

Department of Health Services
Behavioral Health

A.R.S. § 36-103

JLBC Analyst: Amy Upston

	FY 2007 Actual	FY 2008 Estimate	FY 2009 Approved
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	122.0	166.0	166.0 ^{1/}
Personal Services	3,345,100	3,327,800	3,328,200
Employee Related Expenditures	1,243,100	1,477,100	1,477,100
Professional and Outside Services	418,300	547,500	547,500
Travel - In State	70,300	61,900	61,900
Travel - Out of State	15,700	10,700	10,700
Other Operating Expenditures	3,550,100	4,029,900	4,029,900
Equipment	92,100	137,800	137,800
OPERATING SUBTOTAL	8,734,700	9,592,700	9,593,100
SPECIAL LINE ITEMS			
Administration			
Contract Compliance	0	7,296,500	5,523,500
Dual Eligible Part D Copay Subsidy	480,000	802,600	802,600
Medicare Clawback Payments	10,062,700	9,771,900	10,718,100
Medicaid Special Exemption Payments	16,188,000	18,550,800	20,423,900
Proposition 204 Administration	7,517,200	6,534,800	6,534,800
Children's Behavioral Health			
Children's Behavioral Health Services	9,344,700	9,351,800	9,351,800 ^{2/}
CBH State Match for Title XIX	278,016,800	346,792,500	358,971,200
Proposition 204 Children's Behavioral Health Services	2,876,100	4,596,200	4,532,100
Seriously Mentally Ill			
Seriously Emotionally Handicapped Children	0	500,000	500,000
Seriously Mentally Ill Non-Title XIX	61,069,100	61,116,700	61,116,700
Seriously Mentally Ill State Match for Title XIX	160,807,000	170,251,100	201,129,500
Proposition 204 Seriously Mentally Ill Services	151,230,500	161,672,100	208,954,800
Seriously Mentally Ill Housing	2,500,000	0	0
Court Monitoring	338,800	197,500	197,500
Arnold v. Sarn	37,456,600	37,323,600	37,153,100 ^{3/4/5/}
General Mental Health and Substance Abuse			
Mental Health Non-Title XIX	2,447,300	2,447,300	2,447,300
Substance Abuse Non-Title XIX	14,085,400	14,635,400	14,635,400
Mental Health and Substance Abuse State Match for Title XIX	87,298,400	94,512,600	105,892,800
Proposition 204 General Mental Health and Substance Abuse	78,469,000	87,684,300	108,329,900
Substance Abuse Treatment	920,000	0	0
Institutions for Mental Disease	0	6,267,700	0
Youth Methamphetamine Prevention Programs	0	500,000	0
Crisis Intervention Training Grants	0	250,000	0
PROGRAM TOTAL	929,842,300	1,050,648,100	1,166,808,100^{6/}

^{1/} Includes 15 GF and 29 EA FTE Positions funded from Special Line Items in FY 2009.

^{2/} The amount appropriated for Children's Behavioral Health Services shall be used to provide services for non-Title XIX eligible children. The amount shall not be used to pay for either federally or nonfederally reimbursed services for Title XIX eligible children, unless a transfer of monies is reviewed by the Joint Legislative Budget Committee. (General Appropriation Act footnote)

^{3/} It is the intent of the Legislature that the total amount available in the *Arnold v. Sarn* Line Item be used for the population covered by the *Arnold v. Sarn* lawsuit in counties with a population of 2 million or more persons and for seriously mentally ill persons that meet the same criteria as those covered by the *Arnold v. Sarn* lawsuit in counties with populations of less than 2 million persons. (General Appropriation Act footnote)

^{4/} The Department of Health Services shall report to the Joint Legislative Budget Committee 30 days after the end of each calendar quarter on the progress the department is making toward settling the *Arnold v. Sarn* lawsuit. The report shall include at a minimum the department's progress towards meeting the exit criteria and whether the department is in compliance with the exit criteria schedule. (General Appropriation Act footnote)

^{5/} It is the intent of the Legislature that the percent attributable to administration/profit for the regional behavioral health authority in Maricopa County is 9% of the overall capitation rate. (General Appropriation Act footnote)

^{6/} General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Program.

	FY 2007 Actual	FY 2008 Estimate	FY 2009 Approved
FUND SOURCES			
General Fund	371,372,300	404,275,000	446,292,600
<u>Other Appropriated Funds</u>			
Substance Abuse Services Fund	2,500,000	2,500,000	2,500,000
TTHCF Medically Needy Account	30,401,000	30,424,800	30,924,800
SUBTOTAL - Other Appropriated Funds	32,901,000	32,924,800	33,424,800
SUBTOTAL - Appropriated Funds	404,273,300	437,199,800	479,717,400
<u>Expenditure Authority Funds</u>			
Federal Title XIX Funds	525,569,000	613,448,300	687,090,700
SUBTOTAL - Expenditure Authority Funds	525,569,000	613,448,300	687,090,700
SUBTOTAL - Appropriated/Expenditure Authority Funds	929,842,300	1,050,648,100	1,166,808,100
Other Non-Appropriated Funds	62,935,600	62,896,700	62,896,700
Federal Funds	42,364,600	42,286,600	42,286,600
TOTAL - ALL SOURCES	1,035,142,500	1,155,831,400	1,271,991,400

COST CENTER DESCRIPTION — The Behavioral Health program administers most mental health services for the state including both adult and children’s behavioral health services, substance abuse treatment and seriously emotionally handicapped children. Most services are provided through contracts with 5 Regional Behavioral Health Authorities (RBHAs) which then subcontract for provision of services with a provider network.

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2009 Approved
PERFORMANCE MEASURES				
• % of RBHA Title XIX clients satisfied with services	75.4	NA	75.4	90
Comments: The agency did not submit information for this measure in FY 2006 as required by the General Appropriation Act. Satisfaction surveys are completed biennially; therefore, there was no information to report for FY 2006.				
• % of Title XIX population that is enrolled in a behavioral health service	12.6	11	11	12

Title XIX Caseload and Inflation Overview

The budget provides an increase of \$118,853,100 for expected growth in the Title XIX Behavioral Health Programs. This adjustment would consist of \$43,872,200 from the General Fund and \$74,980,900 from Federal Title XIX Expenditure Authority (EA).

The Behavioral Health Services (BHS) Title XIX enrollment growth represents a 4.0% increase from June 2008 to June 2009.

The approved increase is also based on a weighted capitation rate growth of 3.6%. Actual BHS capitation rate growth was 11.3% in FY 2008, 5.2% in FY 2007, 11.4% in FY 2006, and 12.8% in FY 2005.

Table 1 on the following page summarizes the FY 2009 General Fund projections, as well as estimated Clawback payments in FY 2008 and FY 2009.

State monies provide approximately a 33% match to the Federal Funds (EA) received. A decrease in the Federal Medical Assistance Percentage (FMAP) means the state will pay approximately \$4,000,000 more in state match in

FY 2009. These amounts are incorporated into Table 1. The increase also includes changes in behavioral health services and Medicaid Special Exemption Payments but does not address any changes in administrative costs.

Operating Budget

The budget provides \$9,593,100 and 122 FTE Positions for the operating budget in FY 2009. These amounts consist of:

General Fund	\$4,529,200
Federal Title XIX Expenditure Authority	5,063,900

These amounts fund the following adjustments:

New Statewide Adjustments

The budget provides an increase of \$400 from the General Fund in FY 2009 for new statewide adjustments. (Please see the New Statewide Adjustments narrative at the end of this Appropriations Report for more details.)

Table 1

General Fund Title XIX Behavioral Health Projections

	FY 2008 Appropriated	FY 2008 Revised	FY 2009	FY 2009 Above FY 2008 Appropriated
Medicare Clawback Payments	\$ 9,771,900	\$ 9,771,900	\$ 10,718,100	\$ 946,200
Medicaid Special Exemption Payments	6,257,200	6,257,200	6,969,100	711,900
CBH	116,973,100	116,973,100	122,432,700	5,459,600
CBH Proposition 204	1,550,300	1,550,300	1,546,500	(3,800)
SMI	57,425,700	57,425,700	68,585,400	11,159,700
SMI Proposition 204	54,532,000	54,532,000	71,300,600	16,768,600
GMH/SA	31,879,100	31,879,100	36,133,300	4,254,200
GMH/SA Proposition 204	29,575,900	29,575,900	36,964,900	7,389,000
Institutions for Mental Disease ^{1/}	<u>4,813,200</u>	<u>2,813,200</u>	<u>0</u>	<u>(2,813,200)</u>
Total	\$312,778,400	\$310,778,400	\$354,650,600	\$43,872,200

^{1/} This line item was established in FY 2008. Prior to FY 2008, funding was incorporated into other line items. The FY 2008 figure represents a combination of funding transferred from other line items and an increase of \$2,000,000 from the General Fund to backfill lost Federal Funds. In FY 2009, the monies from this line item were reincorporated into other special line items as additional monies were no longer needed.

Administration

Contract Compliance

The budget provides \$5,523,500 and 44 FTE Positions for Contract Compliance in FY 2009. These amounts consist of:

General Fund	1,856,100
Federal Title XIX Expenditure Authority	3,667,400

These amounts fund the following adjustments:

Funding Reduction

The budget provides a decrease of \$(1,773,000) in FY 2009 to reduce funding for Contract Compliance. This amount consists of:

General Fund	(605,000)
Federal Title XIX Expenditure Authority	(1,168,000)

This line item provides funding to improve contract monitoring and oversight, including additional personnel to evaluate contract compliance among the Regional Behavioral Health Authorities (RBHAs) and to ensure that DHS is meeting its obligations in both the *Arnold v. Sarn* and *JK v. Gerard* lawsuits.

Dual Eligible Part D Copay Subsidy

The budget provides \$802,600 from the General Fund for the Dual Eligible Part D Copay Subsidy in FY 2009. This amount is unchanged from FY 2008.

This line item pays the prescription drug copayments of low income individuals qualifying for both Medicare and

Medicaid, known as “dual eligibles.” Prior to the federal government taking over prescription drug costs from the state for dual eligibles on January 1, 2006, these individuals did not pay for their prescriptions. As part of the benefit, the copayment ranges from \$1.05 to \$6.01, depending on the class of the drug as well as the recipient’s income.

Medicare Clawback Payments

The budget provides \$10,718,100 from the General Fund for Medicare Clawback Payments in FY 2009. This amount funds the following adjustments:

Clawback Payments

The budget provides an increase of \$946,200 from the General Fund in FY 2009 for estimated Clawback Payments to the federal government.

As part of the Medicare Modernization Act (MMA) effective January 1, 2006, DHS is not required to pay for prescription drug costs for members who are also eligible for Medicare. Instead, DHS is required to make “Clawback” payments to Medicare based on 86% of the estimated prescription drug cost of this population in FY 2009. The state’s share of 86% declines annually by 1.7% and the Clawback cost per member is annually increased based on national health trend information

Medicaid Special Exemption Payments

The budget provides \$20,423,900 for Medicaid Special Exemption Payments in FY 2009. This amount consists of:

General Fund	6,969,100
Federal Title XIX Expenditure Authority	13,454,800

These amounts fund the following adjustments:

Formula Growth

The budget provides an increase of \$1,873,100 in FY 2009 for increased Medicaid Special Exemption Payments related to Title XIX caseload and capitation rate growth. This amount consists of:

General Fund	711,900
Federal Title XIX Expenditure Authority	1,161,200

This line item provides the funding necessary for insurance premium tax payments by DHS. The department is required to pay a 2% tax on the capitation payments it pays to RBHAs. Therefore, any increases in capitation payments associated with caseload growth and inflation necessitate an increase in premium tax payments. The amount excludes premium tax payments for the behavioral health capitation revenue from developmentally disabled clients, which is funded in the Department of Economic Security's budget.

Proposition 204 Administration

The budget provides \$6,534,800 for Proposition 204 Administration in FY 2009. This amount consists of:

General Fund	2,130,200
Federal Title XIX Expenditure Authority	4,404,600

These amounts are unchanged from FY 2008.

The implementation of Proposition 204, passed by the voters in November of 2000, expanded the categories of eligibility for Title XIX services, including behavioral health services, up to 100% of the federal poverty level. This line item provides funding for the administrative component of this expansion.

Children's Behavioral Health (CBH)

Children's Behavioral Health Services

The budget provides \$9,351,800 from the General Fund for Children's Behavioral Health Services (CBH) Services in FY 2009. This amount is unchanged from FY 2008. This line item provides General Fund monies for prevention programs and for treatment of Non-Title XIX eligible children.

Children's Behavioral Health State Match for Title XIX

The budget provides \$358,971,200 for CBH State Match for Title XIX in FY 2009. This amount consists of:

General Fund	122,432,700
Federal Title XIX Expenditure Authority	236,538,500

These amounts fund the following adjustments:

Formula Growth

The budget provides an increase of \$12,178,700 in FY 2009 for Title XIX Children's Behavioral Health caseload and capitation rate growth. This amount consists of:

General Fund	5,459,600
Federal Title XIX Expenditure Authority	6,719,100

The FY 2009 adjustment represents a (0.3)% growth in the monthly capitation rate (from \$63.74 to \$63.58), and 4.0% growth in client population from June 2008 to June 2009.

This line item funds behavioral health treatment to Title XIX eligible children. This would result in approximately 472,036 eligible children per month served. DHS receives a monthly capitation payment from AHCCCS for every child eligible for Title XIX behavioral health services, although only an estimated 5.4% of the eligible population will utilize services.

Proposition 204 Children's Behavioral Health Services

The budget provides \$4,532,100 for Proposition 204 CBH Services in FY 2009. This amount consists of:

General Fund	1,546,500
Federal Title XIX Expenditure Authority	2,985,600

These amounts fund the following adjustments:

Formula Growth

The budget provides a decrease of \$(64,100) in FY 2009 for Proposition 204 Children's Behavioral Health caseload and capitation rate growth. This amount consists of:

General Fund	(3,800)
Federal Title XIX Expenditure Authority	(60,300)

The FY 2009 adjustment represents a (0.3)% growth in the monthly capitation rate (from \$63.74 to \$63.58), and 4.0% growth in client population from June 2008 to June 2009.

This line item provides behavioral health treatment to children eligible for Title XIX pursuant to Proposition 204. Because most children were already eligible for Title XIX prior to the implementation of Proposition 204, this population is very small. The amount would provide capitation payments for an average of approximately 6,214 eligible children per month in FY 2009. DHS receives a monthly capitation payment from AHCCCS for every child eligible for Title XIX behavioral health services, although only an estimated 5.4% of the eligible population will utilize serviced.

Seriously Mentally Ill (SMI)

SMI is a population of adult patients with more long-term or ongoing mental illness than those funded through the General Mental Health Special Line Items.

Seriously Emotionally Handicapped Children

The budget provides \$500,000 from the General Fund for Seriously Emotionally Handicapped Children in FY 2009. This amount is unchanged from FY 2008.

This line item provides General Fund monies for a portion of the cost of residential treatment and educational services for children referred by school districts. Referrals are based on an inability to educate the children in a conventional school environment due to a serious emotional handicap. Funding is also provided for this program through the state Department of Education and local school districts.

Seriously Mentally Ill Non-Title XIX

The budget provides \$61,116,700 for SMI Non-Title XIX services in FY 2009. This amount consists of:

General Fund	30,191,900
Tobacco Tax and Health Care Fund	
Medically Needy Account	30,924,800

These amounts fund the following adjustments:

General Fund Operating Shift

The budget provides an increase of \$500,000 from the Tobacco Tax and Health Care Fund Medically Needy Account and a corresponding decrease of \$(500,000) from the General Fund in FY 2009. Total funding for this line item was unchanged by this fund shift.

This line item provides funding for treatment for SMI clients that are not eligible for Title XIX coverage.

Seriously Mentally Ill State Match for Title XIX

The budget provides \$201,129,500 for SMI State Match for Title XIX in FY 2009. This amount consists of:

General Fund	68,585,400
Federal Title XIX Expenditure Authority	132,544,100

These amounts fund the following adjustments:

Formula Growth

The budget provides an increase of \$30,878,400 in FY 2009 for Title XIX Seriously Mentally Ill caseload and capitation rate growth. This amount consists of:

General Fund	11,159,700
Federal Title XIX Expenditure Authority	19,718,700

The FY 2009 adjustment represents a 4.9% increase in the monthly capitation rate (from \$78.10 to \$81.90), and 4.0% growth in client population from June 2008 to June 2009.

This line item provides behavioral health treatment to Title XIX eligible SMI adults. This would result in approximately 217,394 eligible adults served each month. DHS receives a monthly capitation payment from AHCCCS for every adult eligible for Title XIX behavioral health services, although only an estimated 5.1% of the eligible population will utilize services.

Proposition 204 Seriously Mentally Ill Services

The budget provides \$208,954,800 for Proposition 204 Seriously Mentally Ill (SMI) Services in FY 2009. This amount consists of:

General Fund	71,300,600
Federal Title XIX Expenditure Authority	137,654,200

These amounts fund the following adjustments:

Formula Growth

The budget provides an increase of \$47,282,700 in FY 2009 for Proposition 204 SMI caseload and capitation rate growth. This amount consists of:

General Fund	16,768,600
Federal Title XIX Expenditure Authority	30,514,100

The FY 2009 adjustment represents a 4.9% increase in the monthly capitation rate (from \$78.10 to \$81.90), and 4.0% growth in client population from June 2008 to June 2009.

This line item provides behavioral health treatment to SMI adults who are Title XIX eligible pursuant to Proposition 204. This would result in approximately 222,397 eligible adults served each month. DHS receives a monthly capitation payment from AHCCCS for every adult eligible for Title XIX behavioral health services, although only an estimated 5.1% of the eligible population will utilize services.

Seriously Mentally Ill Housing

The budget provides no funding for Seriously Mentally Ill Housing in FY 2009. This amount is unchanged from FY 2008.

Laws 2006, Chapter 350 made a one-time appropriation of \$2,500,000 for FY 2007. DHS spends an additional \$3,000,000 annually from other programs to provide vouchers to over 700 tenants statewide. Providing a

continuum of community housing options is an exit criteria established in the *Arnold v. Sarn* lawsuit.

Court Monitoring

The budget provides \$197,500 from the General Fund for Court Monitoring in FY 2009. This amount is unchanged from FY 2008. This line item provides funds for the state share of the expenses incurred by the Office of the Court Monitor, which was established as a result of the *Arnold v. Sarn* lawsuit.

Arnold v. Sarn

The budget provides \$37,153,100 for *Arnold v. Sarn* in FY 2009. This amount consists of:

General Fund	27,500,000
Federal Title XIX Expenditure Authority	9,653,100

These amounts fund the following adjustments:

Decreased FMAP

The budget provides a decrease of \$(170,500) in Federal Title XIX Expenditure Authority in FY 2009 to account for the expected change in the Federal Medical Assistance Percentage (FMAP) from Federal Fiscal Year (FFY) 2008 to FFY 2009.

This line item provides additional funding in order to address the requirements of the *Arnold v. Sarn* lawsuit. It is the intent of the Legislature that this funding be used throughout the state for all persons who meet the same criteria as those covered in the *Arnold v. Sarn* lawsuit. Funding in this line item does not represent all of the resources dedicated to addressing the *Arnold v. Sarn* lawsuit.

In order to increase legislative oversight, a footnote in the General Appropriation Act requires the department to report to the Joint Legislative Budget Committee quarterly on the progress being made toward settling the *Arnold v. Sarn* lawsuit.

General Mental Health and Substance Abuse

General Mental Health and Substance Abuse (GMH/SA) funding assists adults who do not qualify as SMI.

Mental Health Non-Title XIX

The budget provides \$2,447,300 from the General Fund for Mental Health Non-Title XIX services in FY 2009. This amount is unchanged from FY 2008. This line item provides funding for mental health treatment services for adults who require treatment but are not diagnosed SMI and are not eligible for the Title XIX program, as well as

general mental health services for children and for substance abuse services and prevention.

Substance Abuse Non-Title XIX

The budget provides \$14,635,400 for Substance Abuse Non-Title XIX services in FY 2009. This amount consists of:

General Fund	12,135,400
Substance Abuse Services Fund	2,500,000

These amounts are unchanged from FY 2008.

This line item provides funding for drug and alcohol abuse services for adults who are not eligible for the Title XIX program.

Mental Health and Substance Abuse State Match for Title XIX

The budget provides \$105,892,800 for Mental Health and Substance Abuse (GMH/SA) State Match for Title XIX in FY 2009. This amount consists of:

General Fund	36,133,300
Federal Title XIX Expenditure Authority	69,759,500

These amounts fund the following adjustments:

Formula Growth

The budget provides an increase of \$11,380,200 in FY 2009 for Title XIX GMH/SA caseload and capitation rate growth. This amount consists of:

General Fund	4,254,200
Federal Title XIX Expenditure Authority	7,126,000

The FY 2009 adjustment represents a 6.6% growth in the monthly capitation rate (from \$39.84 to \$42.46) and 4.0% growth in client population from June 2008 to June 2009.

This line item provides mental health and substance abuse treatment to Title XIX eligible individuals. This amount would provide capitation payments for an average of approximately 217,394 eligible adults per month. DHS receives a monthly capitation payment from AHCCCS for every adult eligible for Title XIX behavioral health services, although only an estimated 10.2% of the eligible population will utilize services.

Proposition 204 General Mental Health and Substance Abuse

The budget provides \$108,329,900 for Proposition 204 GMH/SA in FY 2009. This amount consists of:

General Fund	36,964,900
Federal Title XIX Expenditure Authority	71,365,000

These amounts fund the following adjustments:

Formula Growth

The budget provides an increase of \$20,645,600 in FY 2009 for Proposition 204 GMH/SA caseload and capitation rate growth. This amount consists of:

General Fund	7,389,000
Federal Title XIX Expenditure Authority	13,256,600

The FY 2009 adjustment represents a 6.6% growth in the monthly capitation rate (from \$39.84 to \$42.46) and 4.0% growth in client population from June 2008 to June 2009.

This line item provides mental health and substance abuse treatment to individuals who are eligible for Title XIX pursuant to Proposition 204. The approved amount would provide capitation payments for an average of approximately 222,397 eligible adults per month. DHS receives a monthly capitation payment from AHCCCS for every adult eligible for Title XIX behavioral health services, although only an estimated 10.2% of the eligible population will utilize services.

Substance Abuse Treatment

The budget provides no funding from the General Fund for Substance Abuse Treatment in FY 2009. This amount is unchanged from FY 2008.

Laws 2006, Chapter 337 made a one-time appropriation of \$3,000,000 for substance abuse treatment in FY 2007. Of that amount, \$2,500,000 was appropriated for rural detoxification programs. Monies were allocated to the 5 rural Regional Behavioral Health Authorities and Tribal Behavioral Health Authorities to fund projects including mobile outreach, acute and outpatient detoxification beds, aftercare therapy, and housing support. The remaining \$500,000 was substance abuse prevention programming for children. In FY 2007, the monies were awarded to the Boys' and Girls' Clubs for their MethSMART Program. This funding was continued in FY 2008 but moved to the Youth Methamphetamine Prevention Programs Special Line Item. (Please see the Youth Methamphetamine Prevention Programs SLI for more information.)

Institutions for Mental Disease

The budget provides no funding for Institutions for Mental Disease (IMD) in FY 2009. This amount funds the following adjustments:

Continue In Lieu of Services Provision

The budget continues a decrease of \$(2,000,000) from the General Fund in FY 2009 for the in lieu of services provision. In FY 2008, the General Appropriation Act provided an additional \$2,000,000 from the General Fund to offset the anticipated decrease of \$(2,072,600) from Federal Title XIX Expenditure Authority due to the

anticipated loss of the IMD Waiver. The FY 2008 budget revisions, however, removed this funding.

Federal Medicaid law excludes Federal Financial Participation (FFP) payments for services provided to individuals aged 21 to 65 at an IMD. An IMD is defined as a hospital or nursing facility, or other institution with more than 16 beds that is primarily engaged (more than 50% of patients) in providing diagnosis, treatment, or care of persons with behavioral health issues, including medical attention, nursing care, and related services. As part of Arizona's Medicaid Waiver, however, the state has been able to receive federal reimbursement for services provided to individuals aged 21 to 65 at an IMD since July 5, 2000. In FY 2005, the IMD waiver funded 2,679 individuals at 8 privately funded IMD facilities. DHS estimates that approximately half of the individuals served at an IMD are seriously mentally ill and half are substance abusers. As a result of Arizona's waiver, the federal government contributes approximately two-thirds of the cost of care for individuals served at an IMD. Starting in FY 2008, the federal government will cut back its reimbursement to the state by 50%; and in FY 2009, the federal government will no longer provide funding for services for excluded individuals at an IMD.

During FY 2008, the Arizona Health Care Cost Containment System (AHCCCS) worked with the Centers for Medicare and Medicaid Services (CMS) regarding a provision whereby members can receive equivalent services in a more cost-effective way. Under this proposal, DHS is able to provide services in licensed, alternative inpatient settings, in lieu of services in more expensive inpatient non-specialty hospitals. Related payments would be fully-matched with Federal Funds. This offsets the loss of federal funding as noted above and the \$2,000,000 General Fund appropriation added to the IMD Special Line Item would no longer be needed for this purpose.

Eliminate IMD Line Item

The budget provides a decrease of \$(6,267,700) in FY 2009 for the IMD Waiver. This amount consists of:

General Fund	(2,813,200)
Federal Title XIX Expenditure Authority	(3,454,500)

As explained above, additional monies for the IMD Waiver are no longer needed. These monies have been reincorporated into other special line items.

Youth Methamphetamine Prevention Programs

The Budget provides no funding for the Youth Methamphetamine Prevention Programs Special Line Item in FY 2009. This amount funds the following adjustments:

Funding Reduction

The budget provides a decrease of \$(500,000) from the General Fund in FY 2009 to reduce funding for youth methamphetamine prevention.

In FY 2007, funding for the MethSMART program was provided to 16 Boys' and Girls' Clubs statewide and 9,719 youths and teens participated in the program. Funding for youth methamphetamine prevention was included in the Substance Abuse Treatment line item in FY 2007.

Crisis Intervention Training Grants

The budget provides no funding for Crisis Intervention Training Grants in FY 2009. This amount funds the following adjustments:

Funding Reduction

The budget provides a decrease of \$(250,000) from the General Fund in FY 2009 to reduce funding for crisis intervention training grants.

This line item provides funding for grants to law enforcement agencies to train law enforcement officers and first responders in best practices in the treatment of individuals with mental illness. The monies are to be used to supplement, not supplant, existing funding for this purpose.