

January 3, 2017

The Honorable Don Shooter
Chairman, Joint Legislative Budget Committee
1700 West Washington Street, Room 200
Phoenix, Arizona 85007

Re: *Arnold v. Sarn* (ADHS)--semi-annual report

Dear Mr. Chairman:

The Arizona Health Care Cost Containment System (AHCCCS) is submitting this semi-annual report, which is required by Laws 2014, Second Regular Session, Section 42:

On or before December 31, 2016, and June 30, 2017, the AHCCCS Administration shall report to the Joint Legislative Budget Committee on the progress in implementing the Arnold v. Sarn lawsuit settlement. The report shall include at a minimum the Administration's progress toward meeting all criteria specified in the 2014 joint stipulation, including the development and estimated cost of additional behavioral health service capacity in Maricopa County for supported housing services for 1,200 class members, supported employment services for 750 class members, 8 assertive community treatment teams and consumer operated services for 1,500 class members. The Administration shall also report by fund source the amounts it plans to use to pay for expanded services. (General Appropriation Act footnote)

Arnold v. Sarn, the longest standing class action lawsuit in Arizona, was successfully exited by AHCCCS, the Governor's Office and Maricopa County on July 1, 2016. The requirements detailed in the Arnold exit agreement, filed in March 2014, were met and surpassed by AHCCCS contractors, as demonstrated in Table 1.

This report focuses on the following areas of the *Arnold v. Sarn* agreement as of December 1, 2016. The data included in this report includes services provided through October 2016.

As such, the data details: conditions for admission and length of stay by class members in the Arizona State Hospital (ASH); supervisory care homes; crisis services; supported employment; assertive community treatment (ACT) teams; family and peer support; supportive housing; community support services; and medication services.

Table 1

Service	2014 Joint Settlement Targets	
	FY 2015 - FY 2017	Increase Through
Assertive Community Treatment	8 Teams	8
Peer Support	1,500 Class Members	2,97
Supported Employment	750 Class Members	143
Supported Housing	1,200 Class Members	2,65

Mercy Maricopa Integrated (MMIC) surpassed the service capacity increases required by the exit agreement. There are more class members today successfully housed, employed, involved in peer programming, and on ACT teams than ever before. This was no small accomplishment by MMIC.

Additionally noteworthy, Maricopa County is the first county nationally to implement the review of four best practices at one time. Using a best practice model, these reviews and the corresponding technical assistance given to providers resulted in an improvement of quality of services for class all four areas, as seen in Table 2.

Table 2

Type of service:	Year 1 average (FY 2015)	Year 2 average (FY2016)
ACT:	74.8%	75.1%
Permanent Supportive Housing:	54.0%	67.7%
Supported Employment:	67.8%	81.2%
Consumer Operated Services:	86.9%	91.7%

As the regulator, AHCCCS is working to further improve upon the quality of these services. Specifically, we are partnering with MMIC to increase the number of substance abuse specialists on each ACT team, and to increase the number of face-to-face visits with team members. Since this collaboration began in February, there has been a considerable improvement in both areas. MMIC continues to report to AHCCCS staff on these issues bi-monthly.

In accordance with the exit agreement, AHCCCS has complied with the census limitation of 55 to the Arizona State Hospital. As of October 2016, there were 55 members at ASH. There are never more than 55 class members receiving treatment at ASH at one time. Instead, there is a wait list for ASH services.

AHCCCS has not encouraged or recommended members to reside in supervisory care homes.

Crisis services remain available to members (and all) 24-hours a day, seven days a week. In October 2016, there are 1,050 unique members using the crisis hotline in Maricopa County. During the same time, there were 219 mobile teams sent into action to help members, and 1,207 members involved in crisis stabilization.

In regard to the *Arnold v. Sarn* agreement, increases in service capacity, as of October 2016, are detailed in Table 3.

Assertive Community Treatment (ACT): There are 23 ACT teams, including five specialty teams. As of October 1, teams were providing services to 2,099 members across the county. The ACT model requires 12 staff per 100 members. At nearly 2,100 members on these teams, this is a 91% census rate.

Three of the specialty teams are forensic ACT teams (fACT), working directly with individuals with a serious mental illness who are leaving incarceration. These teams work with members before their release to ensure members are not released to the streets, homeless. Additionally, the fACT teams work with the network of municipal mental health courts across the county, nurtured by the regional behavioral health authority, to prevent recidivism among members. In October alone, there were 66 members diverted from arrest.

Peer Support: The latest data shows 5,297 members receiving and participating in family and peer support services.

Supported Employment: There are currently 1025 members receiving supported employment services, which may include: assistance in preparing for, identifying, attaining and maintaining competitive employment, job coaching, transportation, assistive technology, specialized job training and individually tailored supervision. There were 182 members who received referrals to Vocational Rehabilitation. There are 159 members who secured full time employment with the support of this network in the last month.

Supportive Housing: There are currently more than 5,195 members receiving supportive housing services, which may include: rental subsidies, vouchers and bridge funding to cover deposits and other household necessities. Supportive housing also includes support services provided by ACT teams and housing navigators.

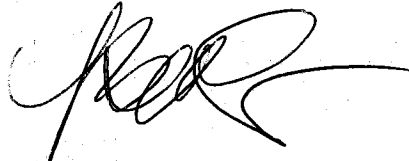
Table 3 outlines the current increases in service capacity and the projected cost by fund source for the services:

Table 3

Service	Estimated Cost by Fund Source			
	Cost per Unit	General Fund	Title XIX/XXI	Total
Assertive Community Treatment	\$ 1,450,000	\$ 8,700,000	\$ 2,900,000	\$ 11,600,000
Peer Support	\$ 1,096	\$ 2,444,628	\$ 814,876	\$ 3,259,504
Supported Employment	\$ 1,640	\$ 678,960	\$ 226,320	\$ 905,280
Supported Housing	\$ 26,273	\$ 52,217,588	\$ 17,405,862	\$ 69,623,450

Should you have any questions, please do not hesitate to contact Kelli Donley Williams at (602) 364-4651.

Sincerely,



Thomas J. Betlach
Director

cc: Richard Stavneak, Joint Legislative Budget Committee
Lorenzo Romero, Governor's Office of Strategic Planning and Budgeting