

REFERENCE TITLE: **clozapine; access; treatment protocols**

State of Arizona
Senate
Fifty-seventh Legislature
First Regular Session
2025

SB 1720

Introduced by
Senators Kuby: Miranda

AN ACT

AMENDING TITLE 20, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 10; AMENDING TITLE 31, CHAPTER 1, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 31-166; AMENDING TITLE 31, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 31-243; AMENDING TITLE 36, CHAPTER 29, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-2903.17; AMENDING SECTIONS 36-2939 AND 36-3431, ARIZONA REVISED STATUTES; RELATING TO MENTAL HEALTH SERVICES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 20, Arizona Revised Statutes, is amended by adding
3 chapter 10, to read:

4 CHAPTER 10

5 HEALTH INSURER TREATMENT FOR PSYCHIATRIC DISORDERS

6 ARTICLE 1. CLOZAPINE TREATMENT

7 20-2001. Definitions

8 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

9 1. "HEALTH INSURER":

10 (a) MEANS A DISABILITY INSURER, GROUP DISABILITY INSURER, BLANKET
11 DISABILITY INSURER, HEALTH CARE SERVICES ORGANIZATION, HOSPITAL SERVICE
12 CORPORATION, MEDICAL SERVICE CORPORATION OR HOSPITAL, MEDICAL, DENTAL AND
13 OPTOMETRIC SERVICE CORPORATION AND INCLUDES THE HEALTH INSURER'S DESIGNEE.

14 (b) DOES NOT INCLUDE A PHARMACY BENEFIT MANAGER AS DEFINED IN
15 SECTION 20-3321.

16 2. "PARTICIPATING PROVIDER" MEANS A PROVIDER THAT HAS BEEN
17 CREDENTIALLED BY A HEALTH INSURER OR ITS DESIGNEE TO PROVIDE HEALTH CARE
18 ITEMS OR SERVICES TO SUBSCRIBERS IN AT LEAST ONE OF THE HEALTH INSURER'S
19 PROVIDER NETWORKS.

20 3. "PROVIDER" MEANS A PHYSICIAN, HOSPITAL, BEHAVIORAL HEALTH
21 FACILITY OR OTHER PERSON OR HEALTH CARE INSTITUTION THAT IS LICENSED IN
22 THIS STATE OR THAT IS OTHERWISE AUTHORIZED TO FURNISH HEALTH CARE SERVICES
23 IN THIS STATE.

24 4. "SUBSCRIBER" MEANS A PERSON WHO IS ELIGIBLE TO RECEIVE HEALTH
25 CARE BENEFITS PURSUANT TO A HEALTH INSURANCE POLICY OR COVERAGE ISSUED OR
26 PROVIDED BY A HEALTH INSURER.

27 20-2002. Clozapine; psychiatric disorders; access; treatment
28 protocol; continuing education

29 A. A HEALTH INSURER SHALL PROVIDE REIMBURSEMENT FOR TREATMENT AND
30 SERVICES THAT ARE UNIQUE TO SUBSCRIBERS WHO ARE PRESCRIBED CLOZAPINE, AS
31 FOLLOWS:

32 1. DUE TO THE INHERENT COMPLEXITY OF CLOZAPINE TREATMENT, ALL
33 PSYCHIATRIC EXAMINATIONS OF SUBSCRIBERS WHO ARE PRESCRIBED CLOZAPINE MAY
34 BE BILLED AT THE HIGHEST LEVEL OF COMPLEXITY, AND THE HEALTH INSURER MAY
35 NOT RESTRICT THE NUMBER OR FREQUENCY OF PSYCHIATRIC VISITS.

36 2. DURING THE FIRST TWELVE MONTHS THAT A SUBSCRIBER RECEIVES
37 CLOZAPINE TREATMENT, PSYCHIATRIC EXAMINATIONS SHALL BE REIMBURSED WITH AN
38 ENHANCED CASE RATE THAT INCLUDES AN ADDITIONAL THIRTY PERCENT ABOVE THE
39 HIGH COMPLEXITY VISIT TO COMPENSATE FOR ADMINISTRATIVE TASKS AND CARE
40 MANAGEMENT ASSOCIATED WITH ADDITIONAL LABORATORY TESTING AND PATIENT
41 MONITORING.

42 3. MEDICAL WEIGHT MANAGEMENT SHALL BE PROVIDED TO TREAT AND PREVENT
43 CLOZAPINE-INDUCED WEIGHT GAIN AND OTHER METABOLIC DISORDERS ASSOCIATED
44 WITH CLOZAPINE TREATMENT.

1 4. SPECIALTY INTERVENTIONS, SUCH AS BOTULINUM TOXIN INJECTIONS IN
2 SALIVARY GLANDS, FOR REFRACTORY EXCESSIVE SALIVATION THAT DOES NOT RESPOND
3 TO TOPICAL OR ORAL TREATMENTS SHALL BE PROVIDED, IF NECESSARY, INCLUDING
4 ADMINISTRATION BY A TRAINED SPECIALIST AND ALL NECESSARY OFFICE VISITS.

5 5. A SUBSCRIBER WHO IS PRESCRIBED CLOZAPINE SHALL HAVE ACCESS TO
6 LESS-INVASIVE MEANS OF HEMATOLOGICAL MONITORING, SUCH AS FINGER-STICK
7 ABSOLUTE NEUTROPHIL COUNT DEVICES, INCLUDING INDIVIDUAL DEVICES FOR A
8 SUBSCRIBER, IF REQUESTED BY THE SUBSCRIBER OR THE SUBSCRIBER'S GUARDIAN,
9 AS A REASONABLE ACCOMMODATION FOR THE SUBSCRIBER'S DISABILITY. CLINICAL
10 ASSISTANCE AND SUPPLIES ASSOCIATED WITH THE ADMINISTRATION OF FINGER-STICK
11 PATIENT MONITORING SHALL BE PROVIDED.

12 6. MOBILE PHLEBOTOMY SERVICES SHALL BE PROVIDED, IF REQUESTED BY
13 THE SUBSCRIBER OR THE SUBSCRIBER'S GUARDIAN, FOR NECESSARY HEMATOLOGICAL
14 TESTING.

15 7. GENETIC TESTING SHALL BE PROVIDED, AS NECESSARY, TO IDENTIFY
16 GENES ASSOCIATED WITH BENIGN ETHNIC NEUTROPENIA AND GENES LINKED TO
17 INCREASED RISK OF CLOZAPINE-INDUCED NEUTROPENIA AND TO GUIDE HEMATOLOGICAL
18 MONITORING FREQUENCY AND NEUTROPHIL PARAMETERS OF SUBSCRIBERS WHO ARE
19 PRESCRIBED CLOZAPINE.

20 8. PRESCRIPTION DRUG COVERAGE SHALL INCLUDE CLOZAPINE FOR EMERGENCY
21 USE OUTSIDE OF THE STANDARD REFILL UTILIZATION REQUIREMENTS, IF REQUESTED
22 BY THE SUBSCRIBER OR THE SUBSCRIBER'S GUARDIAN.

23 B. THE HEALTH INSURER SHALL ESTABLISH CRITERIA TO PROACTIVELY
24 IDENTIFY PARTICIPATING PROVIDERS THAT MAY BE UNDERUTILIZING CLOZAPINE,
25 INCLUDING IDENTIFYING PRESCRIBERS WHO TREAT SUBSCRIBERS DIAGNOSED WITH
26 SCHIZOPHRENIA OR SCHIZOAFFECTIVE DISORDER AND WHO ARE NOT PRESCRIBING
27 CLOZAPINE. PARTICIPATING PROVIDERS WHO DEMONSTRATE POOR CLOZAPINE
28 UTILIZATION SHALL BE NOTIFIED, AT A MINIMUM, ON A QUARTERLY BASIS.

29 C. THE HEALTH INSURER SHALL OFFER CLOZAPINE-SPECIFIC TRAINING FOR
30 ALL PARTICIPATING PROVIDERS WHO PROVIDE BEHAVIORAL HEALTH TREATMENT. THE
31 TRAINING SHALL INCLUDE INFORMATION REGARDING BARRIERS TO AND THE
32 MANAGEMENT OF CLOZAPINE TREATMENT, ADHERENCE TO TREATMENT PROTOCOLS AND
33 SIDE EFFECTS OF CLOZAPINE TREATMENT.

34 D. IN THE DELIVERY OF CARE AND SERVICES FOR SUBSCRIBERS WITH A
35 SERIOUS MENTAL ILLNESS DESIGNATION OR A SERIOUS EMOTIONAL DISTURBANCE
36 DESIGNATION, THE HEALTH INSURER SHALL:

37 1. OFFER IN-HOME HEMATOLOGICAL MONITORING, IF REQUESTED BY THE
38 SUBSCRIBER, THE SUBSCRIBER'S GUARDIAN OR THE SUBSCRIBER'S PARTICIPATING
39 PROVIDER, INCLUDING MOBILE PHLEBOTOMY SERVICES OR A TRAINED CARE MANAGER
40 TO ASSIST HOMEBOUND SUBSCRIBERS WITH FINGER-STICK TESTING OF ABSOLUTE
41 NEUTROPHIL COUNT.

42 2. COVER MEDICATION DELIVERY OR MAIL ORDER MEDICATION SERVICES IF
43 THE PARTICIPATING PROVIDER DETERMINES THE SERVICE AND DELIVERY CONDITIONS
44 ARE APPROPRIATE FOR THE SUBSCRIBER.

3. PROVIDE A LEVEL OF SUPPORT SERVICES THAT ACCOMMODATES ADDITIONAL MEDICATION ASSISTANCE, INCLUDING MEDICATION PROMPTING, OBSERVATION, ADMINISTRATION AND OVERSIGHT OF A SUBSCRIBER'S MEDICATION PLAN, AS NECESSARY, FOR A SUBSCRIBER WHO IS PRESCRIBED CLOZAPINE TO ENSURE CONSISTENCY AND ADHERENCE, REGARDLESS OF THE SUBSCRIBER'S LEVEL OF SUPPORT FOR A SERIOUS MENTAL ILLNESS DESIGNATION OR A SERIOUS EMOTIONAL DISTURBANCE DESIGNATION. THESE SUPPORT SERVICES SHALL BE PROVIDED TO A SUBSCRIBER WHO IS BEING DISCHARGED FROM AN INPATIENT FACILITY, A BEHAVIORAL HEALTH RESIDENTIAL FACILITY OR ANY TWENTY-FOUR-HOUR SUPERVISED PROGRAM.

E. THE HEALTH INSURER SHALL REQUIRE A PARTICIPATING PROVIDER THAT IS AN INPATIENT BEHAVIORAL HEALTH FACILITY THAT HAS A PHARMACY AND THAT SERVES SUBSCRIBERS WITH PSYCHIATRIC NEEDS TO MAINTAIN CLOZAPINE IN STOCK.

Sec. 2. Title 31, chapter 1, article 4, Arizona Revised Statutes, is amended by adding section 31-166, to read:

31-166. Inmates with psychiatric disorders; clozapine; access; treatment protocols

A COUNTY JAIL SHALL PROVIDE AN INMATE WHO IS PRESCRIBED CLOZAPINE WITH ACCESS TO CLOZAPINE AND THE RELATED TREATMENT PROTOCOLS AS PRESCRIBED IN SECTION 36-2903.17, SUBSECTION A, PARAGRAPHS 3, 4, 5, 6 AND 8 AND THE TRAINING PRESCRIBED IN SECTION 36-2903.17, SUBSECTION C.

Sec. 3. Title 31, chapter 2, article 2, Arizona Revised Statutes, is amended by adding section 31-243, to read:

31-243. Inmates with psychiatric disorders; clozapine; access; treatment protocols

THE DEPARTMENT OR A PRIVATE PRISON PROVIDER THAT IS CONTRACTED BY THE DEPARTMENT SHALL PROVIDE AN INMATE WHO IS PRESCRIBED CLOZAPINE WITH ACCESS TO CLOZAPINE AND THE RELATED TREATMENT PROTOCOLS AS PRESCRIBED IN SECTION 36-2903.17, SUBSECTION A, PARAGRAPHS 3, 4, 5, 6 AND 8 AND THE TRAINING PRESCRIBED IN SECTION 36-2903.17, SUBSECTION C.

Sec. 4. Title 36, chapter 29, article 1, Arizona Revised Statutes, is amended by adding section 36-2903.17, to read:

36-2903.17. Clozapine; psychiatric disorders; access; treatment protocol; continuing education

A. THE ADMINISTRATION AND ITS CONTRACTORS SHALL PROVIDE REIMBURSEMENT FOR TREATMENT AND SERVICES THAT ARE UNIQUE TO MEMBERS WHO ARE PRESCRIBED CLOZAPINE, AS FOLLOWS:

1. DUE TO THE INHERENT COMPLEXITY OF CLOZAPINE TREATMENT, ALL PSYCHIATRIC EXAMINATIONS OF MEMBERS WHO ARE PRESCRIBED CLOZAPINE MAY BE BILLED AT THE HIGHEST LEVEL OF COMPLEXITY, AND THE ADMINISTRATION OR CONTRACTOR MAY NOT RESTRICT THE NUMBER OR FREQUENCY OF PSYCHIATRIC VISITS.

2. DURING THE FIRST TWELVE MONTHS THAT A MEMBER RECEIVES CLOZAPINE TREATMENT, PSYCHIATRIC EXAMINATIONS SHALL BE REIMBURSED WITH AN ENHANCED CASE RATE THAT INCLUDES AN ADDITIONAL THIRTY PERCENT ABOVE THE HIGH COMPLEXITY VISIT TO COMPENSATE FOR ADMINISTRATIVE TASKS AND CARE

1 MANAGEMENT ASSOCIATED WITH ADDITIONAL LABORATORY TESTING AND PATIENT
2 MONITORING.

3 3. MEDICAL WEIGHT MANAGEMENT SHALL BE PROVIDED TO TREAT AND PREVENT
4 CLOZAPINE-INDUCED WEIGHT GAIN AND OTHER METABOLIC DISORDERS ASSOCIATED
5 WITH CLOZAPINE TREATMENT.

6 4. SPECIALTY INTERVENTIONS, SUCH AS BOTULINUM TOXIN INJECTIONS IN
7 SALIVARY GLANDS, FOR REFRACTORY EXCESSIVE SALIVATION THAT DOES NOT RESPOND
8 TO TOPICAL OR ORAL TREATMENTS SHALL BE PROVIDED, IF NECESSARY, INCLUDING
9 ADMINISTRATION BY A TRAINED SPECIALIST AND ALL NECESSARY OFFICE VISITS.

10 5. A MEMBER WHO IS PRESCRIBED CLOZAPINE SHALL HAVE ACCESS TO
11 LESS-INVASIVE MEANS OF HEMATOLOGICAL MONITORING, SUCH AS FINGER-STICK
12 ABSOLUTE NEUTROPHIL COUNT DEVICES, INCLUDING INDIVIDUAL DEVICES FOR A
13 MEMBER, IF REQUESTED BY THE MEMBER OR THE MEMBER'S GUARDIAN, AS A
14 REASONABLE ACCOMMODATION FOR THE MEMBER'S DISABILITY. CLINICAL ASSISTANCE
15 AND SUPPLIES ASSOCIATED WITH THE ADMINISTRATION OF FINGER-STICK PATIENT
16 MONITORING SHALL BE PROVIDED.

17 6. MOBILE PHLEBOTOMY SERVICES SHALL BE PROVIDED, IF REQUESTED BY
18 THE MEMBER OR THE MEMBER'S GUARDIAN, FOR NECESSARY HEMATOLOGICAL TESTING.

19 7. GENETIC TESTING SHALL BE PROVIDED, AS NECESSARY, TO IDENTIFY
20 GENES ASSOCIATED WITH BENIGN ETHNIC NEUTROPENIA AND GENES LINKED TO
21 INCREASED RISK OF CLOZAPINE-INDUCED NEUTROPENIA AND TO GUIDE HEMATOLOGICAL
22 MONITORING FREQUENCY AND NEUTROPHIL PARAMETERS OF MEMBERS WHO ARE
23 PRESCRIBED CLOZAPINE.

24 8. PRESCRIPTION DRUG COVERAGE SHALL INCLUDE CLOZAPINE FOR EMERGENCY
25 USE OUTSIDE OF THE STANDARD REFILL UTILIZATION REQUIREMENTS, IF REQUESTED
26 BY THE MEMBER OR THE MEMBER'S GUARDIAN.

27 B. THE ADMINISTRATION AND ITS CONTRACTORS SHALL ESTABLISH CRITERIA
28 TO PROACTIVELY IDENTIFY HEALTH CARE FACILITIES AND PROVIDERS THAT MAY BE
29 UNDERUTILIZING CLOZAPINE, INCLUDING IDENTIFYING PRESCRIBERS WHO TREAT
30 MEMBERS DIAGNOSED WITH SCHIZOPHRENIA OR SCHIZOAFFECTIVE DISORDER AND WHO
31 ARE NOT PRESCRIBING CLOZAPINE. HEALTH CARE FACILITIES AND PROVIDERS WHO
32 DEMONSTRATE POOR CLOZAPINE UTILIZATION SHALL BE NOTIFIED, AT A MINIMUM, ON
33 A QUARTERLY BASIS.

34 C. THE ADMINISTRATION SHALL OFFER CLOZAPINE-SPECIFIC TRAINING FOR
35 ALL BEHAVIORAL HEALTH PROVIDERS WHO PARTICIPATE IN THE SYSTEM. THE
36 TRAINING SHALL INCLUDE INFORMATION REGARDING BARRIERS TO AND THE
37 MANAGEMENT OF CLOZAPINE TREATMENT, ADHERENCE TO TREATMENT PROTOCOLS AND
38 SIDE EFFECTS OF CLOZAPINE TREATMENT.

39 D. IN THE DELIVERY OF CARE AND SERVICES FOR MEMBERS WITH A SERIOUS
40 MENTAL ILLNESS DESIGNATION OR A SERIOUS EMOTIONAL DISTURBANCE DESIGNATION,
41 THE ADMINISTRATION AND ITS CONTRACTED REGIONAL BEHAVIORAL HEALTH
42 AUTHORITIES SHALL:

43 1. OFFER SINGLE-CASE AGREEMENTS FOR NON-TITLE XIV MEMBERS TO
44 RECEIVE SERVICES FROM PRIVATE OUT-OF-NETWORK PROVIDERS WHO PRESCRIBE
45 CLOZAPINE WHEN MEDICALLY NECESSARY OR TO PROMOTE TIMELY ACCESS TO CARE, IF

1 THE PRESCRIBING HEALTH PROFESSIONAL IS LICENSED IN THIS STATE AND IS
2 REGISTERED WITH THE ADMINISTRATION.

3 2. DESIGNATE ALL MEMBERS WHO ARE PRESCRIBED CLOZAPINE AS A SPECIAL
4 ASSISTANCE MEMBER, UNLESS THE DESIGNATION IS DECLINED BY THE MEMBER OR
5 MEMBER'S GUARDIAN.

6 3. OFFER IN-HOME HEMATOLOGICAL MONITORING, IF REQUESTED BY THE
7 MEMBER, THE MEMBER'S GUARDIAN OR THE MEMBER'S HEALTH CARE PROVIDER,
8 INCLUDING MOBILE PHLEBOTOMY SERVICES OR A TRAINED CARE MANAGER TO ASSIST
9 HOMEBOUND MEMBERS WITH FINGER-STICK TESTING OF ABSOLUTE NEUTROPHIL COUNT.

10 4. COVER MEDICATION DELIVERY OR MAIL ORDER MEDICATION SERVICES IF
11 THE HEALTH CARE PROVIDER DETERMINES THE SERVICE AND DELIVERY CONDITIONS
12 ARE APPROPRIATE FOR THE MEMBER.

13 5. PROVIDE A LEVEL OF SUPPORT SERVICES THAT ACCOMMODATES ADDITIONAL
14 MEDICATION ASSISTANCE, INCLUDING MEDICATION PROMPTING, OBSERVATION,
15 ADMINISTRATION AND OVERSIGHT OF A MEMBER'S MEDICATION PLAN, AS NECESSARY,
16 FOR A MEMBER WHO IS PRESCRIBED CLOZAPINE TO ENSURE CONSISTENCY AND
17 ADHERENCE, REGARDLESS OF THE MEMBER'S LEVEL OF SUPPORT FOR A SERIOUS
18 MENTAL ILLNESS DESIGNATION OR A SERIOUS EMOTIONAL DISTURBANCE
19 DESIGNATION. THESE SUPPORT SERVICES SHALL BE PROVIDED TO A MEMBER WHO IS
20 BEING DISCHARGED FROM AN INPATIENT FACILITY, A BEHAVIORAL HEALTH
21 RESIDENTIAL FACILITY OR ANY TWENTY-FOUR-HOUR SUPERVISED PROGRAM.

22 E. THE ADMINISTRATION AND ITS CONTRACTORS SHALL REQUIRE ANY
23 INPATIENT BEHAVIORAL HEALTH FACILITY THAT HAS A PHARMACY AND THAT SERVES
24 MEMBERS WITH PSYCHIATRIC NEEDS TO MAINTAIN CLOZAPINE IN STOCK.

25 Sec. 5. Section 36-2939, Arizona Revised Statutes, is amended to
26 read:

27 36-2939. Long-term care system services; definition

28 A. The following services shall be provided by the program
29 contractors to members who are determined to need institutional services
30 pursuant to this article:

31 1. Nursing facility services other than services in an institution
32 for tuberculosis or mental disease.

33 2. Notwithstanding any other law, behavioral health services if
34 these services are not duplicative of long-term care services provided as
35 of January 30, 1993 under this subsection and are authorized by the
36 program contractor through the long-term care case management system. If
37 the administration is the program contractor, the administration may
38 authorize these services.

39 3. Hospice services. For the purposes of this paragraph, "hospice"
40 means a program of palliative and supportive care for terminally ill
41 members and their families or caregivers.

42 4. Case management services as provided in section 36-2938.

43 5. Health and medical services as provided in section 36-2907.

6. Dental services as follows:

(a) Except as provided in subdivision (b) of this paragraph, in an annual amount of not more than \$1,000 per member.

(b) Subject to approval by the centers for medicare and medicaid services, for persons treated at an Indian health service or tribal facility, adult dental services that are eligible for a federal medical assistance percentage of one hundred percent and that are in excess of the limit prescribed in subdivision (a) of this paragraph.

7. CLOZAPINE ACCESS AND TREATMENT PROTOCOLS AS PRESCRIBED IN SECTION 36-2903.17 FOR MEMBERS WHO ARE PRESCRIBED CLOZAPINE.

B. In addition to the services prescribed in subsection A of this section, the department, as a program contractor, shall provide the following services if appropriate to members who have a developmental disability as defined in section 36-551 and who are determined to need institutional services pursuant to this article:

1. Intermediate care facility services for a member who has a developmental disability as defined in section 36-551. For purposes of this article, a facility shall meet all federally approved standards and may only include the Arizona training program facilities, a state owned and operated service center, state owned or operated community residential settings and private facilities that contract with the department.

2. Home and community based services that may be provided in a member's home, at an alternative residential setting as prescribed in section 36-591 or at other behavioral health alternative residential facilities licensed by the department of health services and approved by the director of the Arizona health care cost containment system administration and that may include:

(a) Home health, which means the provision of nursing services, licensed health aide services, home health aide services or medical supplies, equipment and appliances, that are provided on a part-time or intermittent basis by a licensed home health agency within a member's residence based on a physician's or allowed practitioner's orders and in accordance with federal law. Physical therapy, occupational therapy, or speech and audiology services provided by a home health agency may be provided in accordance with federal law. Home health agencies shall comply with federal bonding requirements in a manner prescribed by the administration.

(b) Licensed health aide services, which means a home health agency service provided pursuant to subsection G of this section that is ordered by a physician or an allowed practitioner on the member's plan of care and provided by a licensed health aide who is licensed pursuant to title 32, chapter 15.

(c) Home health aide, which means a service that provides intermittent health maintenance, continued treatment or monitoring of a

1 health condition and supportive care for activities of daily living
2 provided within a member's residence.

3 (d) Homemaker, which means a service that provides assistance in
4 the performance of activities related to household maintenance within a
5 member's residence.

6 (e) Personal care, which means a service that provides assistance
7 to meet essential physical needs within a member's residence.

8 (f) Day care for persons with developmental disabilities, which
9 means a service that provides planned care supervision and activities,
10 personal care, activities of daily living skills training and habilitation
11 services in a group setting during a portion of a continuous
12 twenty-four-hour period.

13 (g) Habilitation, which means the provision of physical therapy,
14 occupational therapy, speech or audiology services or training in
15 independent living, special developmental skills, sensory-motor
16 development, behavior intervention, and orientation and mobility in
17 accordance with federal law.

18 (h) Respite care, which means a service that provides short-term
19 care and supervision available on a twenty-four-hour basis.

20 (i) Transportation, which means a service that provides or assists
21 in obtaining transportation for the member.

22 (j) Other services or licensed or certified settings approved by
23 the director.

24 C. In addition to services prescribed in subsection A of this
25 section, home and community based services may be provided in a member's
26 home, in an adult foster care home as prescribed in section 36-401, in an
27 assisted living home or assisted living center as defined in section
28 36-401 or in a level one or level two behavioral health alternative
29 residential facility approved by the director by program contractors to
30 all members who do not have a developmental disability as defined in
31 section 36-551 and are determined to need institutional services pursuant
32 to this article. Members residing in an assisted living center must be
33 provided the choice of single occupancy. The director may also approve
34 other licensed residential facilities as appropriate on a case-by-case
35 basis for traumatic brain injured members. Home and community based
36 services may include the following:

37 1. Home health, which means the provision of nursing services, home
38 health aide services or medical supplies, equipment and appliances, that
39 are provided on a part-time or intermittent basis by a licensed home
40 health agency within a member's residence based on a physician's or
41 allowed practitioner's orders and in accordance with federal
42 law. Physical therapy, occupational therapy, or speech and audiology
43 services provided by a home health agency may be provided in accordance
44 with federal law. Home health agencies shall comply with federal bonding
45 requirements in a manner prescribed by the administration.

1 2. Licensed health aide services, which means a home health agency
2 service provided pursuant to subsection G of this section that is ordered
3 by a physician or an allowed practitioner on the member's plan of care and
4 provided by a licensed health aide who is licensed pursuant to title 32,
5 chapter 15.

6 3. Home health aide, which means a service that provides
7 intermittent health maintenance, continued treatment or monitoring of a
8 health condition and supportive care for activities of daily living
9 provided within a member's residence.

10 4. Homemaker, which means a service that provides assistance in the
11 performance of activities related to household maintenance within a
12 member's residence.

13 5. Personal care, which means a service that provides assistance to
14 meet essential physical needs within a member's residence.

15 6. Adult day health, which means a service that provides planned
16 care supervision and activities, personal care, personal living skills
17 training, meals and health monitoring in a group setting during a portion
18 of a continuous twenty-four-hour period. Adult day health may also
19 include preventive, therapeutic and restorative health related services
20 that do not include behavioral health services.

21 7. Habilitation, which means the provision of physical therapy,
22 occupational therapy, speech or audiology services or training in
23 independent living, special developmental skills, sensory-motor
24 development, behavior intervention, and orientation and mobility in
25 accordance with federal law.

26 8. Respite care, which means a service that provides short-term
27 care and supervision available on a twenty-four-hour basis.

28 9. Transportation, which means a service that provides or assists
29 in obtaining transportation for the member.

30 10. Home delivered meals, which means a service that provides for a
31 nutritious meal that contains at least one-third of the recommended
32 dietary allowance for an individual and that is delivered to the member's
33 residence.

34 11. Other services or licensed or certified settings approved by
35 the director.

36 D. The amount of monies expended by program contractors on home and
37 community based services pursuant to subsection C of this section shall be
38 limited by the director in accordance with the federal monies made
39 available to this state for home and community based services pursuant to
40 subsection C of this section. The director shall establish methods for
41 allocating monies for home and community based services to program
42 contractors and shall monitor expenditures on home and community based
43 services by program contractors.

44 E. Notwithstanding subsections A, B, C, F and G of this section, a
45 service may not be provided that does not qualify for federal monies

1 available under title XIX of the social security act or the section 1115
2 waiver.

3 F. In addition to services provided pursuant to subsections A, B
4 and C of this section, the director may implement a demonstration project
5 to provide home and community based services to special populations,
6 including persons with disabilities who are eighteen years of age or
7 younger, are medically fragile, reside at home and would be eligible for
8 supplemental security income for the aged, blind or disabled or the state
9 supplemental payment program, except for the amount of their parent's
10 income or resources. In implementing this project, the director may
11 provide for parental contributions for the care of their child.

12 G. Consistent with the services provided pursuant to subsections A,
13 B, C and F of this section and subject to approval by the centers for
14 medicare and medicaid services, the director shall implement a program
15 under which licensed health aide services may be provided to members who
16 are under twenty-one years of age, who are eligible pursuant to section
17 36-2934, including members with developmental disabilities as defined in
18 chapter 5.1, article 1 of this title, and who require continuous skilled
19 nursing or skilled nursing respite care services. The licensed health
20 aide services may be provided only by a parent, guardian or family member
21 who is a licensed health aide employed by a medicare-certified home health
22 agency service provider. Not later than sixty days after the approval of
23 the rules implementing section 32-1645, subsection C, the director shall
24 request any necessary approvals from the centers for medicare and medicaid
25 services to implement this subsection and to qualify for federal monies
26 available under title XIX of the social security act or the section 1115
27 waiver. The reimbursement rate for services provided under this
28 subsection shall reflect the special skills needed to meet the health care
29 needs of these members and shall exceed the reimbursement rate for home
30 health aide services.

31 H. Subject to section 36-562, the administration by rule shall
32 prescribe a deductible schedule for programs provided to members who are
33 eligible pursuant to subsection B of this section, except that the
34 administration shall implement a deductible based on family income. In
35 determining deductible amounts and whether a family is required to have
36 deductibles, the department shall use adjusted gross income. Families
37 whose adjusted gross income is at least four hundred percent and less than
38 or equal to five hundred percent of the federal poverty guidelines shall
39 have a deductible of two percent of adjusted gross income. Families whose
40 adjusted gross income is more than five hundred percent of adjusted gross
41 income shall have a deductible of four percent of adjusted gross income.
42 Only families whose children are under eighteen years of age and who are
43 members who are eligible pursuant to subsection B of this section may be
44 required to have a deductible for services. For the purposes of this
45 subsection, "deductible" means an amount a family, whose children are

1 under eighteen years of age and who are members who are eligible pursuant
2 to subsection B of this section, pays for services, other than
3 departmental case management and acute care services, before the
4 department will pay for services other than departmental case management
5 and acute care services.

6 I. For the purposes of this section, "allowed practitioner" means a
7 nurse practitioner who is certified pursuant to title 32, chapter 15, a
8 clinical nurse specialist who is certified pursuant to title 32, chapter
9 15 or a physician assistant who is certified pursuant to title 32,
10 chapter 25.

11 Sec. 6. Section 36-3431, Arizona Revised Statutes, is amended to
12 read:

13 36-3431. Comprehensive behavioral health service system for
14 children; administration duties

15 A. The administration shall develop and implement a comprehensive
16 behavioral health service system for children that includes the following:

- 17 1. Annual needs assessment and resource assessment studies.
- 18 2. Annual planning to develop policy issues, programs and services.
- 19 3. Community education to increase public awareness of the needs of
20 children.
- 21 4. Centralized and coordinated screening and intake.
- 22 5. Coordinated case management.
- 23 6. A continuum of treatment services, which may include the
24 following:
 - 25 (a) Home-based services.
 - 26 (b) Prevention and early intervention.
 - 27 (c) Psychological evaluation and consultation.
 - 28 (d) Ancillary support services.
 - 29 (e) Crisis intervention.
 - 30 (f) Outpatient counseling.
 - 31 (g) Independent living services.
 - 32 (h) Secure residential treatment services for seriously emotionally
33 disturbed children.
 - 34 (i) Residential treatment services for children's substance abuse.
 - 35 (j) Psychiatric hospitalization services.

36 7. CLOZAPINE ACCESS AND TREATMENT PROTOCOLS AS PRESCRIBED IN
37 SECTION 36-2903.17 FOR CHILDREN WHO ARE PRESCRIBED CLOZAPINE.

38 ~~7.~~ 8. Evaluation that determines both cost effectiveness and
39 client outcome.

40 B. Subject to legislative appropriation, the administration shall
41 maintain the system identified in subsection A of this section.

42 C. For the purposes of developing needs assessments and resource
43 assessments and for planning, the administration may consult and
44 coordinate with any state agency established for that purpose.