234	\$70,969	TXIX	166,050	\$26,857,070	TXXI	11,191	\$1,662,279	Total	185,475	\$28,590,318
North	NTXIX/XXI	731	\$167,003	TXIX	16,540	\$3,934,958	TXXI	928	\$239,881	Total	18,199	\$4,341,842
South	NTXIX/XXI	2,829	\$448,515	TXIX	49,077	\$8,894,452	TXXI	2,937	\$477,839	Total	54,843	\$9,820,806
<b>Total</b>	<b>NTXIX/XXI</b>	<b>11,794</b>	<b>\$686,487</b>	<b>TXIX</b>	<b>231,667</b>	<b>\$39,686,480</b>	<b>TXXI</b>	<b>15,056</b>	<b>\$2,379,999</b>	<b>Total</b>	<b>258,517</b>	<b>\$42,752,966</b>

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### Ancillary Support Services

Ancillary Support Services include medical and nursing services, pharmacy services (including medication), and transportation services.

In partnership with the Center for Medicare and Medicaid Services (CMS), AHCCCS monitors the following performance metrics for children to monitor care:

Measure <sup>13</sup>	Calendar Year (CY) 2021 Rate <sup>14</sup>	Calendar Year (CY) 2022 Rate <sup>15</sup>
Metabolic Monitoring for Children and Adolescents on Antipsychotics - Blood Glucose and Cholesterol Testing (Total 1-17 Years)	40.3%	40.8%
Follow-Up After Emergency Department Visit for Mental Illness - 7 Day Total (6 - 17 Years)	72.2%	68.1%
Follow-Up After Emergency Department Visit for Mental Illness - 30 Day Total (6 -17 Years)	83.0%	79.3%
Follow-Up After Emergency Department Visit for Substance Use <sup>16</sup> - 7 Day Total (13 -17 Years)	7.2%	37.4%
Follow-Up After Emergency Department Visit for Substance Use <sup>17</sup> - 30 Day Total (13 - 17 Years)	10.6%	48.1%

The Metabolic Monitoring for Children and Adolescents on Antipsychotics – Children and adolescents taking antipsychotic medications are at an increased risk for metabolic disorders such as high blood sugar, high cholesterol and weight gain. As such, their metabolic health needs to be monitored to detect and manage potential complications. Blood Glucose and Cholesterol Testing for children and youth of this population being measured demonstrated improvement from calendar year (CY) 2021 to CY 2022 as seen above. Arizona exceeded the CMS Medicaid Median national performance rate of 33.2%.

<sup>13</sup> List of all metrics found on the AHCCCS Performance Measure Data Dashboard at

<https://www.azahcccs.gov/shared/Downloads/Reporting/2023/CY2022PerformanceMeasureDashboard.pdf>

<sup>14</sup> Statewide rates for CY 2021 Measurement Period (January 1, 2021- December 31, 2021) are inclusive of Title XIX and Title XXI populations only.

<sup>15</sup> Statewide rates for CY 2022 Measurement Period (January 1, 2022- December 31, 2022) are inclusive of the Title XIX, Title XXI, and FFS populations. The FFS population was included within the Statewide rates for the first time starting with CY 2022 in order to prepare for the upcoming CMS Core Set mandatory reporting requirements.

<sup>16</sup> The measure name Follow-Up After Emergency Department Visit for Substance Use was previously known as Follow-Up After ED Visit for AOD Abuse of Dependence in CY 2021.

<sup>17</sup> The measure name Follow-Up After Emergency Department Visit for Substance Use was previously known as Follow-Up After ED Visit for AOD Abuse of Dependence in CY 2021.

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Follow-up services with a behavioral health care provider after a visit to the emergency department are associated with improved adherence to medications, decreased suicide risk, and increased engagement in ongoing services. Arizona's Follow-Up After Emergency Department (ED) Visit for Mental Illness (7 and 30 Day) measures demonstrated a decline in performance from CY 2021 to CY 2022; however, Arizona exceeded the CMS Medicaid Median national performance rates of 54.6% (7 Day) and 72.7% (30 Day).

Follow up services with a behavioral health care provider after a visit to the emergency department are associated with a lower likelihood of overdose. The Follow-Up After Emergency Department Visit for Substance Use (7 and 30 Day) measures demonstrated improvement from CY 2021 to CY 2022 and exceeded the most current CY 2021 national performance CMS Medicaid Median rate of 10.6% (30 Day only as 7 day was not available). Substantial changes were made in the measures' technical specifications between the measurement periods and trending of this data is speculative. Yet, AHCCCS participated in a CMS affinity group from 2021-2023 to assist with these specific measures related to follow-up after emergency room visits. AHCCCS was able to affect change by collaboration with two main children's providers to initiate care coordination with rapid response services to children in the ED to support follow-up care processes on the day of discharge from the ED. This system enhancement appears to have provided success in improvement with these measures and with further data collection in future years will solidify the importance of providing immediate and focused care coordination with children and their families.

The Mental Health Block Grant (MHBG) assists in supporting mental health related ancillary services for uninsured and underinsured youth who are designated to have a Serious Emotional Disturbance (SED) to fill in gaps in access to care for our youth with high needs. The Substance Use Block Grant (SUBG) additionally provides support for ancillary services for our youth with cooccurring substance use challenges.

Ancillary support services (including medical/nursing services, pharmacy, and transportation) category for members and services provided and amount paid are shown for SFY 2022 and SFY 2023 in the following Table VII.

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**Table VII - SFY 2022 and SFY 2023 Child Member Number of Services and Cost for variety of Ancillary Support Services by Eligibility Category**

Number of Medical and Nursing Services to Enrolled Children Aged 0-17 SFY 2022												
GSA	Funding Source	# of Services	Cost	Funding Source	# of Services	Cost	Funding Source	# of Services	Cost	Total	# of Services	Cost
Central	NTXIX/XXI	1,125	\$4,396	TXIX	7,756	\$266,719	TXXI	349	\$9,837	Total	9,230	\$280,952
North	NTXIX/XXI	57	\$1,004	TXIX	1,493	\$58,314	TXXI	56	\$1,630	Total	1,606	\$60,948
South	NTXIX/XXI	373	\$11,565	TXIX	3,498	\$99,648	TXXI	162	\$4,216	Total	4,033	\$115,429
<b>Total</b>	<b>NTXIX/XXI</b>	<b>1,555</b>	<b>\$16,965</b>	<b>TXIX</b>	<b>12,747</b>	<b>\$424,681</b>	<b>TXXI</b>	<b>567</b>	<b>\$15,683</b>	<b>Total</b>	<b>14,869</b>	<b>\$457,329</b>
Number of Medical and Nursing Services to Enrolled Children Aged 0-17 SFY 2023												
GSA	Funding Source	# of Services	Cost	Funding Source	# of Services	Cost	Funding Source	# of Services	Cost	Total	# of Services	Cost
Central	NTXIX/XXI	3,178	\$5,319	TXIX	16,637	\$426,305	TXXI	806	\$20,366	Total	20,621	\$451,990
North	NTXIX/XXI	128	\$5,194	TXIX	1,818	\$47,263	TXXI	90	\$2,961	Total	2,036	\$55,418
South	NTXIX/XXI	212	\$6,255	TXIX	3,492	\$74,479	TXXI	231	\$4,375	Total	3,935	\$85,109
<b>Total</b>	<b>NTXIX/XXI</b>	<b>3,518</b>	<b>\$16,768</b>	<b>TXIX</b>	<b>21,947</b>	<b>\$548,047</b>	<b>TXXI</b>	<b>1,127</b>	<b>\$27,702</b>	<b>Total</b>	<b>26,592</b>	<b>\$592,517</b>
Number of Pharmacy Services to Enrolled Children Aged 0-17 SFY 2022												
GSA	Funding Source	# of Services	Cost	Funding Source	# of Services	Cost	Funding Source	# of Services	Cost	Total	# of Services	Cost
Central	NTXIX/XXI	960	\$25,046	TXIX	262,870	\$28,708,091	TXXI	13,835	\$1,604,448	Total	277,665	\$30,337,585
North	NTXIX/XXI	212	\$15,846	TXIX	47,061	\$5,865,557	TXXI	2,464	\$231,566	Total	49,737	\$6,112,969
South	NTXIX/XXI	19	\$1,429	TXIX	98,692	\$10,899,989	TXXI	5,132	\$557,736	Total	103,843	\$11,459,154
<b>Total</b>	<b>NTXIX/XXI</b>	<b>1,191</b>	<b>\$42,321</b>	<b>TXIX</b>	<b>408,623</b>	<b>\$45,473,637</b>	<b>TXXI</b>	<b>21,431</b>	<b>\$2,393,750</b>	<b>Total</b>	<b>431,245</b>	<b>\$47,909,708</b>
Number of Pharmacy Services to Enrolled Children Aged 0-17 SFY 2023												
GSA	Funding Source	# of Services	Cost	Funding Source	# of Services	Cost	Funding Source	# of Services	Cost	Total	# of Services	Cost
Central	NTXIX/XXI	5,612	\$213,930	TXIX	276,273	\$30,264,682	TXXI	16,451	\$1,838,390	Total	298,336	\$32,317,002
North	NTXIX/XXI	386	\$16,773	TXIX	46,351	\$5,869,713	TXXI	2,540	\$234,565	Total	49,277	\$6,121,051
South	NTXIX/XXI	9	\$3,033	TXIX	101,064	\$11,133,523	TXXI	6,143	\$671,892	Total	107,216	\$11,808,448
<b>Total</b>	<b>NTXIX/XXI</b>	<b>6,007</b>	<b>\$233,736</b>	<b>TXIX</b>	<b>423,688</b>	<b>\$47,267,918</b>	<b>TXXI</b>	<b>25,134</b>	<b>\$2,744,847</b>	<b>Total</b>	<b>454,829</b>	<b>\$50,246,501</b>
Number of Transportation Services to Enrolled Children Aged 0-17 SFY 2022												
GSA	Funding Source	# of Services	Cost	Funding Source	# of Services	Cost	Funding Source	# of Services	Cost	Total	# of Services	Cost
Central	NTXIX/XXI	494	\$127,029	TXIX	91,989	\$5,267,970	TXXI	1,229	\$199,870	Total	93,712	\$5,594,869



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<b>North</b>	NTXIX/XXI	201	\$14,879	TXIX	29,772	\$2,160,785	TXXI	853	\$88,536	Total	30,826	\$2,264,200
<b>South</b>	NTXIX/XXI	185	\$78,664	TXIX	28,587	\$1,949,029	TXXI	400	\$73,239	Total	29,172	\$2,100,932
<b>Total</b>	<b>NTXIX/XXI</b>	<b>880</b>	<b>\$220,572</b>	<b>TXIX</b>	<b>150,348</b>	<b>\$9,377,784</b>	<b>TXXI</b>	<b>2,482</b>	<b>\$361,645</b>	<b>Total</b>	<b>153,710</b>	<b>\$9,960,001</b>
Number of Transportation Services to Enrolled Children Aged 0-17 SFY 2023												
<b>GSA</b>	<b>Funding Source</b>	<b># of Services</b>	<b>Cost</b>	<b>Funding Source</b>	<b># of Services</b>	<b>Cost</b>	<b>Funding Source</b>	<b># of Services</b>	<b>Cost</b>	<b>Total</b>	<b># of Services</b>	<b>Cost</b>
<b>Central</b>	NTXIX/XXI	1,117	\$388,255	TXIX	86,276	\$6,998,216	TXXI	1,721	\$300,266	Total	89,114	\$7,686,737
<b>North</b>	NTXIX/XXI	254	\$56,377	TXIX	25,232	\$2,611,821	TXXI	654	\$114,793	Total	26,140	\$2,782,991
<b>South</b>	NTXIX/XXI	248	\$98,685	TXIX	35,752	\$2,679,597	TXXI	853	\$131,336	Total	36,853	\$2,909,618
<b>Total</b>	<b>NTXIX/XXI</b>	<b>1,619</b>	<b>\$543,317</b>	<b>TXIX</b>	<b>147,260</b>	<b>\$12,289,634</b>	<b>TXXI</b>	<b>3,228</b>	<b>\$546,395</b>	<b>Total</b>	<b>152,107</b>	<b>\$13,379,346</b>

### Crisis Intervention

AHCCCS Crisis team focuses on enhancing clinical and quality strategies within Arizona's Crisis System, overseeing crisis activities related to grant implementation that provide crucial Medicaid and Non-Medicaid support across child, adolescent, and adult initiatives. From October of 2022 to June 2024, Arizona’s crisis lines served 37,028 individuals under the age of 18, accounting for approximately 14% of total overall call volume. Metric was not tracked prior to Arizona Contract Year 2022 and therefore data is unavailable from July to September of 2022. The top reasons for children interacting with the crisis line were suicidal ideation, accounting for around 40% of call volume, followed by aggression or danger to others at approximately 20%, then social concerns accounting for approximately 13%. Amongst children, substance abuse is the primary reason for calls to the crisis line in only around 1% of total interactions. During this same period, 27,380 mobile teams were dispatched in response to individuals under the age of 18, accounting for approximately 26% of mobile team demand. 25,796 youths were served in Crisis Stabilization Facilities, approximately 12% of total presentations, though some areas of the state such as the Northern Geographic Service Area (GSA) did not have any Crisis Stabilization Facilities licensed to serve youth during SFY 2022 and 2023.

To meet the needs of children in crisis within these Northern communities, AHCCCS has leveraged MHBG SED ARPA funds in order to expand access to crisis stabilization and prevention services for children in crisis. Funding is supporting start up activities for two dually licensed child stabilization and short term residential transitional facilities in Mohave and Coconino counties, as well as the development of two intensive wraparound teams to support children and families following a crisis event. These initiatives are located in the Northern region of the state as this is the geographic service area identified as having the highest need based on the current lack of bed availability to serve this population. Both wraparound teams are currently operational and accepting referrals within their communities, while development and renovations are currently underway for both facility sites, which are expected to open in late 2025.

Crisis service category for members and services provided and amount paid are shown for SFY 2022 and SFY 2023 in the following Table VIII.



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**Table VIII - SFY 2022 and SFY 2023 Child Member Number of Services and Cost for Crisis Service Category by Eligibility Category**

Number of Crisis Intervention Services to Enrolled Children Aged 0-17 SFY 2022												
GSA	Funding Source	# of Services	Cost	Funding Source	# of Services	Cost	Funding Source	# of Services	Cost	Total	# of Services	Cost
Central	NTXIX/XXI	52,487	\$309,981	TXIX	1,089,741	\$59,898,860	TXXI	40,440	\$2,220,655	Total	1,182,668	\$62,429,496
North	NTXIX/XXI	3,518	\$146,859	TXIX	133,920	\$9,041,816	TXXI	4,611	\$241,442	Total	142,049	\$9,430,117
South	NTXIX/XXI	9,381	\$694,804	TXIX	324,528	\$18,798,147	TXXI	12,614	\$710,518	Total	346,523	\$20,203,469
<b>Total</b>	<b>NTXIX/XXI</b>	<b>65,386</b>	<b>\$1,151,644</b>	<b>TXIX</b>	<b>1,548,189</b>	<b>\$87,738,823</b>	<b>TXXI</b>	<b>57,665</b>	<b>\$3,172,615</b>	<b>Total</b>	<b>1,671,240</b>	<b>\$92,063,082</b>
Number of Crisis Intervention Services to Enrolled Children Aged 0-17 SFY 2023												
GSA	Funding Source	# of Services	Cost	Funding Source	# of Services	Cost	Funding Source	# of Services	Cost	Total	# of Services	Cost
Central	NTXIX/XXI	68,428	\$220,419	TXIX	1,014,881	\$63,456,944	TXXI	48,057	\$2,285,629	Total	1,131,366	\$65,962,992
North	NTXIX/XXI	5,449	\$274,434	TXIX	132,633	\$9,753,741	TXXI	5,521	\$304,648	Total	143,603	\$10,332,823
South	NTXIX/XXI	18,078	\$897,462	TXIX	357,255	\$20,625,112	TXXI	15,924	\$851,939	Total	391,257	\$22,374,513
<b>Total</b>	<b>NTXIX/XXI</b>	<b>91,955</b>	<b>\$1,392,315</b>	<b>TXIX</b>	<b>1,504,769</b>	<b>\$93,835,797</b>	<b>TXXI</b>	<b>69,502</b>	<b>\$3,442,216</b>	<b>Total</b>	<b>1,666,226</b>	<b>\$98,670,328</b>

### Outpatient Counseling

The AHCCCS Children’s System is committed to the enhancement of the children’s system through programmatic monitoring, system enhancements, access to care, and advocacy. AHCCCS has updated and added the Behavioral Health Practice Tools specific to the children’s population as policies in our Coordination of Care chapter. Expectations outlined in these policies are now required and are enforceable as policy. As an example, AMPM Policy 580 Child and Family Team (CFT) outlines requirements of CFT practice to include Arizona’s vision for children built on the 12 Guiding Principles. AHCCCS has collaborated with the Workforce Development Alliance for training to ensure the fidelity of CFT practice. CFT Champion Train the Trainer and CFT Supervisor Train the Trainer modules are approved by AHCCCS and sponsored by the ACC/RBHA Workforce Development Alliance that address the 12 Guiding Principles, case management best practices, collaboration with other system partners, family involvement, member voice and choice, cultural considerations, and Social Determinants of Health (SDoH). AHCCCS gathered feedback from stakeholders and system partners to outline the expectations and requirements for managed care organizations. A key reason was to make the policies operational for providers, with clear expectations and monitoring of those expectations by managed care organizations and AHCCCS. All provider staff that facilitate CFT practice are required to take the CFT training. Additionally, supervisors are required to take training that builds their skills on coaching CFT facilitators to practice to fidelity of the model.

Outpatient counseling represents the most child services provided and amount paid in all service categories in both SFY 2022 and SFY 2023 statewide as shown in the following Table IX.

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**Table XI - SFY 2022 and SFY 2023 Child Member Number of Services and Cost for Outpatient Counseling by Eligibility Category**

Number of Outpatient Counseling Services to Enrolled Children Aged 0-17 SFY 2022												
GSA	Funding Source	# of Services	Cost	Funding Source	# of Services	Cost	Funding Source	# of Services	Cost	Total	# of Services	Cost
Central	NTXIX/XXI	299,224	\$1,055,970	TXIX	5,308,630	\$834,311,006	TXXI	259,080	\$34,217,076	Total	5,866,934	\$869,584,052
North	NTXIX/XXI	29,537	\$2,395,098	TXIX	620,263	\$67,725,059	TXXI	29,190	\$2,542,735	Total	678,990	\$72,662,892
South	NTXIX/XXI	84,576	\$6,189,412	TXIX	1,863,925	\$230,303,975	TXXI	92,776	\$11,573,902	Total	2,041,277	\$248,067,289
<b>Total</b>	<b>NTXIX/XXI</b>	<b>413,337</b>	<b>\$9,640,480</b>	<b>TXIX</b>	<b>7,792,818</b>	<b>\$1,132,340,040</b>	<b>TXXI</b>	<b>381,046</b>	<b>\$48,333,713</b>	<b>Total</b>	<b>8,587,201</b>	<b>\$1,190,314,233</b>
Number of Outpatient Counseling Services to Enrolled Children Aged 0-17 SFY 2023												
GSA	Funding Source	# of Services	Cost	Funding Source	# of Services	Cost	Funding Source	# of Services	Cost	Total	# of Services	Cost
Central	NTXIX/XXI	299,224	\$1,055,970	TXIX	5,308,630	\$834,311,006	TXXI	259,080	\$34,217,076	Total	5,866,934	\$869,584,052
North	NTXIX/XXI	29,537	\$2,395,098	TXIX	620,263	\$67,725,059	TXXI	29,190	\$542,735	Total	678,990	\$70,662,892
South	NTXIX/XXI	84,576	\$2,041,237	TXIX	1,863,925	\$230,303,975	TXXI	92,776	\$11,573,902	Total	2,041,277	\$243,919,114
<b>Total</b>	<b>NTXIX/XXI</b>	<b>413,337</b>	<b>\$5,492,305</b>	<b>TXIX</b>	<b>7,792,818</b>	<b>\$1,132,340,040</b>	<b>TXXI</b>	<b>381,046</b>	<b>\$46,333,713</b>	<b>Total</b>	<b>8,587,201</b>	<b>\$1,184,166,058</b>

### Independent Living Services

Behavioral Health outreach service involves a planned approach to reach a specific population with mental health and substance abuse education, support, and treatment services. The goal is to engage individuals who might not seek help on their own and connect them to necessary care. The goals of this service include, increasing awareness and understanding of mental health problems, reducing stigma associated with seeking help and connecting individuals to appropriate care and treatment services through care coordination and is used to demonstrate independent living services for child members.

Independent Living services category for members and services provided and amount paid are shown for SFY 2022 and SFY 2023 in the following Table X.

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**Table X - SFY 2022 and SFY 2023 Child Member Number of Services and Cost for Independent Living Services by Eligibility Category**

Number of Independent Living Services to Enrolled Children Aged 0-17 SFY 2022												
GSA	Funding Source	# of Services	Cost	Funding Source	# of Services	Cost	Funding Source	# of Services	Cost		# of Services	Cost
Central	NTXIX/XXI	311	\$352	TXIX	6,531	\$757,558	TXXI	361	\$41,132	Total	7,203	\$799,042
North	NTXIX/XXI	11	\$327	TXIX	509	\$27,965	TXXI	18	\$995	Total	538	\$29,287
South	NTXIX/XXI	34	\$1,034	TXIX	2,248	\$452,943	TXXI	109	\$11,448	Total	2,391	\$465,425
<b>Total</b>	NTXIX/XXI	<b>356</b>	<b>\$1,713</b>	<b>TXIX</b>	<b>9,288</b>	<b>\$1,238,466</b>	<b>TXXI</b>	<b>488</b>	<b>\$53,575</b>	<b>Total</b>	<b>10,132</b>	<b>\$1,293,754</b>
Number of Independent Living Services to Enrolled Children Aged 0-17 SFY 2023												
GSA	Funding Source	# of Services	Cost	Funding Source	# of Services	Cost	Funding Source	# of Services	Cost		# of Services	Cost
Central	NTXIX/XXI	583	\$378	TXIX	5,810	\$548,296	TXXI	425	\$48,947	Total	6,818	\$597,621
North	NTXIX/XXI	39	\$1,690	TXIX	1,333	\$488,422	TXXI	50	\$1,438	Total	1,422	\$491,550
South	NTXIX/XXI	11	\$176	TXIX	1,049	\$19,218	TXXI	131	\$21,266	Total	1,191	\$40,660
<b>Total</b>	NTXIX/XXI	<b>633</b>	<b>\$2,244</b>	<b>TXIX</b>	<b>8,192</b>	<b>\$1,055,936</b>	<b>TXXI</b>	<b>606</b>	<b>\$71,651</b>	<b>Total</b>	<b>9,431</b>	<b>\$1,129,831</b>

### Placement Trends

A number of behavioral health treatment settings exist for AHCCCS members, including secure residential treatment services for children with serious emotional disturbance, residential treatment services for children's substance abuse, and psychiatric hospitalization services. Providers and MCOs collaborate to place a member in the least restrictive setting that is most appropriate for the level of care needed for the specific situation. At times, out of home placement options are available for specific treatment options as identified <sup>18</sup>:

- **Therapeutic Foster Care (TFC):**  
Therapeutic Foster Care services, formerly known as Home Care Training, to Home Care Client (HCTC) services, is care provided by a behavioral health therapeutic home to a person residing in the home to implement this in-home portion of the individual's behavioral health service plan. Therapeutic foster care services assist and support a person in achieving their service plan goals and objectives in a home-like environment. It also helps the person remain in the community setting, thereby avoiding residential, inpatient, or institutional care.
- **Behavioral Health Residential Facility (BHRF):**  
Residential services provided by a licensed behavioral health agency. These agencies provide a structured treatment setting with 24-hour supervision, counseling, and other therapeutic activities for individuals who do not require on-site medical services, under the supervision of an on-site or on-call behavioral health professional.
- **Residential Treatment Center (RTC):**  
Secure (locked) psychiatric treatment facility, which includes an integrated residential program of therapies, activities, and experiences provided to individuals who are under 21 years of age and have severe or acute behavioral health symptoms.
- **Inpatient Psychiatric Hospital:**  
Inpatient services provided by a licensed behavioral health agency. These facilities provide a structured treatment setting with 24-hour supervision and an intensive treatment program, including medical support services.

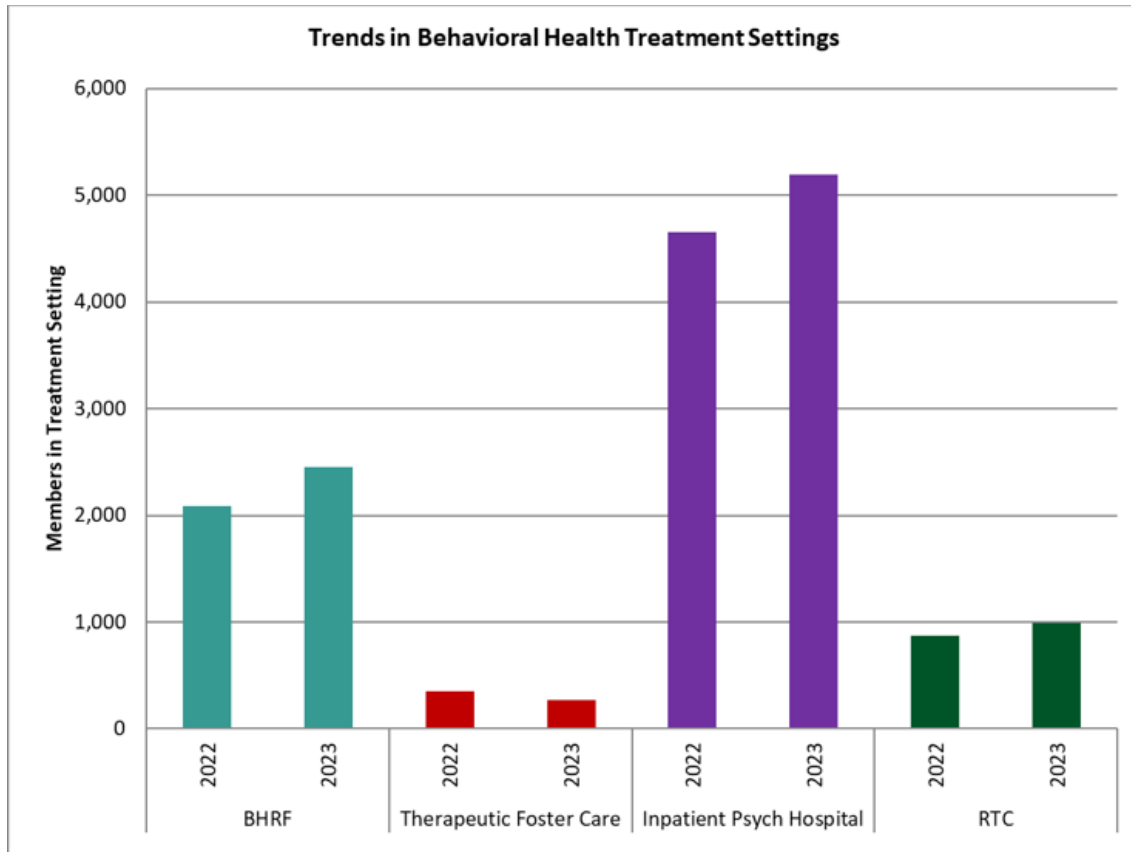
Chart I provides a two-year utilization trend of behavioral health treatment settings for AHCCCS child members.

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<sup>18</sup> More details regarding these treatment settings can be found in Chapter 300 of the [AHCCCS Medical Policy Manual](#).

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Chart I – Trends in Behavioral Health Out of Home Setting Utilization for SFY 2022 and SFY 2023 for Children’s System



## Oversight

AHCCCS supports a model for assessment, service planning, and service delivery that is strength-based, provided in the most appropriate setting, and in accordance with best practices that are culturally sensitive and clinically sound. As a way for AHCCCS to monitor adherence to this model, the Behavioral Health Clinical Chart Audit (BHCCA) was developed to ensure managed care organizations (MCOs) implement an audit process that evaluates compliance with these aspects of assessment, service planning and service delivery. In May 2023, a behavioral health audit tool portal was finalized and available for input of the BHCCA elements for data analysis and use by the health plans and AHCCCS. Collaborative efforts are ongoing with this monitoring process to implement enhanced quality oversight to address deficiencies and improve outcomes for children.

AHCCCS has encouraged the utilization of Therapeutic Foster Care to increase the accessibility of the services for children with complex needs in a home setting. TFC family providers need to have at least 1 adult in the home that does not have outside employment that provides services such as living skills, administer medication, socialization, etc. Reimbursement for the TFC services is the source of income for these individuals. Therefore, it can be burdensome for a family to be licensed and not have beds in their home being utilized. To increase the number of

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licensed Therapeutic Foster Care family providers in the state, AHCCCS has offered a Differential Adjusted Payment to new homes. Newly licensed families receive a 10% rate increase and if they have a child in their home for 60 continuous days, they receive an additional 10% rate increase. Children are matched with TFC family providers based on the needs of the child and the skillset of the family provider. To ensure the system has TFC family providers with needed skill sets, AHCCCS added a tiered rate system using billing code modifiers. TFC family providers can be trained to specialize in meeting the needs of children experiencing psychosis, or with a co-occurring developmental disability or medical condition. When determined medically necessary, specially trained TFC family providers receive an increased rate of payment for services provided. AHCCCS took action to increase TFC utilization by revising policy around the medical necessity criteria to make it less restrictive and to address areas that were creating barriers per stakeholder feedback. AHCCCS also added a requirement for high needs case management staff to be trained in identification of members that would benefit from TFC, the medical necessity criteria, and the appropriate use of the service.

### Conclusion

The following is AHCCCS's plan and estimated need for funding to maintain and build upon the comprehensive children's system of care for behavioral health. The delivery of physical and behavioral health care under the Managed Care Organization (MCO) integrated delivery system results in improved holistic coordinated care and the delivery of behavioral health services.

Since 2021, an average of 52 children per year have necessitated placement in residential treatment facilities outside of Arizona. AHCCCS actively collaborates with the Department of Child Safety (DCS) on ensuring timely placement of children in the custody of DCS, as 38% of all children placed in out of state facilities are in DCS custody. Residential treatment facilities are designed to serve a range of needs and individuals at various stages of their treatment. The reasons that children need to receive treatment in other states fall into two categories: lack of in-state capacity and lack of in-state availability for specific treatment complexities. Of the 42 children currently placed in out-of-state facilities, 16 of them were experiencing a level of acuity that exceeded what the in-state facilities could manage given the child's needs at the time of admission. Since 2020, a diagnosis of autism spectrum disorder (ASD), low intellectual functioning, and/or a co-occurring medical condition, are the 3 primary treatment complexities that have consistently resulted in denials from our in-state facilities. These denials are not related to capacity, but rather due to our in-state facilities lacking the ability to manage the complexity of treatment related to these disorders. Additionally, our existing in-state facilities do not accept children under the age of 12, which resulted in ten children under the age of 12 being placed out of state in 2024. When children are placed out of state and further away from their families, it can result in challenges to the family's treatment involvement, which is even more impactful on younger children. An additional ten of the 42 children currently placed out of state require specialty treatment for sexually maladaptive behaviors for which Arizona has a very limited number of in-state bed availability. To ensure a more comprehensive array of services and provide a full continuum of treatment, AHCCCS is already working and will continue to work with our MCOs to bolster network capacity for additional residential behavioral health placement options for children who have specialized treatment needs including co-occurring developmental disabilities, intellectual disabilities, and/or complex medical issues, whose needs are often difficult to serve in the existing placements available within the state. Ongoing and continued review of all children's residential options within Arizona has resulted in potential for identification and opportunities for contracts with MCOs for additional licensed and registered providers. To broaden service availability in-state, the addition of specialized types of units would require additional infrastructure investment to develop. AHCCCS is

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requesting \$4 million dollars based upon consultation with MCOs and existing in-state providers of similar types of treatment services/facilities for the addition of residential treatment facilities with the infrastructure and personnel to manage youth throughout a broader age span, with high complexity needs.

In April 2020, The Arizona State Legislature allocated a total of \$8 million, known as the Children's Behavioral Health Services Fund (CBHSF), for coverage of behavioral health services for uninsured students who are referred to providers through schools. The top services utilized throughout this time were treatment services including counseling and therapy, followed by case management services, and rehabilitation services for a variety of behavioral health concerns. Other services included family support, medical services, peer support, crisis intervention, pharmacy, and transportation services. ACC-RBHAs have collectively reported that based on current spending due to provider expansion and schools continued assistance with behavioral health services, the full amount of funding, known as Children's Behavioral Health Services fund (CBHSF), was exhausted in May 2024. Based on a recent reduction in Arizona's total allocation of Mental Health Block Grant (MHBG) funding to serve youth designated with a Serious Emotional Disturbance (SED), the need for financial assistance for Arizona's youth has been exemplified. Arizona plans to prioritize utilize of the existing block grant funding to serve Arizona's uninsured or underinsured youth with SED, however, additional CBHSF funding would expand the accessibility of behavioral health services for earlier intervention and additional coverage opportunities for children with and without an SED designation. As such, AHCCCS is requesting that the legislature reinstitute the Children's Behavioral Health Services Fund with a \$2.5 million annual allocation.

According to data from the American Academy of Child and Adolescent Psychiatry (AACAP), Arizona has a total of 175 Child and Adolescent Psychiatrists, translating to 11 providers per 100,000 children. Children present unique psychiatric challenges including that they have continuing developing brains and differences in the way their bodies metabolize medications that make them more susceptible to the effects of medication; this often results in the need for closer monitoring than some of the adult population. Arizona's shortage of child and adolescent psychiatrists, especially in the rural and frontier areas of the state, often results in primary care providers and/or pediatricians managing children's mental health, despite self-reported inadequate training in medical school and minimal experience to address mental health concerns and low confidence during mental health visits. AHCCCS plans to continue to collaborate with MCOs and providers to support workforce recruitment efforts and problem solve barriers in access to quality care. Meeting the needs of Arizona's youth calls for innovation and targeted interventions that address the unique needs of children and adolescents to ensure their well-being. To provide support and access to quality care for youth in need of behavioral health intervention, AHCCCS partnered with the College of Medicine at The University of Arizona to create the Arizona Pediatric Psychiatry Access Line (APAL). Launched in May 2024, the line is a free statewide pediatric psychiatry access line to assist medical providers in caring for their child and adolescent patients with behavioral health concerns. Child and adolescent psychiatrists are available by phone during business hours to answer provider questions and review treatment options. The website additionally has the option of scheduling a free consultation. This initiative also includes an ongoing learning series with prescribers to provide evidence-based and culturally appropriate education to strengthen PCPs and pediatrician's capacity to manage behavioral health concerns in their practice settings and improve patient outcomes. The learning series engaged with 184 pediatric PCPs from various locations across the state. Funding for the program is currently supported by the Mental Health Block Grant (MHBG) American Rescue Plan Act of 2021 (ARPA) funds; however, this grant cycle ends on 9/30/2025. The continued funding and expansion of this program is crucial to maintain and enhance statewide access to essential behavioral health services for Arizona's children. AHCCCS requests an annual appropriation of \$1.5 million to maintain the Arizona Pediatric Psychiatry Access Line



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and related project activities.

AHCCCS plans to continue to provide guidance, oversight and monitoring of best standards of practice for our youth determined to have high and complex behavioral health and co-occurring needs. Further funding consideration is also necessary for the implementation of a children's system Center of Excellence (COE) which would serve as Arizona's in-state subject matter experts on the three previously described University of Connecticut's (UCONN) evidence-based models, Wraparound, MRSS, and FOCUS. The Center of Excellence would train new and support existing child and family serving agencies in the implementation and development of services, practices, and frameworks that have been demonstrated to be effective with children, youth, and young adults and their families who have complex needs. The COE would assist agencies in implementing and sustaining quality and effective services, including crisis services and care coordination that leads to improved outcomes for youth in their homes, schools, and communities. At this time, UCONN is fulfilling these functions for training and implementation support through an intergovernmental agreement (IGA) established using Mental Health Block Grant (MHBG) American Rescue Plan Act (ARPA) funding that will expire on 9/30/2025. With continued funding, AHCCCS plans to contract with UCONN to continue to support in-state coaches at the COE and the COE would lead workforce development efforts and fidelity monitoring of the evidence-based practices. Since the start of the UCONN project, six outpatient behavioral health providers in Arizona have trained staff in Mobile Response and Stabilization Services (MRSS). AHCCCS is currently starting a pilot project in which MRSS providers will engage in an immediate response and up to 8 weeks of stabilization services for children and their families/caregivers in DCS custody and adopted children. This MRSS pilot project will track disruptions from current living situations in Arizona as use of the MRSS evidence-based practice in New Jersey demonstrated a rate of 95% of children in the custody of the state remaining in their current living situation. AHCCCS has partnered with DCS to reduce the use of congregate care for children in their custody as the study of MRSS in New Jersey also showed a 45% decrease in use of congregate care. UCONN's evidence-based FOCUS training has been provided to four outpatient providers in Arizona. This level of care coordination is being targeted at children with multi-system involvement, particularly those involved with DCS, the Division of Developmental Disabilities (DDD) or involvement in the Juvenile Justice system. The outcomes data for this project will include a decreased CALOCUS score, increased functioning, and a decreased need for higher level of intensity services. Training in UCONN's Wraparound model has been provided to ten outpatient providers. At the time of this writing, the children's system of care is serving 4,676 children assessed as being 'high needs' and being at risk for residential placement due to their behavioral health needs. Research conducted on the UCONN evidence-based model of Wraparound has demonstrated improved outcomes and decreased residential placement for children with complex needs when compared to traditional behavioral health services. Outcome data to be collected for Wraparound programs will include keeping children at home with their family, reducing new DCS investigations, preventing involvement in the juvenile justice system, and successful transition to a lower level of care. AHCCCS requests an annual appropriation of \$2,041,000 for the statewide implementation and maintenance of this Center of Excellence. The cost includes partnership with UCONN for continued support with the COE, use of the fidelity monitoring tools, statewide fidelity monitoring of practice, and coaches' training and support for each model for Arizona providers.

For future consideration, AHCCCS is open to modification of the current statute as much of this current reporting is offered in other legislative reports. AHCCCS welcomes the opportunity to streamline and simplify the methods by which the data contained within this report to ensure that the resulting information is meaningful and impactful to the recipients thereof.