

February 9, 2026

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

Dear Governor Hobbs:

AHCCCS is submitting the following report as required in Laws 2025, Chapter 239, Sec. 17 (SB 1741):

A. Not later than January 31, 2026, the Arizona health care cost containment system administration shall prepare and issue a report to the governor, the chairpersons of the house of representatives and senate health and human services committees, or their successor committees, the director of the joint legislative budget committee and the director of the governor's office of strategic planning and budgeting that includes information about the costs and aggregate spending on and aggregate utilization of mental health medications during contract year 2023-2024. The administration shall provide a copy of the report to the secretary of state.

B. The report required by subsection A of this section shall include the annual aggregate gross amount spent for each mental health medication class and the annual aggregate net amount spent by this state for each mental health medication class after rebates without disclosing any information about manufacturer-negotiated supplemental rebate agreements for any specific drug. The report shall also include the average annual cost by class for generic and nongeneric mental health medications. Without disclosing any information about manufacturer-negotiated supplemental rebate agreements that could compromise the competitive or proprietary nature of these agreements, for antipsychotic and antidepressant medications, the report shall include the total number of prior authorizations submitted for nonpreferred antipsychotic and nonpreferred antidepressant medications, the percentage of prior authorization approvals and denials, the generic antipsychotic and generic antidepressant medication utilization percentages and the total amount of antipsychotic and antidepressant medication claims.

C. For purposes of this section, "mental health medication" means the following medications:

- Antipsychotics.
- Antidepressants.
- Anxiolytics.
- Stimulants.

- *Sedative hypnotics.*

If you have any questions regarding the attached report, please feel free to contact Damien Carpenter, Chief Legislative Liaison, at (602) 396-0767.

Sincerely,

A handwritten signature in cursive script that reads "Virginia Rountree".

Virginia Rountree
Director

Cc: The Honorable Selina Bliss, Chairperson, House Health & Human Services Committee
The Honorable Carine Werner, Chairperson, Senate Health & Human Services Committee
The Honorable Adrian Fontes, Secretary of State
Ben Henderson, Director, Governor's Office of Strategic Planning and Budgeting
Richard Stavneak, Director, Joint Legislative Budget Committee
Meaghan Kramer, Health Policy Advisor, Office of the Governor

AHCCCS Mental Health Medication Utilization Report

January 2026



AHCCCS Mental Health Medication Utilization Report

Background

In accordance with SB1741 and by January 31, 2026, AHCCCS shall report to the Governor, the Chairperson of the Health and Human Services Committee, or its successor, in the Senate and the Chairperson of the Health Committee, or its successor, in the House of Representatives, Director of the Joint Legislative Budget Committee and the Director of the Governor's Office of Strategic Planning and Budgeting and shall provide a copy of this report to the Secretary of State. The AHCCCS Mental Health (MH) Medication Utilization Report shall include costs, aggregate spending, and aggregate utilization of MH medications during Contract Year (CY) 2024, beginning October 1, 2023 through September 30, 2024. The reports for CY 2024 are not reflective of antipsychotic prior authorization criteria changes that became effective on October 1, 2024. The report includes the following:

- Annual aggregate gross amount spent for each MH medication class,
- Annual aggregate net amount spent by the state for each MH medication class after rebates without disclosing any information about the federal rebate and manufacturer-negotiated supplemental rebate agreements for any specific drug,
- Average annual cost by class for generic and non-generic MH medications,
- For antipsychotic and antidepressant medications:
 - Total number of prior authorizations (PAs) submitted for nonpreferred antipsychotic and nonpreferred antidepressant medications,
 - Percentage of PA approvals and denials,
 - Generic antipsychotic and generic antidepressant medication utilization percentages, and
 - Total amount of antipsychotic and antidepressant medication claims.

Expenditures and Utilization Summaries

The first three tables in this report include anxiolytics, antidepressants, antipsychotics, sedative hypnotics, and stimulant therapeutic classes. The final four tables report solely on antidepressants and antipsychotics in accordance with the SB1741 requirements.

Table 1: Annual Aggregate Gross Amount Spent for Each MH Medication Class

The table below represents the annual aggregate gross expenditures for each MH medication class. Reimbursements to providers totaled \$315,740,887.

Medication Class	2024
Antianxiety Agents	\$3,879,720
Antidepressants	\$25,111,931
Antipsychotics	\$206,370,469
Sedative Hypnotics	\$2,012,658
Stimulants	\$78,366,109

Table 2: Annual Aggregate Net Amount Spent for Each MH Medication Class

The table below represents the annual aggregate expenditures by the state for each MH medication class net of the federal and supplemental rebates. The net expenditures are determined by subtracting the total computable

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federal and supplemental rebate amounts from the annual aggregate gross reimbursement amount for each MH medication class for CY 2024. The total net costs to the state for these classes were \$119,524,864.

Medication Class	2024
Antianxiety Agents	\$3,709,183
Antidepressants	\$20,572,236
Antipsychotics	\$75,536,495
Sedative Hypnotics	\$1,074,008
Stimulants	\$18,632,941

Table 3: Average Annual Cost by Class for Generic and Non-Generic

The table below represents the average gross annual expenditures by MH medication classes for generic and non-generic medications. Non-generics are also known as brand name medications. The reimbursed costs below are not inclusive of any federal or supplemental rebate offsets.

Medication Class		2024
Antianxiety Agents	Brand	\$96,841
	Generic	\$3,782,879
Antidepressants	Brand	\$11,905,953
	Generic	\$13,205,978
Antipsychotics	Brand	\$192,446,641
	Generic	\$13,923,827
Sedative Hypnotics	Brand	\$965,497
	Generic	\$1,047,162
Stimulants	Brand	\$68,048,493
	Generic	\$10,317,615

Table 4: Total Amount of Antidepressant and Antipsychotic Medication Claims

The table below represents total number of claims for antidepressant and antipsychotic medications.

	2024
Antidepressants	1,464,706
Antipsychotics	771,969

There were 1,464,706 antidepressant prescriptions dispensed during CY 2024. The total number of submitted PAs, inclusive of the resolved PAs, represents 0.59% of the utilization. Of the total antidepressant utilization, greater than 99% of the prescriptions did not require prior authorization during CY2024.

There were 771,969 antipsychotic prescriptions dispensed during CY 2024. The total number of submitted PAs, inclusive of the resolved PAs, represents 1.66% of the utilization. Of the total antipsychotic utilization, greater than 98% of the prescriptions did not require prior authorization during CY2024.

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Table 5: Total Number of PAs Submitted for Nonpreferred Antidepressant and Nonpreferred Antipsychotic Medications

The table below represents the total number of PAs submitted for nonpreferred antidepressant and antipsychotic medications.

2024	
Antidepressants - Non-Preferred	8,640
Antipsychotics - Non-Preferred	12,782

Submitted prior authorizations are approved, denied or resolved. Submitted PAs are approved based on medical necessity criteria. Resolved submitted PAs are not an approval nor a denial. PAs may be denied for various reasons, including but not limited to the following:

- The member has alternate primary insurance coverage.
- The member's Medicaid coverage has been terminated.
- The submitted PA documentation does not meet medical necessity criteria.
- The submitted documentation is incomplete, additional information was requested, and a response was not received.
- The submitted PA is for a diagnosis that is an off-label use of the drug and compendia does not support the use requested.
- The submitted PA is for a similar or same drug currently prescribed for the member.
- The dosage of the requested medication exceeds the FDA Allowable Maximum, and compendia does not support the higher dose.
- The request is for an experimental use of the drug.
- The prescriber and/or pharmacy is out of network.

Prior authorizations reasons for resolving the PA include but are not limited to the following:

- The member is enrolled in a different MCO or in FFS.
- The member's AHCCCS enrollment has been terminated.
- The PA received was an exact duplicate previously sent by the provider.
- The provider is contacted by a clinical pharmacist and the PA is resolved through an educational process, i.e., the provider was unaware of preferred agents.
- The provider withdrew the submitted PA.
- The drug covered is available generically and the provider was notified and changed the prescription to the generic product.
- A PA is not required for the submitted drug request and the provider is notified.
- The submitted PA is for a patient enrolled in Medicare Part D or a commercial plan.

There were 8,640 prior authorizations submitted for non-preferred antidepressants.

Of the 8,640 submitted PAs:

- 3,670 were approved
- 2,571 were denied
- 2,399 were resolved

There were 12,782 prior authorizations submitted for non-preferred antipsychotics.

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Of the 12,782 submitted PAs:

- 6,389 were approved
- 4,035 were denied
- 2,358 were resolved

Table 6: Percentage of PA Approvals and Denials for Nonpreferred Antidepressant and Nonpreferred Antipsychotic Medications

The table below represents the percentage of PAs approved and denied for nonpreferred antidepressant and nonpreferred antipsychotic medications. The percentage of approved and denied PAs calculations are not inclusive of the number of PAs that were resolved.

2024		
	Percentage Approved	Percentage Denied
Antidepressants - Non-Preferred	58.8%	41.2%
Antipsychotics - Non-Preferred	61.3%	38.7%

Table 7: Generic Antidepressant and Generic Antipsychotic Medication Utilization – Percentages

The table below represents generic antidepressant and generic antipsychotic medication utilization percentages. Due to the number of generic medications available in both antipsychotic and antidepressant medication classes, the utilization percentages are expected to be high, with antidepressant medications being higher than antipsychotic medications. The high percentages are consistent with other Medicaid programs due to the significant number of generic drugs available in both classes.

2024	
Antidepressants	99.14%
Antipsychotics	89.68%

The antidepressant generic utilization percentage, 99.14%, equals 1,452,110 claims, and equates to 52.6% of the total costs for this class, \$13,205,978.

The antidepressant brand name drug utilization percentage, 0.86% of 1%, equals 12,596 claims, and equates to 47.4% of the total costs for the antidepressants, \$11,905,953.

The antipsychotic generic utilization percentage, 89.68%, equals 692,302 claims, and equates to 6.75% of the total costs for this class, \$13,923,827.

The antipsychotic brand name drug utilization percentage, 10.32%, equals 79,667 claims, and equates to 93.25% of the total costs for the antipsychotic drug class, \$192,446,641.