



**ARIZONA STATE SENATE**  
*Fifty-Sixth Legislature, Second Regular Session*

**REVISED**

**AMENDED**

**FACT SHEET FOR S.B. 1311**

mental health; oversight; data; documentation.

Purpose

Declares the Arizona Health Care Cost Containment System (AHCCCS) the agency responsible for monitoring, overseeing and evaluating the regional behavioral health authorities (RBHAs) and contracted agencies that provide mental health services. Modifies requirements and procedures relating to mental health prepetition screenings and court-ordered evaluations.

Background

AHCCCS serves as Arizona's Medicaid agency which offers qualifying Arizona residents access to healthcare programs. AHCCCS's duties include: 1) developing and implementing a county-by-county system that includes access to hospitalization and medical services for members; 2) contracting, overseeing, reviewing and providing technical assistance to contactors; 3) developing a system of accounts and controls for AHCCCS to prevent the unnecessary use of covered health and medical services; 4) assisting in the formation of medical care consortiums to provide covered medical services for a county; 5) establishing and managing a system to ensure the quality of care delivered by AHCCCS; 6) establishing and managing a system to prevent fraud by members, subcontractors, contractors and noncontracting providers; 7) coordinating benefits to any member; 8) developing and maintaining outlined programs and systems; and 9) establishing the eligibility process for a Medicare low-income subsidy ([A.R.S. § 36-2903](#)).

Statute authorizes any individual to apply for a court-ordered evaluation of a person alleged to be, as a result of a mental disorder, a danger to self or others or a person with a persistent, acute or grave disability that is unwilling or able to under a voluntary evaluation ([A.R.S. § 36-520](#)). Upon receiving an application for evaluation, a screening agency, before filing a petition for court-ordered evaluation, must provide a prepetition screening within 48 business hours, when possible, to determine: 1) if there is reasonable cause to believe the allegations of the applicant for the court-ordered evaluation; 2) if the person will voluntarily receive evaluation at a scheduled time and place; and 3) if the person has a persistent or acute disability, a grave disability or is likely to present a danger to self or others until the voluntary evaluation ([A.R.S. § 36-521](#)).

The Joint Legislative Budget Committee fiscal note on S.B. 1311 estimates that several of the bill's provisions, such as auditing and data collection, could increase AHCCCS administrative costs. However, the magnitude of the increase cannot yet be determined ([JLBC](#)).

Provisions

*AHCCCS Oversight*

1. Declares AHCCCS the agency responsible for monitoring, overseeing and evaluating the RBHAs and contracted agencies that provide mental health services to ensure that services, whether provided directly by a county or a contracted service provider, are provided in a timely, clinically effective and efficient manner and are in compliance with all county, state and federal laws and rules.
2. Requires AHCCCS mental health oversight authority to be clearly delineated in all applicable contracts.
3. Directs AHCCCS to audit the performance of state agencies providing mental health services and impose penalties, including civil penalties, suspension and termination of contracts, on agencies found to be:
  - a) noncompliant with county, state or federal law or rule; or
  - b) not performing services in a timely, effective and efficient manner.
4. Requires the AHCCCS Director to adopt rules and prescribe forms for collecting, reporting and analyzing information and data for purposes of tracking and analyzing the effective and efficient use of mental health services provided by the RBHAs and contracted agencies.
5. Requires the AHCCCS Director, in establishing the appropriate information to be collected and forms to be used, to seek the advice of a representative group of stakeholders, including:
  - a) screening, evaluation and treatment agencies;
  - b) regional behavioral health agencies;
  - c) hospitals and physicians providing behavioral health services;
  - d) family members; and
  - e) persons with lived experiences in screening, evaluation and treatment services.
6. Requires AHCCCS, beginning December 31, 2025, to analyze the information and data collected semi-annually and annually report it to the Governor, President of the Senate and Speaker of the House of Representatives.
7. Requires the information and data collected by AHCCCS to identify and measure clinical outcomes of members, including the number of:
  - a) hospitalizations and rehospitalizations, the facilities where admissions occurred and the average length of stay by admitting diagnosis;
  - b) and percentage of members with a dual diagnosis who were admitted and readmitted;
  - c) admissions to screening or evaluation facilities and the places to which members were discharged from these facilities;
  - d) and percentage of members with one arrest and the number and percentage of members with two or more rearrests;
  - e) and percentage of members who were arrested and sentenced to jail or prison, the number and percentage of those sentenced to jail who were released and whether a reentry plan was in place at the time of release;
  - f) responses by crisis service to members, including the number of members and the locations with one response and two or more responses;

- g) and percentage of member discharges from screening agencies because a substance use disorder was deemed to be the primary cause of admission or readmission;
  - h) member deaths, death rate and cause of death in the preceding year;
  - i) members who are homeless, unsheltered or inadequately housed and for what period of time;
  - j) members residing in a behavioral health residential facility (BHRF), discharged from a BHRF, including the reason why, as well as members directly admitted to an inpatient psychiatric hospital within one year after discharge from a BHRF;
  - k) and percentage of members diagnoses with a serious mental illness who meet specified criteria;
  - l) members employed as a peer support specialist, as well as those employed in positions other than a peer support specialist; and
  - m) patients who have been discharged from the Arizona State Hospital and admitted to a contracted psychiatric hospital within the preceding year.
8. Requires AHCCCS rules relating to mental health data oversight to be implemented by October 1, 2025.
9. Directs AHCCCS to file, with the Governor, President of the Senate and Speaker of the House of Representatives:
- a) by December 31, 2024, an interim report that describes AHCCCS's plan to complete requirements associated with mental health oversight; and
  - b) by December 31, 2025, a final report confirming the completion of all requirements.

### ***Mental Health Screening and Evaluation***

10. Removes the requirement that a screening agency destroy an application that has not been acted on for six months.
11. Stipulates that, if it is determined that a proposed patient does not need evaluation, the medical director of the screening agency or the medical director's designee must:
- a) make a written statement of the reasons why the proposed patient does not need an evaluation; and
  - b) retain the application together with the medical director's statement and any records or reports concerning the prepetition screening.
12. Removes the requirement that a screening agency consider whether there is reasonable cause to believe the allegations of the individual applying for court-ordered evaluation and instead requires the agency to consider whether the person is a danger to self or others as a result of a mental disorder.
13. Requires a screening agency that denies an evaluation to state the denial in writing on the application form and include confirmation by the medical director of the agency or a designee.
14. Requires a screening agency to assist a proposed patient with finding specific evaluation or treatment services available, including direct referrals, if the person:
- a) does not meet the criteria for court-ordered evaluation;
  - b) provides reasonable grounds to believe has a mental disorder;

- c) is in need of further evaluation or treatment; and
  - d) is able and willing to pursue private or public evaluation or treatment services available in the community.
15. Requires the medical director of a screening agency who determines that a person no longer needs an evaluation after a petition has already been prepared to:
- a) make a written statement of the reasons why the evaluation was determined to be no longer necessary; and
  - b) retain the petition together with the medical director's statement.
16. Requires the medical director of an evaluation agency or the medical director's designee to retain an application for which emergency admission was denied and to state the reasons for the denial.
17. Specifies that an application for emergency admission must be retained after the admitted person has been released, together with a written statement by the medical director of the evaluation agency stating why the release was appropriate.
18. Requires the medical director of an evaluation agency, after the release of a person being evaluated on an inpatient basis, to make a written statement explaining why further evaluation was not appropriate and why release was.
19. Requires copies of written statements by evaluation agency medical directors explaining the release of a patient to be:
- a) filed with the court that entered the order for evaluation;
  - b) filed as a part of the court record; and
  - c) made a part of the patient's medical record.

#### *Miscellaneous*

- 20. Defines *member*.
- 21. Makes technical and conforming changes.
- 22. Becomes effective on the general effective date.

#### Amendments Adopted by Committee

- 1. Provides AHCCCS oversight over the RBHAs and contracted agencies that provide mental health services.
- 2. Requires the information and data collected by AHCCCS to identify and measure specified clinical outcomes of members.
- 3. Removes the requirement that AHCCCS review and revise its data collection forms annually.
- 4. Requires AHCCCS to analyze collected mental health data and information only semi-annually, rather than monthly.

5. Moves up the date by which AHCCCS must implement rules related to mental health data oversight from December 31, 2025, to October 1, 2025.
6. Requires AHCCCS, in its interim report to the Governor and Legislature, to describe its plan to complete mental health data oversight requirements, rather than its current progress.

Revised

- Updates the fiscal impact statement.

Senate Action

HHS            2/6/24        DPA            7-0-0

Prepared by Senate Research

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MM/slp