

October 15, 2025

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

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

The Honorable Steve Montenegro
Speaker of the Arizona House of Representatives
1700 W Washington
Phoenix, Arizona 85007

The Honorable David K. Byers
Director of the Administrative Office of the Courts
1501 W. Washington St.
Phoenix, AZ 85007

Dear Governor Hobbs, President Petersen, Speaker Montenegro, and Director Byers:

Arizona Health Care Cost Containment System (AHCCCS) is submitting the following report as required in Arizona Revised Statute § 36-425.06(B):

On or before September 1 of each year, the director of the AHCCCS administration shall submit a report to the governor, the legislature and the supreme court that includes the following information:

- 1. An accounting of where the monies appropriated to the AHCCCS administration for secure behavioral health residential facilities were used during the previous year.*
- 2. The number of available beds in each secure behavioral health residential facility.*

Annual Expenditures

During the prior fiscal year, (July 01, 2024-June 30, 2025) AHCCCS expended \$20,945.93 to contract with the Arizona Board of Regents for and on behalf of Arizona State University's Center for Health Information and Research (CHiR) to conduct a population analysis of individuals who may qualify for treatment within a Secure Behavioral Health Residential Facility (SBHRF). AHCCCS is evaluating policy requirements for SBHRFs for individuals committed under Arizona Revised Statutes Title 36, Article 5 Court-Ordered Treatment ("T36") based on data collected and revised legislation.

- A population analysis and estimate of the number of individuals per county under T36 commitment who are Seriously Mentally Ill (SMI).

- Quantify the occurrence of members who are chronically resistant to treatment for a mental disorder who may be court ordered to a SBHRF once this level of care becomes available.
- A report of the other unique needs of the T36 population (e.g., co-occurring medical, substance use, I-DD, housing status, and use and adherence to psychotropic medications)
- Average anticipated length of stay in a SBHRF based on similarly profiled individuals currently in BHRF, inpatient psychiatric hospitals, and subacute facility levels of care.

SBHRF Bed Availability

At this time, there are no AHCCCS funded SBHRFs. It's important to note that in 2025, the Arizona state legislature appropriated \$5 million for the building of SBHRFs. Pursuant to SB1735, AHCCCS is developing an SBHRF implementation plan and will issue a Request for Proposals (RFP) by May 1, 2026.

If you have any questions regarding this report, please contact Damien Carpenter, Chief Legislative Liaison, at 602-396-0767.

Sincerely,

A handwritten signature in cursive script that reads "Virginia Rountree".

Virginia Rountree, Director

CC:

Ben Henderson, Director, Governor's Office of Strategic Planning and Budgeting
Richard Stavneak, Director, Joint Legislative Budget Committee
Michael Malone, Director of Court Services, Office of the Courts
Meaghan Kramer, Health Policy Advisor, Office of the Governor