

July 18, 2023

The Honorable Katie Hobbs  
Governor of Arizona  
1700 W Washington  
Phoenix, Arizona 85007

The Honorable Warren Petersen  
President of the Senate  
Arizona State Senate  
1700 W Washington  
Phoenix, Arizona 85007

The Honorable Ben Toma  
Speaker of the House  
Arizona House of Representatives  
1700 W Washington  
Phoenix, Arizona 85007

Dear Governor Hobbs, President Petersen, and Speaker Toma:

In accordance with A.R.S. §36-3405, please find the enclosed report supplying programmatic and financial information related to the provision of behavioral health services. Do not hesitate to contact me at (602) 417-4711 if you have any questions or would like additional information.

Sincerely,



Carmen Heredia  
Director

cc: Sarah Brown, Director, Governor's Office of Strategic Planning and Budgeting  
Richard Stavneak, Director, Joint Legislative Budget Committee  
Zaida Dedolph Piccoro, Governor's Office Health Policy Advisor



**Behavioral Health Services  
Annual Report  
Fiscal Year 2022**

**July 2023**

# Behavioral Health Services Annual Report Fiscal Year 2022

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# Behavioral Health Services Annual Report Fiscal Year 2022

## Behavioral Health Services Programmatic and Financial Report

### Introduction

The Arizona Health Care Cost Containment System (AHCCCS) submits the following financial and programmatic annual report for State Fiscal Year (FY) 2022, pursuant to A.R.S §36-3405(a)(b)(c). The report provides financial expenditures and identifies the number of members who received behavioral health services.

This year's report of financial expenditures is based on allocation methodologies due to the service package integration that took place in FY 2019, effective October 1, 2018, when the managed care organizations (MCOs) were contracted to manage the provision of physical and behavioral health care services for the majority of AHCCCS members. In FY 2019, the per member per month (pmpm) capitation rate paid by AHCCCS to the MCOs changed to a single combined payment covering the full integrated services. The annual legislative appropriation also changed to reflect this integrated model and no longer separately appropriated behavioral health funding that was the basis for annual reports prior to FY 2019.

## Behavioral Health Services Annual Report Fiscal Year 2022

### Behavioral Health Services Programmatic and Financial Report

#### Expenditures

Table 1 provides FY 2022 behavioral health expenditures by funding source. The FY 2022 Title XIX (TXIX) and XXI (TXXI) Medicaid Federal Grant Awards reported in the Table reflect an allocation of total payments based on the behavioral health proportional component of the total pmpm capitation rate. All other reported source amounts are actuals. Expenditures are reported on a cash basis that can result in timing differences between the receipt of funds and actual cash disbursements.

Table 1:

<b>Total Behavioral Health Services Expenditures by Funding Source FY 2022</b>		
<b>Funding</b>	<b>Amount Paid</b>	<b>Percentage</b>
General Fund - Medicaid	574,797,708	15.46%
Tobacco Tax Funds – Medically Needy Account	35,565,800	0.96%
Tobacco Tax Funds – Proposition 204 Protection Account	5,000,000	0.13%
Tobacco Tax Funds – Tobacco Litigation Settlement	30,154,400	0.81%
TXIX and TXXI Medicaid Federal Grant Awards	2,790,722,940	75.06%
Non TXIX General Fund	97,970,865	2.64%
Substance Abuse Services Fund	2,250,200	0.06%
Federal Grant - MHBG	17,734,510	0.48%
Federal Grant - SABG	41,063,557	1.10%
Federal Grants (Opioid/Other)	43,566,078	1.17%
County Funds	75,061,691	2.02%
SMI Housing Trust Fund	1,346,015	0.04%
Substance Use Disorder Funds	2,624,312	0.07%
Other (Liquor Service Fees)	126,746	0.00%
<b>Total</b>	<b>3,717,984,821</b>	<b>100.00%</b>
<i>TXIX/TXXI</i>	<i>3,436,240,847</i>	<i>92.42%</i>
<i>Non-TXIX/Non-TXXI</i>	<i>281,743,973</i>	<i>7.58%</i>

Table 2 on the following page provides FY 2022 behavioral health expenditures by the “behavioral health categories” specified in A.R.S §36-3405(b). The reported expenditures in this table are a further allocation of the figures from Table 1, based on the proportional use by service during the time period. Only claims with a primary diagnosis code that is behavioral health related or pharmacy claims that were behavioral health related, as defined by AHCCCS clinical criteria, were included. A.R.S § 36-3405(b) additionally specifies the report should include expenditures for behavioral health services related to domestic violence. AHCCCS has determined that it is not possible to accurately identify these services within agency data. To the extent that members used behavioral health services related to domestic violence, the associated expenditures are reported throughout the categories included in Table 2.

## Behavioral Health Services Annual Report Fiscal Year 2022

Table 2:

Total Behavioral Health Services Expenditures by Behavioral Health Category FY 2022			
Behavioral Health Category	TXIX/TXXI Funding	Non-TXIX/ Non-TXXI Funding	Total
Seriously Mentally Ill	763,470,677	119,005,855	882,476,532
Children with Severe Emotional Disabilities	344,572,933	16,885,736	361,458,669
Alcohol and Drug Abuse	866,076,934	47,551,657	913,628,591
Other Mental Health	1,462,120,303	98,300,726	1,560,421,029
<b>Total</b>	<b>3,436,240,847</b>	<b>281,743,973</b>	<b>3,717,984,821</b>

### Members Served

Table 3 provides counts of members served in FY 2022 by behavioral health category specified in A.R.S §36-3405(b)(c). Served members had at least one claim submitted within the reporting time frame that included a primary diagnosis code that is behavioral health related or a pharmacy claim that is behavioral health related, as defined by AHCCCS clinical criteria. Users may be counted in multiple behavioral health categories. Users are also counted in TXIX/TXXI and Non-TXIX/Non-TXXI columns, if they used services under both eligibility categories during FY 2022. As a result, individual user counts reported do not sum to the totals in the table. As noted previously in the report, AHCCCS has determined that it is not possible to accurately identify behavioral health services resulting from domestic violence within agency data. To the extent that members used these behavioral health services, those members are reported throughout the behavioral health categories in Table 3.

Table 3:

Members Served in FY 2022 by Behavioral Health Category			
Behavioral Health Category	TXIX/TXXI Eligibility	Non-TXIX/ Non-TXXI Eligibility	Total
Seriously Mentally Ill	47,118	14,337	57,725
Children with Severe Emotional Disabilities	68,376	4,652	72,733
Alcohol and Drug Abuse	115,039	9,859	123,280
Other Mental Health	553,182	28,791	579,442
<b>Total</b>	<b>621,558</b>	<b>48,628</b>	<b>662,562</b>