

320-P - ELIGIBILITY DETERMINATION FOR INDIVIDUALS WITH SERIOUS MENTAL ILLNESS

EFFECTIVE DATES: 07/01/16, 10/01/17, 03/01/19, 10/01/19, 10/01/20, 04/15/21, 10/01/23, 06/12/25

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I. PURPOSE

This Policy applies to ACC, ACC-RBHA, ALTCS E/PD, DCS CHP (CHP), and DES DDD (DDD) Contractors; Fee-For-Service (FFS) Programs including: the American Indian Health Program (AIHP), Tribal ALTCS, TRBHA, and all FFS populations, excluding Federal Emergency Services Program (FESP) (For FESP refer to AMPM Chapter 1100), and the AHCCCS designee which conducts Serious Mental Illness (SMI) eligibility determinations (determining entity). This Policy also applies to subcontracted providers, Indian Health Services (IHS), and tribally owned and/or operated facilities that choose to send assessments to the determining entity. This Policy establishes requirements regarding SMI eligibility determinations.

II. DEFINITIONS

Refer to the [AHCCCS Contract and Policy Dictionary](#) for common terms found in this Policy.

For the purposes of this Policy, the following terms are defined as:

DETERMINING ENTITY	Either the AHCCCS designee authorized to make Serious Mental Illness (SMI) determinations or a TRBHA (for each Tribal ALTCS or TRBHA) authorized to make the final determination of SMI eligibility.
SERIOUS MENTAL ILLNESS (SMI) REMOVAL OF DESIGNATION	The process that results in the removal of the SMI behavioral health category from the individual's most recent, active enrollment segment.

III. POLICY

A critical component of the AHCCCS delivery system is the effective and efficient identification of individuals who have an SMI. Without receipt of the appropriate care, these individuals are at high risk for further deterioration of their physical and mental condition, increased hospitalizations, and potential homelessness and incarceration.

To ensure that individuals who may qualify for SMI designation are promptly identified and enrolled for services, AHCCCS has developed a standardized process for the referral, assessment, evaluation, and determination of SMI eligibility. The requirements for SMI eligibility determinations are specified in this Policy.

A. GENERAL REQUIREMENTS – SMI ELIGIBILITY

1. All individuals 17.5 or older shall be evaluated for SMI eligibility by a qualified clinician as defined in AAC R9-21-101(B), and have an SMI eligibility determination made by the determining entity if:
 - a. The individual makes such a request,
 - b. A Health Care Decision Maker (HCDM) makes a request on behalf of the individual,
 - c. An Arizona Superior Court issues an order instructing that an individual is to undergo an SMI evaluation/determination, or
 - d. Clinically indicated by the demonstration of observed symptomatology and functional impairment and the individual consents to said evaluation (b. and c. notwithstanding)
2. The SMI assessment and evaluation process may begin for an individual at 17.5 years of age while the actual SMI eligibility category will not become effective until an individual turns 18 years of age.
3. The SMI eligibility evaluation record shall contain all the documentation that was considered during the review including, but not limited to, current and/or historical treatment records. The record may be maintained in either hardcopy or electronic format.
4. The Contractor Care Manager, Tribal ALTCS, and TRBHA Case Manager shall develop and make available to providers any requirements or guidance on SMI eligibility evaluation record location and/or maintenance.
5. Computation of time is as follows:
 - a. Day zero: The day the initial assessment is completed by a qualified clinician, regardless of time of the assessment,
 - b. Day one: The next business day after the initial assessment is completed. The individual or organization completing the initial assessment shall provide it to the determining entity as soon as practicable, but no later than 11:59 pm on day one,
 - c. Day three: The third business day after the initial assessment is completed. The determining entity shall have at least two business days to complete the final SMI eligibility determination, but the final SMI eligibility determination shall be completed no later than day three, and
 - d. Determination due date: Day three - Three business days after day zero, excluding weekends and holidays, and is the date that the determination decision shall be rendered. This date may be amended if an extension is approved in accordance with this policy.
6. Tribal ALTCS or TRBHA program may delegate to the determining entity all the responsibilities specified in this Policy and/or as contained in their Intergovernmental Agreement (IGA) as it relates to eligibility determinations.

B. PROCESS FOR COMPLETION OF THE INITIAL SMI ASSESSMENT

Upon receipt of a referral, a request, or identification of the need for an SMI Eligibility Determination, the Contractor, Tribal ALTCS, TRBHA case manager, the FFS provider (for members enrolled in AIHP), or designated Arizona Department of Corrections (ADC) or Arizona Department of Juvenile Corrections (ADJC) staff will schedule an assessment with the individual and a qualified clinician, if one has not been completed within the last six months or the existing assessment does not provide an accurate representation of the member's current symptoms and/or functioning. This shall occur as expeditiously as the member's health condition requires, but no later than seven business days after receiving the request or referral. For urgent eligibility determination referrals for individuals admitted to a hospital for psychiatric reasons, the determining entity can accept an assessment completed by the hospital, so long as it meets the criteria needed to render a decision.

1. During the assessment meeting with the individual, the clinician shall:
 - a. Using clinical judgement, determine that the individual is competent, able, and willing to participate in an evaluation,
 - b. Obtain written consent to conduct the assessment from the individual or, if applicable, the individual's HCDM, unless the individual has been ordered to undergo evaluation as part of Court Ordered Evaluation (COE) proceedings or Court Ordered Treatment (COT),
 - c. Provide to the individual and, if applicable, the individual's HCDM, the information required in AAC R9-21-301(D)(2), a client rights brochure, and the appeal notice required by AAC R9-21-401(B),
 - d. Obtain authorization for the release of information, if applicable, (as specified in AMPM Policy 940) for any documentation that would assist in the determination of the individual's eligibility for SMI designation,
 - e. Conduct an assessment that is an accurate representation of the member's current level of functioning, if one has not been completed within the last six months or the existing assessment does not provide an accurate representation of the member's current symptoms and/or functioning,
 - f. Complete the SMI eligibility determination packet on the SMI provider submission portal, and
 - g. Upon completion, submit all information to the determining entity within one business day.

C. CRITERIA FOR SMI ELIGIBILITY

1. The final determination of SMI requires both a qualifying SMI diagnosis and functional impairment as a result of the qualifying diagnosis. Refer to PMMIS screen RF260 and the [AHCCCS Medical Coding Page](#) on the AHCCCS website for a list of qualifying diagnoses.
2. Functional impairment criteria for SMI eligibility
To meet the functional criteria for SMI status, an individual shall have, as the result of a qualifying SMI diagnosis, dysfunction in at least one of the following four domains, as specified below, for most of the past 12 months, or for most of the past six months with an expected continued duration of at least six months:

- a. Inability to live in an independent or family setting without supervision – neglect or disruption of ability to attend to basic needs, including but not limited to, hygiene, grooming, nutrition, medical care and/or dental care. Needs assistance in caring for self. Unable to care for self in a safe or sanitary manner. Housing, food, and clothing is or shall be provided or arranged for by others. Unable to attend to the majority of basic needs of hygiene, grooming, nutrition, medical and dental care. Unwilling to seek prenatal care or necessary medical/dental care for serious medical or dental conditions. Refuses treatment for life threatening illnesses because of behavioral health disorder, a risk of serious harm to self or others,
 - b. Seriously disruptive to family and/or community. Pervasively or imminently dangerous to self or others' bodily safety. Regularly engages in assaultive behavior. Has been arrested, incarcerated, hospitalized or is at risk of confinement because of dangerous behavior. Persistently neglectful or abusive towards others. Severe disruption of daily life due to frequent thoughts of death, suicide, or self-harm, often with behavioral intent and/or plan. Affective disruption causes significant damage to the individual's education, livelihood, career, or personal relationships,
 - c. Dysfunction in role performance – frequently disruptive or in trouble at work or at school. Frequently terminated from work or suspended/expelled from school. Major disruption of role functioning. Requires structured or supervised work or school setting. Performance significantly below expectation for cognitive/ developmental level. Unable to work, attend school, or meet other developmentally appropriate responsibilities, or
 - d. Risk of deterioration:
 - i. A qualifying diagnosis with probable chronic, relapsing, and remitting course,
 - ii. Co-morbidities (e.g., developmental/intellectual disability, substance use disorder, personality disorders),
 - iii. Persistent or chronic factors such as social isolation, poverty, extreme chronic stressors (e.g., life-threatening or debilitating medical illnesses, victimization), or
 - iv. Other (e.g., past psychiatric history, gains in functioning have not solidified or are a result of current compliance only, court-committed, care is complicated and requires multiple providers).
3. The following reasons shall not be sufficient in and of themselves for denial of SMI eligibility:
- a. An inability to obtain existing records or information, or
 - b. Lack of a face-to-face psychiatric or psychological evaluation.

D. INDIVIDUALS WITH CO-OCCURRING SUBSTANCE USE

For purposes of SMI eligibility determination, presumption of functional impairment is as follows for individuals with co-occurring substance use:

1. For psychotic diagnoses other than substance-induced psychosis (bipolar I disorder with psychotic features, delusional disorder, major depression, recurrent, severe, with psychotic features, schizophrenia, schizoaffective disorder, and any other diagnosis of persistent psychotic disorder), functional impairment is presumed to be due to the qualifying mental health diagnosis.

2. For other qualifying psychiatric disorders, functional impairment is presumed to be due to the psychiatric diagnosis, unless:
 - a. The severity, frequency, duration, or characteristics of symptoms contributing to the functional impairment cannot be attributed to the qualifying mental health diagnosis, or
 - b. The assessor can demonstrate, based on a historical or prospective period of treatment, that the functional impairment is present only when the individual is actively using substances or experiencing symptoms of withdrawal from substances. In order to make such determinations, the assessor shall first look at a period of either 30 days or longer of abstinence, or 60 days or longer of reduced use that is less than the threshold expected to produce the resulting symptoms and disability and establish that the symptoms and resulting disability were no longer present after the 30 or 60 day period and/or no longer required mental health treatment to prevent recurrence of symptoms.
3. A diagnosis of substance-induced psychosis can only be made if both of the following conditions are present:
 - a. There is no psychosis present before a period of substance use that is of sufficient type, duration, and intensity to cause psychotic symptoms, and
 - b. The psychosis remits completely (not partially) after a period of abstinence of 30 days or less.
4. Continuation of new onset psychotic symptoms after a 30-day period of abstinence requires a presumptive diagnosis of a persistent psychotic disorder.
5. For persistent psychosis of undetermined onset, the absence of clear remission of psychosis during a period of abstinence of 30 days or less should be considered presumptive evidence of a persistent psychotic disorder for SMI eligibility purposes.
6. For individuals who are not able to attain or maintain a period of abstinence from substance use, who continue to use substances and/or do not experience consecutive days of abstinence, this is not a disqualifier to initiate the SMI eligibility and determination process. Some individuals will not meet the 30-day period of abstinence. This does not preclude them from the SMI eligibility assessment and determination process.

E. PROCESS FOR COMPLETION OF FINAL SMI ELIGIBILITY DETERMINATION

1. The Contractor shall develop and make available to its providers, policies and procedures that describe the providers' requirements for submitting the evaluation packet and providing additional clinical information for the determining entity to make the final SMI eligibility determination.
2. In the event the determining entity requires additional information to make a final SMI eligibility determination, the evaluating agency shall respond to the determining entity within three business days of request of the information.

3. The licensed psychiatrist, psychologist, or nurse practitioner designated by the determining entity shall make a final determination as to whether the individual meets the eligibility requirements for SMI status based on:
 - a. A face-to-face assessment or reviewing a face-to-face assessment by a qualified clinician, and
 - b. A review of current and historical information, if any, obtained orally or in writing by the assessor from collateral sources, and/or present or previous treating clinicians.
4. The following shall occur if the designated reviewing psychiatrist, psychologist, or nurse practitioner has not conducted a face-to-face assessment and has a disagreement with the current evaluating or treating qualified Behavioral Health Professional (BHP) or Behavioral Health Technician (BHT) that cannot be resolved by oral or written communication:
 - a. Disagreement regarding diagnosis: determination that the individual does not meet eligibility requirements SMI status shall be based on a face-to-face diagnostic evaluation conducted by a designated psychiatrist, psychologist, or nurse practitioner. The resolution of (specific reasons for) the disagreement shall be documented in the individual's comprehensive clinical record, and
 - b. Disagreement regarding functional impairment: determination that the individual does not meet eligibility requirements shall be documented by the psychiatrist, psychologist, or nurse practitioner in the individual's comprehensive clinical record to include the specific reasons for the disagreement and will include a clinical review with the qualified clinician.
5. If there is sufficient information to determine SMI eligibility, the determining entity shall provide the individual with notice, in writing, of the SMI eligibility determination (Notice of Decision) within three business days of the initial meeting with the qualified clinician as specified within this Policy.
6. The determining entity shall provide notification of the eligibility determination result to AHCCCS via the AHCCCS Behavioral Health web portal and to the provider who completed the Assessment/Evaluation through an agreed upon medium. For AIHP members, the determining entity shall also provide notification to AHCCCS DFSM at caremanagers@azahcccs.gov or to the appropriate TRBHA, when applicable. For Tribal ALTCS members, the determining entity shall also provide notification to the individual's Tribal ALTCS case manager. For DDD THP members, the determining entity shall also provide notification to AHCCCS DFSM at thp-altcs@azahcccs.gov.
7. Once an SMI eligibility determination decision is made and submitted to AHCCCS, AHCCCS will update the member's behavioral health category to SMI and will provide the eligibility determination documentation to the MCO of enrollment or AIHP, as applicable, via the AHCCCS Secured File Transfer Protocol (SFTP) server.

F. ISSUES PREVENTING TIMELY COMPLETION OF ELIGIBILITY DETERMINATION – EXTENDING COMPLETION OF ELIGIBILITY DETERMINATION TIME PERIOD

1. The time to initiate or complete the SMI eligibility determination may be extended no more than 20 calendar days if the individual agrees to the extension, and:
 - a. There is substantial difficulty in scheduling a meeting at which all necessary participants can attend,
 - b. The individual fails to keep an appointment for assessment, evaluation, or any other necessary meeting,
 - c. The individual is capable of, but temporarily refuses to cooperate in the preparation of the completion of an assessment or evaluation,
 - d. The individual or the individual's HCDM requests an extension of time,
 - e. Additional documentation has been requested, but has not yet been received, or
 - f. There is insufficient functional or diagnostic information to determine SED or SMI eligibility within the required time periods.
2. Insufficient diagnostic information shall be understood to mean that the information available to the reviewer is suggestive of two or more equally likely working diagnoses, only one of which qualifies as SMI, and an additional piece of existing historical information or a face-to-face psychiatric evaluation is likely to support one diagnosis more than the other(s).
3. The determining entity shall:
 - a. Document the reasons for the delay in the individual's eligibility determination record when there is an administrative or other emergency that will delay the determination of an SMI status, and
 - b. Not use the delay as a waiting period before determining an SMI status or as a reason for determining that the individual does not meet the criteria for SMI eligibility (because the determination was not made within the time standards).
4. In situations in which the extension is due to insufficient information:
 - a. The determining entity shall request and obtain the additional documentation needed (e.g., current and/or past medical records) and/or perform or obtain any necessary psychiatric or psychological evaluations,
 - b. The designated reviewing psychiatrist, psychologist, or nurse practitioner shall communicate with the individual's current treating clinician, or appropriate clinical team member, if any, prior to the determination of an SMI, if there is insufficient information to determine the individual's level of functioning, and
 - c. Eligibility shall be determined within three days of obtaining sufficient information, but no later than the end date of the extension.

5. If the evaluation or information cannot be obtained within the required time period because of the need for a period of observation or abstinence/reduction from substance use in order to establish a qualifying mental health diagnosis, the individual shall be notified by the determining entity that the determination may, with the agreement of the individual, be extended for up to 60 calendar days for an Extended Evaluation Period (EEP). This is a 60-day period of abstinence, or reduced use from drug and/or alcohol use to help the reviewing psychologist make an informed decision regarding SMI eligibility.

This extension may be considered a technical re-application to ensure compliance with the intent of AAC R9-21-303. However, the individual does not need to reapply. Alternatively, the determination process may be suspended, and a new application initiated upon receipt of necessary information.

If the individual refuses to grant an extension, SMI eligibility shall be determined based on the available information. If SMI eligibility is denied, the individual will be notified of their appeal rights and the option to reapply in accordance with this Policy.

G. NOTIFICATION OF SMI ELIGIBILITY DETERMINATION

1. If the individual is determined to qualify for an SMI designation, this shall be reported to the individual or their HCDM by the determining entity in writing, including notice of the individual's right to appeal the decision, on the form approved by AHCCCS.
2. If the eligibility determination results in a determination that an individual does not qualify for SMI designation, the determining entity shall provide written notice of the decision and include:
 - a. The reason for denial of SMI eligibility,
 - b. The right to appeal, and
 - c. The statement that Title XIX/XXI eligible individuals will continue to receive needed Title XIX/XXI covered services. In such cases, the individual's behavioral health category assignment shall be assigned based on criteria in the AHCCCS technical interface guidelines.

H. RE-ENROLLMENT OR TRANSFER

1. If the individual's status is SMI at disenrollment, while incarcerated, or transition to another Contractor, AIHP, Tribal ALTCS, TRBHA, DDD THP, the individual's status shall continue as SMI.
2. The Contractor Care Manager, Tribal ALTCS case manager, TRBHA, or behavioral health provider shall ensure that the SMI determination process is initiated for adolescents as specified in AMPM Policy 587 and AMPM Policy 520.
3. An individual with active enrollment shall retain their SMI status unless a determination is made by the determining entity that the individual no longer meets criteria.

I. REMOVAL OF SMI DESIGNATION

1. The Contractor shall indicate in policies and procedures made available to their providers, the process for reviewing an SMI designation. A review of the eligibility determination may not be requested within the first six months from the date an individual has been designated as SMI eligible.
2. The Contractor Care Manager, Tribal ALTCS case manager, TRBHA, or behavioral health providers may request a review of an individual's SMI designation from the determining entity:
 - a. As part of an instituted, periodic review of all individuals designated to have an SMI,
 - b. When there has been a clinical assessment that supports that the individual no longer meets the functional and/or diagnostic criteria, or
 - c. As requested by an individual who has been determined to meet SMI eligibility criteria, or their HCDM.
3. Based upon review of the individual's request and clinical data provided, removal of SMI behavioral health category will occur if:
 - a. The individual is an enrolled member and **has not** received any behavioral health service within the previous six months, or
 - b. The individual is determined to no longer meet the diagnostic and/or functional requirements for SMI designation.
4. In the event of the Removal of Designation, the determining entity shall:
 - a. Inform the individual of changes that may result with the removal of the individual's SMI designation,
 - b. Provide written notice of the determination and the right to appeal to the affected individual with an effective date of 30 calendar days after the date the written notice is issued, and
 - c. The Contractor, Tribal ALTCS, TRBHA, or behavioral health provider shall ensure that services are continued in the event an appeal is timely filed, and that services are appropriately transitioned.
5. The Contractor shall process requests for claims verification for the purpose of processing a review on a determination within seven days of receiving the request.