



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

**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 Mental Health Oversight***

1. Declares AHCCCS responsible for monitoring, overseeing and evaluating its contractors 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.
2. Directs AHCCCS and its contractors to monitor the performance of agencies providing mental health services and take corrective action, including technical assistance, imposing civil penalties, and 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.
3. Requires the AHCCCS Director to adopt rules, if necessary, and prescribe reporting requirements and standards for contractors and contracted agencies to collect, report and analyze information and data for purposes of understanding the clinical effectiveness of mental health services provided.
4. 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.
5. Requires the information and data collected by AHCCCS to identify and measure clinical outcomes in the past year of members who have received a serious mental illness (SMI) designation , including the number of:
  - a) hospitalizations and rehospitizations, the facilities where admissions occurred and the average length of stay by admitting diagnosis, for members for whom AHCCCS or its contractor is the primary payor;
  - b) and percentage of members with a mental health disorder and co-occurring substance use disorder diagnosis who were admitted, discharged and subsequently readmitted to an inpatient psychiatric facility within the preceding year, for members for whom AHCCCS or its contractor is the primary payor;
  - c) and percentage of members whose Title XIX enrollment is placed in a no-pay status in a given year due to the member's incarceration status, stratified by the number of times enrollment is suspended;
  - d) members for whom AHCCCS or its contractor is notified of a release from incarceration and for whom AHCCCS and its contractor conducts reach-in services;
  - e) responses by the contracted crisis system that identify members with a SMI designation, including the number of :
    - i. crisis phone line calls received;
    - ii. mobile teams dispatched;
    - iii. members seen at psychiatric urgent care centers; and;
    - iv. members with two or more distinct crisis system episodes;
  - f) member deaths, death rate and cause of death in the preceding year;

- g) members who are homeless, unsheltered or inadequately housed and for what period of time, as identified through homeless management information system data or other available sources identified by AHCCCS;
  - h) Title XIX members or non-Title XIX grant-funded members, separately delineated, who are:
    - i. admitted to a behavioral health residential facility (BHRF);
    - ii. discharged from a BHRF; or
    - iii. admitted to an inpatient psychiatric hospital within one year of discharge from a BHRF, for members for whom AHCCCS or its contractor is the primary payor;
  - i) and percentage of members who have received court-ordered treatment, have requested and received the removal of an SMI designation, have received and are adherent to court-ordered treatment and did not receive a single behavioral health service;
  - j) patients who have been discharged from the Arizona State Hospital and admitted to a contracted psychiatric hospital within the preceding year;
  - k) members who have been evaluated for an SMI eligibility determination, the number of members whose determination resulted in receiving an SMI designation and the number of members whose determination resulted in not receiving an SMI designation; and
  - l) members who are also enrolled in Medicare and when the member's Medicare enrollment became known to AHCCCS, separately reported by Title XIX and non-Title XIX members.
6. Requires AHCCCS rules relating to mental health data oversight to be implemented by October 1, 2025.
7. 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.

#### ***AHCCCS and Stakeholder Recommendations***

8. Requires the AHCCCS Director to develop recommendations on opportunities to improve the availability and transparency of information related to members with an SMI designation, including how to facilitate the extraction of data in clinical records for reporting, including:
- a) court-ordered screening, evaluation and treatment, including information about members whose court-ordered treatment (COT) is not renewed after completion, members receiving amendments to COT and members who were determined adherent or not adherent to COT;
  - b) the reasons that members with an SMI designation, who are receiving services through AHCCCS or a contractor, are discharged from inpatient psychiatric or residential services;
  - c) deaths in an incarcerated setting of individuals with an SMI designation, by manner of death; and
  - d) employment status of members with an SMI designation, by supported or not supported employment.
9. Requires the AHCCCS Director, in the development of recommendations, to seek the advice of a group of stakeholders, including:
- a) screening, evaluation and treatment agencies;
  - b) contractors, hospitals and physicians providing behavioral health services;

- c) family members and persons who have received court-ordered screening, evaluation or treatment;
  - d) persons who have or previously had an SMI designation and who received behavioral health services;
  - e) attorneys with experience in the civil commitment process and the process for committing individuals who have been determined dangerous, incompetent to stand trial and not restorable;
  - f) counties; and
  - g) the courts.
10. Requires AHCCCS, by October 1, 2025, to report to the Governor, the President of the Senate and the Speaker of the House of Representatives on the stakeholder recommendations, including any statutory changes necessary to improve the availability of information.
11. Repeals the AHCCCS and stakeholder recommendation requirements on July 1, 2026.

***Mental Health Screening and Evaluation***

12. Removes the requirement that a screening agency destroy an application that has not been acted on for six months.
13. 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.
14. 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.
15. 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.
16. 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.
17. 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.

18. 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.
19. 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.
20. 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.
21. 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*

22. Defines *member*.
23. Makes technical and conforming changes.
24. Becomes effective on the general effective date.

#### Amendments Adopted by the Health and Human Services 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.

#### Amendments Adopted by the Rules Committee

- Makes a technical change.

Amendments Adopted by Committee of the Whole

1. The committee amendments were withdrawn.
2. Declares AHCCCS responsible for oversight over its contractors and contracted agencies, rather than all agencies, that provide mental health services.
3. Requires the mental health information and data collected by AHCCCS to identify and measure specified clinical outcomes, in the past year, of members who have received an SMI designation.
4. Removes the requirement that AHCCCS:
  - a) ensure its contractors and contracted agencies are in compliance with all county, state and federal laws and rules;
  - b) mental health oversight authority be clearly delineated in all applicable contracts; and
  - c) prescribe forms for collecting, reporting and analyzing data and information.
5. Requires AHCCCS and its contractors to monitor, rather than audit, the performance of agencies providing mental health services and to take corrective action, including technical assistance, on agencies who are noncompliant with law or not sufficiently performing services.
6. Requires the AHCCCS Director to develop recommendations on opportunities to improve the availability and transparency of information related to members with an SMI designation, including how to facilitate the extraction of specified data in clinical records for reporting.
7. Directs the AHCCCS Director, in the development of recommendations, to seek the advice of a group of specified stakeholders and to provide a report of all recommendations to the Governor, President of the Senate and Speaker of the House of Representatives by July 1, 2025.

Senate Action

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

Prepared by Senate Research

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