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*Via email and US Postal Service*

February 19, 2016

Eddy Broadway, CEO  
Mercy Maricopa Integrated Care  
4350 East Cotton Center Blvd., Bldg. D  
Phoenix, Arizona 85040

Dear Mr. Broadway:

The Arizona Department of Health Services/Division of Behavioral Health Services (DBHS) and the Arizona Health Care Cost Containment System (AHCCCS) are writing to summarize the current status of Mercy Maricopa Integrated Care's (MMIC) system of care in meeting the requirements of the Stipulation for Providing Community Services and Terminating the Litigation ("Stipulation") entered into by the parties in *Arnold v. Sarn*.

MMIC is successfully meeting, or is on track to meet, six quantifiable requirements, and is making best-faith efforts toward four, non-quantifiable requirements of the Stipulation. In addition to recognizing the achievements realized through MMIC to date, in the spirit of continuous self-assessment and improvement required under the Stipulation, we are herein highlighting some critical areas of focus to advance system performance.

#### Arizona State Hospital (ASH)

Paragraph 4 of the Stipulation requires that "*ADHS shall make its best efforts to identify Class Members residing at the Arizona State Hospital ("ASH") who could benefit from community living arrangements and take steps to facilitate their discharge from ASH. ADHS will ensure that the census at ASH does not exceed fifty-five Class Members.*"

The census for individuals civilly committed to the ASH through the RBHA has not exceeded 55 class members at any time.

#### Supervisory Care and Board and Care Homes

Paragraph 8 the Stipulation requires that "*ADHS will use its best efforts to offer community living arrangements to Class Members who reside in supervisory care homes*"; while Paragraph 9 of the Stipulation requires that "*ADHS will not encourage or recommend Class Members to reside in a supervisory care home or place them in a supervisory care home.*"

MMIC has made significant efforts to prevent internal team members or contracted providers from encouraging class members to reside in supervisory care or board and care home placements and continues to offer community living arrangements to class members residing in such settings. As of December 2015,

MMIC reports that eight individuals are residing in the five priority supervisory care homes and 24 individuals are residing in the eight non-priority supervisory care homes.

### County and Crisis Services

Paragraph 10 of the Stipulation states that *“Some Class Members at the Maricopa County Jail (“Jail”) could benefit from diversion prior to incarceration at the Jail. The County will make its best efforts to develop programs designed to review the appropriateness and necessity for Jail admission of Class Members and to divert Class Members from incarceration when appropriate.”*

Paragraph 11 of the Stipulation states that *“ADHS will make its best efforts to maintain a Crisis System that provides timely and accessible services. The Crisis System shall include at least the following components: (i) A Crisis Hotline that provides crisis intervention services over the phone, (ii) Mobile Crisis Teams that provide crisis intervention services by a mobile team or individual who travels to the place where the person is having the crisis and (iii) Crisis stabilization settings that provide short-term crisis stabilization services.”*

MMIC has engaged in purposeful efforts to expand pre- and post-booking jail diversion options in Maricopa County and has exceeded expectations. Activities include:

- The addition of two new municipal mental health courts: one in Chandler (10/1/2014) and one in Phoenix (1/6/2016); this resulted in 746 misdemeanor jail diversions in 2015.
- Integrating new statewide mental health court standards and reporting to the Administrative Office of the Court for the existing Maricopa and Pinal County resources; including:
  - Tempe Municipal Court
  - Glendale Municipal Court
  - SMI probation violation court – Maricopa County Superior Court
- City of Mesa Courts Ongoing participation and support for Crisis Intervention Training for several local law enforcement agencies; resulting in the training of 130 additional officers as well as support for the new East Valley CIT program that has trained 75 more officers since April 2014;
- Contracting for a 24/7 crisis hotline, responsive crisis mobile teams and crisis stabilization facilities throughout the valley; offering geographically accessible crisis services;
- The expansion of the Urgent Psychiatric Care facility to add 18 more observation beds while maintaining police drop-off times under 10 minutes for a total of 50 beds; additionally, there were more than 40 beds added at CPIC.
- The redesign of Community Bridges Access Point/Transition Point facility in the East Valley into Community Psychiatric Emergency Center to enhance access to observation beds, sub-acute inpatient services and court ordered evaluation and treatment services; and
- The increased availability of facility-based crisis services by adding crisis respite services through Recovery Innovations International in the West Valley.

### Supported Employment

Paragraph 13 of the Stipulation states that *“ADHS will make its best efforts to develop supported employment services.”*

Paragraph 32(b) of the Stipulation requires that *“During Fiscal Years 2015 and 2016, ADHS will develop the following additional service capacity...Supported Employment services capable of serving 750 Class Members.”*

As of January, 2016, MMIC increased contracted capacity by 785; exceeding the additional service capacity required through the Stipulation by 35.

While MMIC has met these requirements in the Stipulation, reported capacity expansion includes 300 units for individuals in the targeted housing-employment pilot program expansion. DBHS requires confirmation that this number represents a sustainable increase of this capacity in that it will continue to be available to 300 individuals on an ongoing basis. Please provide assurance that, the increase of 300 units will continue forward if the number of individuals that are participating in this specific pilot program is reduced or the pilot program ends at some point in the near future. On-going capacity increases must be generally available and cannot be counted as system capacity expansion when the resource availability is limited to only those individuals who engage in particular programming.

#### Assertive Community Treatment (ACT) Teams

Paragraph 14 of the Stipulation states that *“ADHS will make its best efforts to develop ACT capacity,”* while Paragraph 32(c) requires that *“During Fiscal Years 2015 and 2016, ADHS will develop the following additional service capacity: c. 8 ACT teams, some of which may be specialized teams.”*

MMIC has currently increased contracted capacity and utilization of ACT services by six teams and is on pace to meet the additional service capacity expectation of eight by the end of this state fiscal year. This will result in 53% increase in ACT services during the two-year period covered by the Stipulation.

DBHS and AHCCCS request MMIC to focus efforts and resources toward improving ACT team delivery of substance abuse treatment services by:

- Reporting changes in ACT team staffing to ensure each team employs two substance abuse specialists that meet full fidelity to staffing requirements for the position; and
- Training qualified substance abuse specialists on ACT service delivery expectations.

Additionally, attention must be given to ensure that service delivery by ACT teams aligns with fidelity in the following areas:

- the frequency of face-to-face contacts per week;
- the duration of face-to-face service delivery per week; and
- the delivery of services out of the office.

#### Family and Peer Support

Paragraph 15 of the Stipulation states that *“ADHS will make its best efforts to develop a system of peer and family support services, including peer and family-run provider organizations,”* while Paragraph 32(d) requires that *“During Fiscal Years 2015 and 2016, ADHS will develop the following additional service capacity....Family and Peer Support services capable of serving 1500 Class Members.”*

As of January 30, 2016, MMIC has increased contracted capacity for family and peer support services by 1,530, which exceeds the additional service capacity expectation of 1,500.

#### Supported Housing

Paragraph 18 of the Stipulation states that *“ADHS shall make its best efforts to provide supported housing services, consistent with the Substance Abuse and Mental Health Services Administration (“SAMHSA”) definition...”* while Paragraph 32(a) requires that: *During Fiscal Years 2015 and 2016, ADHS will develop*

*the following additional service capacity: a. Supported Housing services capable of serving 1200 Class Members.”*

As of January, 2016, MMIC has increased contracted capacity for supported housing services by 1,266; which exceeds the additional service capacity expectation of 1,200 by 66 as of January 2016.

#### Living Skills Training

Paragraph 21 of the Stipulation states that *“ADHS will make its best efforts to develop living skills training services through which Class Members receive assistance and include learning independent living, social, and communication skills in order to maximize their ability to live and participate in the community and to function independently.”*

Since April 2014, MMIC has contracted with several providers to support delivery of the following skills training development and living skills training services:

- Skills Training and Development (H2014) to 5,641 unique individuals with a serious mental illness with a total of 761,967 units (15 minutes each);
- Skills Training and Development (H2014HQ) to 7,473 unique individuals with a serious mental illness with a total of 1,508,778 units (15 minutes each); *and*
- Living Skills Training (H2017) to 542 unique individuals with a serious mental illness with a total of 8,639 units (15 minutes each).

#### Respite Care

Paragraph 22 of the Stipulation states that *“ADHS will make its best efforts to develop respite care services for Class Members to provide rest or relief for family members or other individuals caring for Class Members and may include a range of activities and may be provided in a range of settings, including apartments and single family homes, to the extent covered by Medicaid, to meet social, emotional, and physical needs of the Class Members during the respite period.”*

Since April 2014, MMIC has contracted with providers to support delivery of:

- Respite (15 minutes) S5150 to 118 individuals for a total of 8,639 units; *and*
- Respite (per diem / day) S5151 to 146 individuals for a total of 2,414 units.

#### Service Standards/SAMHSA Fidelity

Paragraph 24 of the Stipulation states that *“ADHS will adopt the SAMHSA models, definitions, and standards for ACT, Supported Housing, Supported Employment, and Consumer Operated Services, by incorporating these SAMHSA standards into the RBHA contract. ADHS will require, through its contract with the RBHA, that all providers of ACT, Supported Housing, Supported Employment, and Consumer Operated Services comply with these standards. ADHS will use, and will require the RBHA to use, SAMHSA assessment tools and/or instruments for evaluating providers' compliance with SAMHSA standards for each service.”*

Fidelity monitoring and quality improvement efforts are ongoing-- with both DBHS and MMIC holding contracts with Western Interstate Commission on Higher Education (WICHE) to advance evidence-based practices (EBP). Working in collaboration, the provider census for FY 2016 includes a total of 42 service providers and 49 reviews. Of these, ACT scores averaged 75% in 2015, and 74% to date in 2016. Consumer Operated Services averaged 88% in 2015, and 92% to date in 2016. Supported Employment saw a noted improvement from 65% in 2015 to 81% to date in 2016. Permanent Supportive Housing also saw a notable improvement from 55% in 2015 to 64% to date in 2016.

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DBHS and AHCCCS expect continuous improvement efforts to achieve and sustain fidelity standards for ACT, Supported Housing, Supported Employment and Consumer Operated Services.

In summary, we appreciate MMIC's dedication to meeting the compliance expectations under the Stipulation and looks forward to working together to continue to identify and make system enhancements. For those areas in which DBHS and AHCCCS have requested additional focus or actions, MMIC must provide a written response detailing how MMIC will achieve the desired continuous improvements as noted. The plan must be provided for review no later than March 4, 2016.

We look forward to your prompt response, and ask you address these issues directly with Kelli Donley [kelli.donley@azdhs.gov](mailto:kelli.donley@azdhs.gov).

Sincerely,



Thomas J. Betlach  
Director  
Arizona Health Care Cost Containment System



Margery Ault  
Interim Deputy Director  
Arizona Department of Health Services  
Division of Behavioral Health Services

cc: Beth Kohler, AHCCCS  
Kari Price, AHCCCS  
Paul Galdys, AHCCCS  
Greg Honig, Office of the Attorney General  
Kelli Donley, DBHS  
Tad Gary, MMIC  
Blythe Fitzharris, MMIC



Delivered via email

March 4, 2016

Kelli Donley  
Project Manager, Behavioral Health Services  
Arizona Department of Health Services  
Division of Behavioral Health Services  
150 N 18<sup>th</sup> Avenue  
Phoenix, AZ 85007

**Re: Summary of Current Status of Mercy Maricopa's efforts and planned activities to meet the Stipulation for providing Community Services and Terminating the Litigation ("Stipulation")**

Dear Ms. Donley:

Mercy Maricopa Integrated Care (Mercy Maricopa) is in receipt of your letter dated February 19, 2016 which provided a summary of the current status of Mercy Maricopa system of care in meeting the requirements of the Stipulation for Providing Community Services and Terminating the litigation entered into by the parties of *Arnold v. Sarn*. We appreciate you acknowledging some of the achievements Mercy Maricopa has made, or is making, in six quantifiable requirements and our efforts towards four non-quantifiable requirements of the Stipulation.

Mercy Maricopa is sincerely dedicated to meeting the expectations under the Stipulation and recognize the need to continuously identify and make enhancements across the delivery system for adults determined to have a serious mental illness in GSA 6. We are in agreement with the areas identified by the Arizona Department of Health Services/Division of Behavioral Health Services (DBHS) and Arizona Health Care Cost Containment System (AHCCCS) that are required to advance system performance.

To address the areas in which DBHS and AHCCCS request additional focus or actions to achieve targeted continuous improvement, the attached plan outlines current status and planned activities and or actions to be completed by June 30, 2016.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Broadway", is written over a faint, larger signature.

Eddy D. Broadway  
Chief Executive Officer

CC: Thomas J. Betlach, AHCCCS  
Margery Ault, AHCCCS/DBHS  
Beth Kohler, AHCCCS  
Kari Price, AHCCCS  
Paul Galdys, AHCCCS  
Greg Honig, Office of the Attorney General  
Tad Gary, Mercy Maricopa Integrated Care  
Blythe FitzHarris, Mercy Maricopa Integrated Care



Mercy Maricopa Integrated Care  
 Self-Assessment and Improvement Plan  
 Stipulation for Providing Community Services and Terminating the Litigation

| Area                                | Required Action  | Actions Completed   | Action Steps to be completed by 6/30/16   |
|-------------------------------------|--|---|---|
| Supported Employment (SE)           | During FY15 and FY16, develop Supported Employment Services capable of serving 750 class members | <ul style="list-style-type: none"> <li>Mercy Maricopa Integrated Care (Mercy Maricopa) has increased Supported Employment (SE) contract capacity capable of serving an additional 785 class members.</li> <li>Completed Supported Employment fidelity reviews have demonstrated a noted improvement from 65% in 2015 to 81% in 2016.</li> </ul> | <ul style="list-style-type: none"> <li>After careful review, Mercy Maricopa <i>will not</i> count the 300 capacity expansion from the Transitional Housing Assistance Program which is paired with Supported Employment as part of the required expansion activities identified in the Arnold Settlement.</li> <li>Mercy Maricopa is currently in process of working with identified Providers to increase capacity for an additional 280 members that will bring total expanded capacity to 765 and will thus meet the required Arnold Settlement agreement of 750.</li> </ul> |
| Assertive Community Treatment (ACT) | During FY15 and FY16, develop eight additional teams, some of which may be specialty             | <ul style="list-style-type: none"> <li>To date Mercy Maricopa has expanded the number of ACT teams by six.</li> <li>Mercy Maricopa conducted readiness assessments with all new ACT teams since 2014 to</li> </ul>  | <ul style="list-style-type: none"> <li>Two additional teams are under development. Of these teams, one is scheduled to go live 4/1/16 and the second on 5/1/16.</li> </ul>  |

| Area  | Required Action                                 | Actions Completed   | Action Steps to be completed by 6/30/16  |
|---|---|---|--|
| <p><b>Assertive Community Treatment (ACT)</b></p> | <p>Enhance Substance Abuse Service Delivery</p> | <ul style="list-style-type: none"> <li>evaluate the Provider's ability to provide ACT services to fidelity.</li> <li>In August 2014, Mercy Maricopa developed a substance abuse group curriculum workbook for Providers per their request and reviewed the manual in monthly ACT Clinical Coordinator (CC) meetings.</li> <li>On 7/29/14, Western Interstate Commission for Higher Education (WICHE) provided targeted technical assistance to ACT teams on ways to enhance service delivery based on year one fidelity findings.</li> <li>Since October 2015, Mercy Maricopa has provided technical assistance toward improving ACT team delivery of substance abuse treatment services by recommending teams to utilize the member</li> </ul> | <ul style="list-style-type: none"> <li>Mercy Maricopa will require and fund ACT teams to hire qualified behavioral health professionals (as defined in Arizona Administrative Code 9 A.A.C.10) that have 1 year of specialized substance abuse training or supervised experience. This will be a phased process with the goal of each team to successfully hire at least one qualified behavioral health professionals with the credentials listed above by 6/30/16.</li> <li>Mercy Maricopa will require all ACT providers to implement the Substance Abuse and Mental Health Services Administration (SAMHSA) Integrated Dual Disorders Treatment (IDDT) Evidence Based Practice model.</li> </ul> |



| Area | Required Action | Actions Completed   | Action Steps to be completed by 6/30/16 |
|------|-----------------|---|---|
|      |                 | <p>schedule, schedule 30 minute 1:1 sessions and to implement SAMHSA's Integrated Dual Disorders Treatment (IDDT) Evidence Based Practice model.</p> <ul style="list-style-type: none"> <li>Western Interstate Commission for Higher Education (WICHE), ACT expert provided ACT technical assistance specifically on the substance abuse components of ACT on 2/25/16 to all ACT providers.</li> <li>As of 3/1/16, eight teams demonstrated increased overall fidelity scores from 2015 to 2016.</li> <li>In review of specific fidelity metrics, there has been a slight improvement from 2 to 2.7 in the provision of individual substance abuse treatment and use of the dual disorders model from 2.25 to 3.</li> </ul> |   |

| Area                                       | Required Action                                     | Actions Completed   | Action Steps to be completed by 6/30/16   |
|--|---|---|---|
| <b>Assertive Community Treatment (ACT)</b> | Enhance Fidelity Scores related to Service Delivery | <ul style="list-style-type: none"> <li>• Mercy Maricopa issued Performance Improvement (PIP) and Corrective Action Plans (CAP) for lack of compliance with Face to Face contact requirements.</li> <li>• In October 2015, Mercy Maricopa began reviewing the nature of services metrics and scores at each monthly Clinical Coordinator (CC) and ACT psychiatrist meeting as well as the ongoing to provide technical assistance on tools and address barriers to increase scores in this area.</li> <li>• WICHE provided in person technical assistance on 9/11/15 to ACT teams on all 28 metrics based on fidelity findings. Additionally, technical assistance was provided on key service delivery components and the general philosophy of ACT as an evidence based practice.</li> </ul> | <p><i>The frequency of face-to-face contacts per week</i></p> <ul style="list-style-type: none"> <li>• Mercy Maricopa will begin to monitor face to face contact on a weekly basis of service delivery via claim utilization on a quarterly basis starting 3/4/16.</li> <li>• As part of the Quality Action Plan, Providers are required to create a report by 3/18/16 that will allow for quality reviews of services delivered.</li> <li>• Sanctions will be issued to Providers, who continue to be out of compliance with required face to face contacts starting in March, 2016.</li> </ul> <p><i>The duration of face-to-face service delivery per week</i></p> <ul style="list-style-type: none"> <li>• As part of the Quality Action Plan, Providers are required to utilize the member scheduled as recommended by SAMHSA. Providers will be required to submit monthly member schedules that</li> </ul> |

| Area | Required Action | Actions Completed   | Action Steps to be completed by 6/30/16   |
|------|-----------------|---|---|
|      |                 | <ul style="list-style-type: none"> <li>• Mercy Maricopa instituted the use of a “member schedule” in October 2015 for teams to work with members to schedule and complete their 120 minutes of service delivery each week.</li> <li>• In February 2016, Mercy Maricopa revised its 6 month audit tool for ACT to address and measure the specific metrics included in the nature of service delivery which include, intensity and frequency of services, community based service delivery and individual substance abuse treatment and co-occurring groups. We also began evaluating claims for service type quarterly.</li> <li>• In October 2015, there was a slight increase in the fidelity metric intensity of services, from 2.5 to 2.7.</li> </ul> | <p>indicate length of time for visits starting in March 2016.</p> <p><b>The delivery of services out of office</b></p> <ul style="list-style-type: none"> <li>• As part of the Quality Action Plan, Providers are required to create a report by 3/18/16 that will allow for quality reviews of services delivered in the community versus services delivered in the office. Providers will be required to submit documented evidence of completions, such as scheduling calendars that will outline community vs office visits.</li> </ul> |