

CORRECTED

House Engrossed Senate Bill

~~home; community-based services; mental illness~~
(now: enhanced residential treatment; SMI)

State of Arizona
Senate
Fifty-seventh Legislature
Second Regular Session
2026

SENATE BILL 1630

AN ACT

AMENDING SECTION 36-401, ARIZONA REVISED STATUTES; AMENDING TITLE 36, CHAPTER 4, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-425.10; AMENDING SECTION 36-2935, ARIZONA REVISED STATUTES; AMENDING TITLE 36, CHAPTER 29, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 3.1; REPEALING TITLE 36, CHAPTER 29, ARTICLE 3.1, ARIZONA REVISED STATUTES; RELATING TO SERIOUS MENTAL ILLNESS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 36-401, Arizona Revised Statutes, is amended to
3 read:

4 36-401. Definitions; adult foster care

5 A. In this chapter, unless the context otherwise requires:

6 1. "Accredited health care institution" means a health care
7 institution, other than a hospital, that is currently accredited by a
8 nationally recognized accreditation organization.

9 2. "Accredited hospital" means a hospital that is currently
10 accredited by a nationally recognized organization on hospital
11 accreditation.

12 3. "Adult behavioral health therapeutic home" means a residence for
13 individuals who are at least eighteen years of age, have behavioral health
14 issues and need behavioral health services that does all of the following
15 for those individuals:

16 (a) Provides room and board.

17 (b) Assists in acquiring daily living skills.

18 (c) Coordinates transportation to scheduled appointments.

19 (d) Monitors behaviors.

20 (e) Assists in the self-administration of medication.

21 (f) Provides feedback to case managers related to behavior.

22 4. "Adult day health care facility" means a facility that provides
23 adult day health services during a portion of a continuous
24 twenty-four-hour period for compensation on a regular basis for five or
25 more adults who are not related to the proprietor.

26 5. "Adult day health services" means a program that provides
27 planned care supervision and activities, personal care, personal living
28 skills training, meals and health monitoring in a group setting during a
29 portion of a continuous twenty-four-hour period. Adult day health
30 services may also include preventive, therapeutic and restorative
31 health-related services that do not include behavioral health services.

32 6. "Adult foster care home" means a residential setting that
33 provides room and board and adult foster care services for at least one
34 and not more than four adults who are participants in the Arizona
35 long-term care system pursuant to chapter 29, article 2 of this title or
36 contracts for services with the United States department of veterans
37 affairs and in which the sponsor or the manager resides with the residents
38 and integrates the residents who are receiving adult foster care into that
39 person's family.

40 7. "Adult foster care services" means supervision, assistance with
41 eating, bathing, toileting, dressing, self-medication and other routines
42 of daily living or services authorized by rules adopted pursuant to
43 section 36-405 and section 36-2939, subsection C.

44 8. "Assisted living center" means an assisted living facility that
45 provides resident rooms or residential units to eleven or more residents.

1 9. "Assisted living facility" means a residential care institution,
2 including an adult foster care home, that provides or contracts to provide
3 supervisory care services, personal care services or directed care
4 services on a continuous basis.

5 10. "Assisted living home" means an assisted living facility that
6 provides resident rooms to ten or fewer residents.

7 11. "Behavioral health services" means services that pertain to
8 mental health and substance use disorders and that are either:

9 (a) Performed by or under the supervision of a professional who is
10 licensed pursuant to title 32 and whose scope of practice allows the
11 professional to provide these services.

12 (b) Performed on behalf of patients by behavioral health staff as
13 prescribed by rule.

14 12. "Construction" means building, erecting, fabricating or
15 installing a health care institution.

16 13. "Continuous" means available at all times without cessation,
17 break or interruption.

18 14. "Controlling person" means a person who:

19 (a) Through ownership, has the power to vote at least ten percent
20 of the outstanding voting securities.

21 (b) If the applicant or licensee is a partnership, is the general
22 partner or a limited partner who holds at least ten percent of the voting
23 rights of the partnership.

24 (c) If the applicant or licensee is a corporation, an association
25 or a limited liability company, is the president, the chief executive
26 officer, the incorporator or any person who owns or controls at least ten
27 percent of the voting securities. For the purposes of this subdivision,
28 corporation does not include nonprofit corporations.

29 (d) Holds a beneficial interest in ten percent or more of the
30 liabilities of the applicant or the licensee.

31 15. "Department" means the department of health services.

32 16. "Directed care services" means programs and services, including
33 supervisory and personal care services, that are provided to persons who
34 are incapable of recognizing danger, summoning assistance, expressing need
35 or making basic care decisions.

36 17. "Direction" means authoritative policy or procedural guidance
37 to accomplish a function or activity.

38 18. "Director" means the director of the department.

39 19. "Direct owner" means a person that has an ownership or control
40 interest in a health care institution totaling fifty-one percent or more.

41 20. "ENHANCED RESIDENTIAL TREATMENT FACILITY" MEANS A RESIDENTIAL
42 CARE INSTITUTION THAT IS LICENSED TO PROVIDE PROGRAMS AND SERVICES,
43 INCLUDING BEHAVIORAL HEALTH SERVICES, STRUCTURED SUPPORT SERVICES AND
44 HEALTH-RELATED SERVICES, TO RESIDENTS WHO ARE SERIOUSLY MENTALLY ILL AS
45 DEFINED IN SECTION 36-550.

1 ~~20.~~ 21. "Facilities" means buildings that are used by a health
2 care institution for providing any of the types of services as defined in
3 this chapter.

4 ~~21.~~ 22. "Freestanding urgent care center":

5 (a) Means an outpatient treatment center that, regardless of its
6 posted or advertised name, meets any of the following requirements:

7 (i) Is open twenty-four hours a day, excluding at its option
8 weekends or certain holidays, but is not licensed as a hospital.

9 (ii) Claims to provide unscheduled medical services that are not
10 otherwise routinely available in primary care physician offices.

11 (iii) By its posted or advertised name, gives the impression to the
12 public that it provides medical care for urgent, immediate or emergency
13 conditions.

14 (iv) Routinely provides ongoing unscheduled medical services for
15 more than eight consecutive hours for an individual patient.

16 (b) Does not include the following:

17 (i) A medical facility that is licensed under a hospital's license
18 and that uses the hospital's medical provider number.

19 (ii) A qualifying community health center pursuant to section
20 36-2907.06.

21 (iii) Any other health care institution licensed pursuant to this
22 chapter.

23 (iv) A physician's office that offers extended hours or same-day
24 appointments to existing and new patients and that does not meet the
25 requirements of subdivision (a), item (i), (iii) or (iv) of this
26 paragraph.

27 ~~22.~~ 23. "Governing authority" means the individual, agency,
28 partners, group or corporation, whether appointed, elected or otherwise
29 designated, in which the ultimate responsibility and authority for the
30 conduct of the health care institution are vested.

31 ~~23.~~ 24. "Health care institution" means every place, institution,
32 building or agency, whether organized for profit or not, that provides
33 facilities with medical services, nursing services, behavioral health
34 services, health screening services, other health-related services,
35 supervisory care services, personal care services or directed care
36 services and includes home health agencies as defined in section 36-151,
37 outdoor behavioral health care programs and hospice service agencies.

38 ~~24.~~ 25. "Health-related services" means services, other than
39 medical, that pertain to general supervision, protective, preventive and
40 personal care services, supervisory care services or directed care
41 services.

42 ~~25.~~ 26. "Health screening services" means the acquisition,
43 analysis and delivery of health-related data of individuals to aid in
44 determining the need for medical services.

1 ~~26.~~ 27. "Hospice" means a hospice service agency or the provision
2 of hospice services in an inpatient facility.
3 ~~27.~~ 28. "Hospice service" means a program of palliative and
4 supportive care for terminally ill persons and their families or
5 caregivers.
6 ~~28.~~ 29. "Hospice service agency" means an agency or organization,
7 or a subdivision of that agency or organization, that provides hospice
8 services at the place of residence of its clients.
9 ~~29.~~ 30. "Indirect owner":
10 (a) Means a person that has an ownership or control interest in a
11 direct owner totaling fifty-one percent or more.
12 (b) Includes an ownership or control interest in an indirect owner
13 totaling fifty-one percent or more and a combination of direct ownership
14 and indirect ownership or control interests totaling fifty-one percent or
15 more in the health care institution.
16 ~~30.~~ 31. "Inpatient beds" or "resident beds" means accommodations
17 with supporting services, such as food, laundry and housekeeping, for
18 patients or residents who generally stay in excess of twenty-four hours.
19 ~~31.~~ 32. "Intermediate care facility for individuals with
20 intellectual disabilities" has the same meaning prescribed in section
21 36-551.
22 ~~32.~~ 33. "Licensed capacity" means the total number of persons for
23 whom the health care institution is authorized by the department to
24 provide services as required pursuant to this chapter if the person is
25 expected to stay in the health care institution for more than twenty-four
26 hours. For a hospital, licensed capacity means only those beds specified
27 on the hospital license.
28 ~~33.~~ 34. "Medical services" means the services that pertain to
29 medical care and that are performed at the direction of a physician on
30 behalf of patients by physicians, dentists, nurses and other professional
31 and technical personnel.
32 ~~34.~~ 35. "Modification" means the substantial improvement,
33 enlargement, reduction or alteration of or other change in a health care
34 institution.
35 ~~35.~~ 36. "Nonproprietary institution" means any health care
36 institution that is organized and operated exclusively for charitable
37 purposes, no part of the net earnings of which inures to the benefit of
38 any private shareholder or individual, or that is operated by the state or
39 any political subdivision of the state.
40 ~~36.~~ 37. "Nursing care institution" means a health care institution
41 that provides inpatient beds or resident beds and nursing services to
42 persons who need continuous nursing services but who do not require
43 hospital care or direct daily care from a physician.
44 ~~37.~~ 38. "Nursing services" means those services that pertain to
45 the curative, restorative and preventive aspects of nursing care and that

1 are performed at the direction of a physician by or under the supervision
2 of a registered nurse licensed in this state.

3 ~~38.~~ 39. "Nursing-supported group home" means a health care
4 institution that is a community residential setting as defined in section
5 36-551 for not more than six persons with developmental disabilities, that
6 is operated by a service provider under contract with the department of
7 economic security and that provides room and board, daily habilitation and
8 continuous nursing support and intervention.

9 ~~39.~~ 40. "Organized medical staff" means a formal organization of
10 physicians, and dentists if appropriate, with the delegated authority and
11 responsibility to maintain proper standards of medical care and to plan
12 for continued betterment of that care.

13 ~~40.~~ 41. "Outdoor behavioral health care program" means an agency
14 that provides behavioral health services in an outdoor environment as an
15 alternative to behavioral health services that are provided in a health
16 care institution with facilities. Outdoor behavioral health care programs
17 do not include:

18 (a) Programs, facilities or activities that are operated by a
19 government entity or that are licensed by the department as a child care
20 program pursuant to chapter 7.1 of this title.

21 (b) Outdoor activities for youth that are designated to be
22 primarily recreational and that are organized by church groups, scouting
23 organizations or similar groups.

24 (c) Outdoor youth programs that are licensed by the department of
25 economic security.

26 ~~41.~~ 42. "Personal care services" means assistance with activities
27 of daily living that can be performed by persons without professional
28 skills or professional training and includes the coordination or provision
29 of intermittent nursing services and the administration of medications and
30 treatments by a nurse who is licensed pursuant to title 32, chapter 15 or
31 as otherwise provided by law.

32 ~~42.~~ 43. "Physician" means any person who is licensed pursuant to
33 title 32, chapter 13 or 17.

34 ~~43.~~ 44. "Recidivism reduction services" means services that are
35 delivered by an adult residential care institution to its residents to
36 encourage lawful behavior and to discourage or prevent residents who are
37 suspected of, charged with or convicted of one or more criminal offenses,
38 or whose mental health and substance use can be reasonably expected to
39 place them at risk for the future threat of prosecution, diversion or
40 incarceration, from engaging in future unlawful behavior.

41 ~~44.~~ 45. "Recidivism reduction staff" means a person who provides
42 recidivism reduction services.

43 ~~45.~~ 46. "Residential care institution" means a health care
44 institution other than a hospital or a nursing care institution that
45 provides resident beds or residential units, supervisory care services,

1 personal care services, behavioral health services, directed care services
2 or health-related services for persons who do not need continuous nursing
3 services.

4 ~~46.~~ 47. "Residential unit" means a private apartment, unless
5 otherwise requested by a resident, that includes a living and sleeping
6 space, kitchen area, private bathroom and storage area.

7 ~~47.~~ 48. "Respite care services" means services that are provided
8 by a licensed health care institution to persons who are otherwise cared
9 for in foster homes and in private homes to provide an interval of rest or
10 relief of not more than thirty days to operators of foster homes or to
11 family members.

12 49. "STRUCTURED SUPPORT SERVICES" INCLUDES SERVICES THAT ARE
13 AVAILABLE FOR UP TO TWENTY-FOUR-HOURS PER DAY AND CASE MANAGEMENT, CRISIS
14 INTERVENTION, SOCIAL SKILLS TRAINING AND BUDGETING ASSISTANCE.

15 ~~48.~~ 50. "Substantial compliance" means that the nature or number
16 of violations revealed by any type of inspection or investigation of a
17 health care institution does not pose a direct risk to the life, health or
18 safety of patients or residents.

19 ~~49.~~ 51. "Supervision" means directly overseeing and inspecting the
20 act of accomplishing a function or activity.

21 ~~50.~~ 52. "Supervisory care services" means general supervision,
22 including daily awareness of resident functioning and continuing needs,
23 the ability to intervene in a crisis and assistance in self-administering
24 prescribed medications.

25 ~~51.~~ 53. "Temporary license" means a license that is issued by the
26 department to operate a class or subclass of a health care institution at
27 a specific location and that is valid until an initial licensing
28 inspection.

29 ~~52.~~ 54. "Unscheduled medical services" means medically necessary
30 periodic health care services that are unanticipated or cannot reasonably
31 be anticipated and that require medical evaluation or treatment before the
32 next business day.

33 B. If there are fewer than four Arizona long-term care system
34 participants receiving adult foster care in an adult foster care home,
35 nonparticipating adults may receive other types of services that are
36 authorized by law to be provided in the adult foster care home as long as
37 the number of adults served, including the Arizona long-term care system
38 participants, does not exceed four.

39 C. Nursing care services may be provided by the adult foster care
40 licensee if the licensee is a nurse who is licensed pursuant to title 32,
41 chapter 15 and the services are limited to those allowed pursuant to law.
42 The licensee shall keep a record of nursing services rendered.

1 Sec. 4. Title 36, chapter 29, Arizona Revised Statutes, is amended
2 by adding article 3.1, to read:

3 ARTICLE 3.1. SERIOUSLY MENTALLY ILL
4 ENHANCED RESIDENTIAL TREATMENT PILOT PROGRAM

5 36-2979. Definitions

6 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

7 1. "ADMINISTRATION" MEANS THE ARIZONA HEALTH CARE COST CONTAINMENT
8 SYSTEM ADMINISTRATION.

9 2. "APPLICANT" MEANS A PERSON WHO APPLIES FOR ENROLLMENT IN THE
10 PILOT PROGRAM.

11 3. "BEHAVIORAL HEALTH SERVICES" HAS THE SAME MEANING PRESCRIBED IN
12 SECTION 36-401.

13 4. "CONTRACTOR" MEANS AN ENTITY THAT HAS ENTERED INTO AN AGREEMENT
14 WITH THE ADMINISTRATION TO PROVIDE ACUTE CARE AND BEHAVIORAL HEALTH
15 SERVICES TO SERIOUSLY MENTALLY ILL INDIVIDUALS PURSUANT TO ARTICLE 1 OF
16 THIS CHAPTER AND CHAPTER 34, ARTICLE 1 OF THIS TITLE.

17 5. "ELIGIBLE INDIVIDUAL" MEANS A PERSON WHO MEETS THE ELIGIBILITY
18 CRITERIA PRESCRIBED IN SECTION 36-2979.02.

19 6. "ENHANCED RESIDENTIAL TREATMENT FACILITY" HAS THE SAME MEANING
20 PRESCRIBED IN SECTION 36-401.

21 7. "ENHANCED RESIDENTIAL TREATMENT SERVICES" MEANS SERVICES
22 AUTHORIZED UNDER FEDERAL MEDICAID AUTHORITY PURSUANT TO SECTION 36-2979.09
23 THAT SUPPORT INDIVIDUALS IN AN ENHANCED RESIDENTIAL TREATMENT FACILITY AND
24 THAT INCLUDE CONTINUOUS SUPERVISION, STRUCTURED SUPPORT SERVICES,
25 MEDICATION ADMINISTRATION AND MONITORING, TREATMENT PLANNING AND
26 COORDINATION AND PERSONAL CARE SERVICES NECESSARY FOR HEALTH AND SAFETY.

27 8. "MEMBER" MEANS AN ELIGIBLE INDIVIDUAL WHO IS ENROLLED IN THE
28 PILOT PROGRAM.

29 9. "PILOT PROGRAM" MEANS THE SERIOUSLY MENTALLY ILL ENHANCED
30 RESIDENTIAL TREATMENT PILOT PROGRAM ESTABLISHED BY SECTION 36-2979.01.

31 10. "SERIOUSLY MENTALLY ILL" OR "SMI" HAS THE SAME MEANING
32 PRESCRIBED IN SECTION 36-550.

33 11. "SMI ENHANCED LEVEL OF CARE" MEANS THE FUNCTIONAL AND
34 BEHAVIORAL LEVEL OF CARE CRITERIA ADOPTED BY THE ADMINISTRATION PURSUANT
35 TO SECTION 36-2979.02.

36 12. "STRUCTURED SUPPORT SERVICES" HAS THE SAME MEANING PRESCRIBED
37 IN SECTION 36-401.

38 36-2979.01. Seriously mentally ill enhanced residential
39 treatment pilot program; stakeholder work
40 group; semiannual implementation updates;
41 enrollment cap; federal approval

42 A. SUBJECT TO THE APPROVAL OF THE CENTERS FOR MEDICARE AND MEDICAID
43 SERVICES, AVAILABLE APPROPRIATIONS AND THE ENROLLMENT CAP PRESCRIBED IN
44 SUBSECTION F OF THIS SECTION, THE SERIOUSLY MENTALLY ILL ENHANCED
45 RESIDENTIAL TREATMENT PILOT PROGRAM IS ESTABLISHED FOR THREE YEARS FROM

1 THE DATE THAT THE CENTERS FOR MEDICARE AND MEDICAID SERVICES APPROVE THE
2 PILOT PROGRAM CONSISTENT WITH THIS ARTICLE. THE PILOT PROGRAM OPERATES
3 THROUGH AND IS ADMINISTERED BY CONTRACTORS PURSUANT TO THEIR AGREEMENTS
4 WITH THE ADMINISTRATION UNDER CHAPTER 34, ARTICLE 1 OF THIS TITLE. THE
5 ADMINISTRATION SHALL SEEK ANY NECESSARY FEDERAL AUTHORITY TO IMPLEMENT THE
6 PILOT PROGRAM, INCLUDING AUTHORITY UNDER 42 UNITED STATES CODE SECTION
7 1315 OR OTHER APPLICABLE FEDERAL AUTHORITY, AND SHALL REQUEST APPROVAL NOT
8 LATER THAN JULY 1, 2027. THE ADMINISTRATION SHALL BEGIN ENROLLING
9 ELIGIBLE INDIVIDUALS NOT LATER THAN ONE YEAR AFTER RECEIVING FEDERAL
10 APPROVAL, SUBJECT TO THE AVAILABLE APPROPRIATIONS.

11 B. THE ADMINISTRATION SHALL INCORPORATE THE REQUIREMENTS OF THIS
12 ARTICLE INTO CONTRACTOR AGREEMENTS EXECUTED PURSUANT TO SECTIONS 36-3410
13 AND 36-3412 AND SHALL REQUIRE CONTRACTORS TO FULFILL THE OBLIGATIONS OF
14 THIS ARTICLE AS PART OF THEIR CONTRACTUAL DUTIES.

15 C. THROUGH THE SUBMISSION OF THE FIRST ANNUAL REPORT REQUIRED BY
16 SECTION 36-2979.08, THE ADMINISTRATION SHALL CONVENE A STAKEHOLDER WORK
17 GROUP THAT INCLUDES INDIVIDUALS WHO ARE SERIOUSLY MENTALLY ILL AND
18 BEHAVIORAL HEALTH PROVIDERS, FAMILY MEMBERS, CAREGIVERS AND GUARDIANS OF
19 INDIVIDUALS WHO ARE SERIOUSLY MENTALLY ILL, COUNTIES, TRIBAL NATIONS AND
20 COMMUNITY ORGANIZATIONS TO ADVISE ON PILOT PROGRAM DESIGN AND
21 IMPLEMENTATION. STAKEHOLDER INPUT SHALL SPECIFICALLY ADDRESS THE NEEDS OF
22 INDIVIDUALS WHO REQUIRE COMPLEX MEDICATION MANAGEMENT, ENHANCED MONITORING
23 AND STRUCTURED SUPPORT SERVICES TO PROMOTE MEDICATION CONTINUITY AND
24 SAFETY.

25 D. UNTIL THE PILOT PROGRAM IS IMPLEMENTED, THE ADMINISTRATION SHALL
26 PROVIDE SEMIANNUAL IMPLEMENTATION UPDATES TO THE PRESIDENT OF THE SENATE,
27 THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE CHAIRPERSONS OF THE
28 SENATE AND HOUSE OF REPRESENTATIVES HEALTH AND HUMAN SERVICES COMMITTEES,
29 OR THEIR SUCCESSOR COMMITTEES.

30 E. THE ADMINISTRATION MAY IMPLEMENT THIS ARTICLE THROUGH POLICY,
31 CONTRACT REQUIREMENTS AND OTHER ADMINISTRATIVE MECHANISMS AUTHORIZED UNDER
32 SECTIONS 36-2903, 36-2904 AND 36-3412.

33 F. SUBJECT TO THE APPROVAL OF THE CENTERS FOR MEDICARE AND MEDICAID
34 SERVICES AND TO AVAILABLE APPROPRIATIONS, THE ADMINISTRATION SHALL
35 IMPLEMENT THE PILOT PROGRAM FOR UP TO SIXTY MEMBERS STATEWIDE. THE
36 ADMINISTRATION MAY INCREASE THE ENROLLMENT CAP ABOVE SIXTY MEMBERS DURING
37 THE PILOT PROGRAM IF THE ADMINISTRATION DEMONSTRATES, THROUGH DATA
38 REPORTED PURSUANT TO SECTION 36-2979.08, REDUCED UTILIZATION OF HIGH-COST
39 SERVICES OR COST AVOIDANCE IN STATE-FUNDED SYSTEMS THAT DEMONSTRATES THAT
40 THE PILOT PROGRAM APPROPRIATION COULD SUSTAIN MEMBERS BEYOND THE
41 ENROLLMENT CAP, SUBJECT TO AVAILABLE APPROPRIATIONS AND REVIEW BY THE
42 JOINT LEGISLATIVE BUDGET COMMITTEE.

43 G. A COURT MAY RECOMMEND PARTICIPATION IN THE PILOT PROGRAM BUT MAY
44 NOT COMPEL THE ADMINISTRATION TO EXCEED THE ENROLLMENT CAP SPECIFIED IN
45 SUBSECTION F OF THIS SECTION.

1 5. IMPAIRED JUDGMENT, DISORGANIZATION OR INABILITY TO PERFORM
2 ACTIVITIES OF DAILY LIVING DUE TO PSYCHIATRIC SYMPTOMS.

3 6. DOCUMENTED SAFETY RISKS, INCLUDING ELOPEMENT, AGGRESSION,
4 DELUSIONAL BEHAVIOR, FIRE OR WATER MISUSE OR EXPLOITATION RISK.

5 7. HOMELESSNESS OR IMMINENT RISK OF HOMELESSNESS.

6 8. HIGH-INTENSITY OR COMPLEX PSYCHOTROPIC MEDICATION REGIMENS
7 REQUIRING ENHANCED MONITORING TO ENSURE ADHERENCE AND TO IDENTIFY
8 POTENTIAL ADVERSE EFFECTS.

9 9. CLINICAL NEEDS THAT NECESSITATE STRUCTURED SUPPORT SERVICES TO
10 MAINTAIN CONTINUITY OF MEDICATION THERAPY, SUCH AS THOSE AT ELEVATED RISK
11 OF RELAPSE, DECOMPENSATION OR HOSPITALIZATION RELATED TO MEDICATION
12 NONADHERENCE.

13 F. THE ADMINISTRATION MAY MODIFY THE ELIGIBILITY PROCESSES THROUGH
14 POLICY, CONSISTENT WITH THIS ARTICLE, SUBJECT TO ANY NECESSARY APPROVAL BY
15 THE CENTERS FOR MEDICARE AND MEDICAID SERVICES AND AVAILABLE
16 APPROPRIATIONS.

17 36-2979.03. Enrollment in pilot program; application;
18 delegation of clinical eligibility; waitlist
19 management

20 A. AN INDIVIDUAL WHO SEEKS TO ENROLL IN THE PILOT PROGRAM SHALL
21 APPLY THROUGH THE INDIVIDUAL'S CONTRACTOR. AFTER DETERMINING THE
22 INDIVIDUAL MEETS THE SMI ENHANCED LEVEL OF CARE CRITERIA, THE CONTRACTOR
23 SHALL FORWARD THE APPLICATION TO THE ADMINISTRATION FOR FINANCIAL
24 ELIGIBILITY DETERMINATION PURSUANT TO SECTION 36-2979.02, SUBSECTION B.
25 IF THE INDIVIDUAL IS NOT YET ENROLLED WITH A CONTRACTOR, THE INDIVIDUAL
26 MAY APPLY THROUGH THE ADMINISTRATION.

27 B. SUBJECT TO THE APPROVAL OF THE CENTERS FOR MEDICARE AND MEDICAID
28 SERVICES, AVAILABLE APPROPRIATIONS AND THE ENROLLMENT CAP PRESCRIBED IN
29 SECTION 36-2979.01, SUBSECTION F, THE ADMINISTRATION MAY DELEGATE TO
30 CONTRACTORS THE AUTHORITY TO DETERMINE WHETHER AN APPLICANT MEETS THE SMI
31 ENHANCED LEVEL OF CARE CRITERIA ADOPTED BY THE ADMINISTRATION PURSUANT TO
32 SECTION 36-2979.02, SUBSECTION E AND TO MANAGE PILOT PROGRAM WAITLISTS,
33 ENROLLMENT DECISIONS AND CAPACITY PRIORITIZATION FOR INDIVIDUALS WHO HAVE
34 BEEN DETERMINED FINANCIALLY ELIGIBLE BY THE ADMINISTRATION.

35 C. THE ADMINISTRATION OR A CONTRACTOR EXERCISING DELEGATED
36 AUTHORITY UNDER THIS SECTION SHALL:

37 1. APPLY THE ELIGIBILITY CRITERIA ADOPTED BY THE ADMINISTRATION
38 PURSUANT TO SECTION 36-2979.02.

39 2. IMPLEMENT AND MAINTAIN ONE OR MORE WAITLISTS, THE TOTAL OF WHICH
40 MAY NOT EXCEED ONE HUNDRED APPLICANTS, FOR APPLICANTS FOR WHOM ELIGIBILITY
41 HAS BEEN DETERMINED.

42 3. IF THE WAITLIST REACHES ONE HUNDRED APPLICANTS, IMPLEMENT AN
43 INTEREST LIST FOR ADDITIONAL APPLICANTS AND EMPLOY PHASED ENROLLMENT OR
44 OTHER UTILIZATION CONTROLS AS NECESSARY TO ENSURE THAT THE ENROLLMENT CAP
45 PRESCRIBED IN SECTION 36-2979.01, SUBSECTION F IS NOT EXCEEDED.

1 4. ASSIGN AVAILABLE PILOT PROGRAM CAPACITY BY APPLYING THE PRIORITY
2 FACTORS PRESCRIBED IN SUBSECTION D OF THIS SECTION.

3 5. REPORT ENROLLMENT DATA TO THE ADMINISTRATION IN THE FORM AND
4 FREQUENCY REQUIRED BY THE ADMINISTRATION BY POLICY.

5 D. IF THE NUMBER OF FINANCIALLY AND CLINICALLY ELIGIBLE INDIVIDUALS
6 EXCEEDS AVAILABLE PILOT PROGRAM CAPACITY, THE CONTRACTOR SHALL ASSIGN
7 AVAILABLE SLOTS BASED ON THE HIGHEST CLINICAL ACUITY AND FUNCTIONAL
8 IMPAIRMENT DEFINED BY A METHODOLOGY THAT TAKES INTO ACCOUNT THE FOLLOWING
9 PRIORITY FACTORS:

10 1. INDIVIDUALS UNDER COURT-ORDERED TREATMENT.

11 2. INDIVIDUALS WITH LEGAL GUARDIANSHIP DUE TO PSYCHIATRIC
12 INCAPACITY.

13 3. INDIVIDUALS RECENTLY DISCHARGED FROM JAIL OR PRISON, THE STATE
14 HOSPITAL OR A BEHAVIORAL HEALTH RESIDENTIAL FACILITY.

15 4. INDIVIDUALS WHO ARE HOMELESS OR AT IMMINENT RISK OF
16 HOMELESSNESS.

17 5. INDIVIDUALS WITH REPEATED CRISIS EPISODES, PSYCHIATRIC
18 HOSPITALIZATIONS OR PUBLIC SAFETY INVOLVEMENT.

19 6. INDIVIDUALS PRESENTING SIGNIFICANT SAFETY RISKS DUE TO
20 PSYCHIATRIC SYMPTOMS.

21 7. INDIVIDUALS WITH HIGH-INTENSITY OR COMPLEX PSYCHOTROPIC
22 MEDICATION REGIMENS REQUIRING ENHANCED MONITORING TO ENSURE ADHERENCE AND
23 TO IDENTIFY POTENTIAL ADVERSE EFFECTS.

24 E. THE ADMINISTRATION SHALL RETAIN AUTHORITY TO REVIEW AND REVERSE
25 CONTRACTOR CLINICAL ELIGIBILITY AND ENROLLMENT DETERMINATIONS AND TO AUDIT
26 CONTRACTOR COMPLIANCE WITH ELIGIBILITY AND ENROLLMENT REQUIREMENTS.

27 F. THE ADMINISTRATION MAY RESERVE A PORTION OF AVAILABLE ENROLLMENT
28 CAPACITY FOR EMERGENCY OR PRIORITY PLACEMENTS.

29 36-2979.04. Covered services

30 A. SUBJECT TO THE APPROVAL OF THE CENTERS FOR MEDICARE AND MEDICAID
31 SERVICES, AVAILABLE APPROPRIATIONS AND THE ENROLLMENT CAP PRESCRIBED IN
32 SECTION 36-2979.01, SUBSECTION F, EACH CONTRACTOR SHALL PROVIDE ENROLLED
33 MEMBERS WITH THE FOLLOWING SERVICES:

34 1. ALL SERVICES THAT THE CONTRACTOR IS REQUIRED TO PROVIDE TO
35 SERIOUSLY MENTALLY ILL INDIVIDUALS UNDER THE CONTRACTOR'S AGREEMENT WITH
36 THE ADMINISTRATION PURSUANT TO SECTIONS 36-3407 AND 36-3410, INCLUDING
37 BEHAVIORAL HEALTH SERVICES, PHYSICAL HEALTH SERVICES, CRISIS SERVICES,
38 CASE MANAGEMENT AND PEER SUPPORT SERVICES.

39 2. ENHANCED RESIDENTIAL TREATMENT SERVICES.

40 B. THE CONTRACTOR SHALL CONDUCT, AT MINIMUM, AN ANNUAL REVIEW OF
41 THE ONGOING MEDICAL NECESSITY OF SERVICES FOR EACH MEMBER AND SHALL ENGAGE
42 WITH THE MEMBER TO PLAN FOR TRANSITION TO A LESS RESTRICTIVE SETTING WHEN
43 CLINICALLY APPROPRIATE.

1 C. THE ADMINISTRATION MAY ADD, MODIFY OR COMBINE SERVICES
2 CONSISTENT WITH FEDERAL APPROVAL AND LEGISLATIVE INTENT, SUBJECT TO THE
3 APPROVAL OF MONIES.

4 36-2979.05. Service plan; assessment

5 A. THE CONTRACTOR SHALL DEVELOP AND MAINTAIN A WRITTEN SERVICE PLAN
6 FOR EACH MEMBER. THE SERVICE PLAN MUST:

7 1. BE BASED ON A COMPREHENSIVE ASSESSMENT OF THE MEMBER'S
8 BEHAVIORAL HEALTH, FUNCTIONAL AND SAFETY NEEDS.

9 2. IDENTIFY THE SPECIFIC SERVICES AND SUPPORT TO BE PROVIDED AND
10 THE SETTINGS IN WHICH THE SERVICES AND SUPPORT WILL BE PROVIDED.

11 3. INCLUDE GOALS FOR RECOVERY, STABILITY AND, IF APPROPRIATE,
12 TRANSITION TO LESS RESTRICTIVE SETTINGS.

13 4. BE UPDATED AT LEAST ANNUALLY OR MORE FREQUENTLY IF THE MEMBER'S
14 NEEDS CHANGE.

15 B. THE MEMBER AND, IF APPLICABLE, THE MEMBER'S GUARDIAN OR
16 AUTHORIZED REPRESENTATIVE SHALL PARTICIPATE IN THE DEVELOPMENT AND
17 REVISION OF THE SERVICE PLAN.

18 36-2979.06. Enhanced residential treatment services; provider
19 requirements; transition and discharge planning
20 protocols; reimbursement

21 A. PROVIDERS OF ENHANCED RESIDENTIAL TREATMENT SERVICES SHALL
22 DOCUMENT BEHAVIORAL INTERVENTIONS, CRISIS SUPPORT AND STAFFING ADJUSTMENTS
23 BEFORE INITIATING THE DISCHARGE OF ANY MEMBER.

24 B. A PROVIDER OF ENHANCED RESIDENTIAL TREATMENT SERVICES SHALL
25 IMPLEMENT TRANSITION AND DISCHARGE PLANNING PROTOCOLS AND SHALL OBTAIN
26 APPROVAL FROM THE CONTRACTOR BEFORE ISSUING TO A MEMBER A NONEMERGENCY
27 NOTICE TO VACATE.

28 C. THE ADMINISTRATION MAY ADOPT ENHANCED REIMBURSEMENT RATES FOR
29 ENHANCED RESIDENTIAL TREATMENT SERVICES PROVIDED TO MEMBERS UNDER THIS
30 ARTICLE. THE ADMINISTRATION SHALL INCORPORATE REIMBURSEMENT RATES AND
31 METHODOLOGIES INTO CONTRACTOR AGREEMENTS PURSUANT TO SECTION 36-3412.

32 D. THIS SECTION DOES NOT:

33 1. LIMIT THE ADMINISTRATION'S AUTHORITY TO ENSURE THE HEALTH AND
34 SAFETY OF MEMBERS.

35 2. REQUIRE A PROVIDER TO CONTINUE SERVICES WHEN IMMEDIATE AND
36 DOCUMENTED RISKS TO HEALTH OR SAFETY CANNOT BE MITIGATED THROUGH
37 REASONABLE CLINICAL INTERVENTIONS.

38 3. REQUIRE A CONTRACTOR TO CONTINUE PAYING FOR SERVICES THAT ARE
39 NOT MEDICALLY NECESSARY.

40 36-2979.07. Grievance and appeal process

41 A. A MEMBER OR APPLICANT AGGRIEVED BY AN ACTION OF THE
42 ADMINISTRATION OR A CONTRACTOR RELATING TO ELIGIBILITY, ENROLLMENT OR
43 SERVICES UNDER THIS ARTICLE HAS THE RIGHT TO FILE A GRIEVANCE OR APPEAL
44 PURSUANT TO SECTION 36-3413 AND, IF APPLICABLE, TO A HEARING PURSUANT TO
45 RULES ADOPTED PURSUANT TO SECTION 36-2903.01, SUBSECTION B.

1 B. THE CONTRACTOR'S GRIEVANCE AND APPEAL PROCESS REQUIRED UNDER
2 SECTION 36-3413 APPLIES TO MATTERS ARISING UNDER THIS ARTICLE, INCLUDING
3 DENIALS, REDUCTIONS OR TERMINATIONS OF ENHANCED RESIDENTIAL TREATMENT
4 SERVICES AND CONTRACTOR CLINICAL ELIGIBILITY DETERMINATIONS.

5 C. APPEALS OF FINANCIAL ELIGIBILITY DETERMINATIONS MADE BY THE
6 ADMINISTRATION PURSUANT TO SECTION 36-2979.02, SUBSECTION B SHALL BE HEARD
7 PURSUANT TO RULES ADOPTED PURSUANT TO SECTION 36-2903.01, SUBSECTION B.

8 36-2979.08. Annual report

9 BEGINNING ONE YEAR AFTER PILOT PROGRAM IMPLEMENTATION AND EACH YEAR
10 THEREAFTER FOR THE DURATION OF THE PILOT PROGRAM, THE ADMINISTRATION SHALL
11 SUBMIT A REPORT TO THE GOVERNOR, THE PRESIDENT OF THE SENATE AND THE
12 SPEAKER OF THE HOUSE OF REPRESENTATIVES THAT INCLUDES:

13 1. THE NUMBER OF MEMBERS AND THE NUMBER OF INDIVIDUALS WHO ARE ON
14 THE WAITLIST AND THE NUMBER OF INDIVIDUALS WHO ARE ON THE INTEREST LIST
15 FOR SERVICES AND WHO HAVE NOT YET BEEN ENROLLED, IF APPLICABLE.

16 2. THE PERCENTAGE OF MEMBERS WHO ARE UNDER COURT-ORDERED TREATMENT,
17 GUARDIANSHIP OR CRIMINAL JUSTICE SUPERVISION.

18 3. HOUSING STABILITY OUTCOMES FOR MEMBERS.

19 4. HOSPITALIZATION, CRISIS SERVICE, JAIL, EMERGENCY DEPARTMENT,
20 EVALUATION AGENCY AND SCREENING AGENCY UTILIZATION OF MEMBERS.

21 5. PROVIDER DENIALS AND DISCHARGES AND THE REASONS FOR THE DENIALS
22 AND DISCHARGES OF MEMBERS.

23 6. THE FISCAL IMPACT OF AND ESTIMATED COST AVOIDANCE RELATED TO THE
24 PILOT PROGRAM.

25 7. THE NUMBER OF MEMBERS WHO ARE SERVED IN ENHANCED RESIDENTIAL
26 TREATMENT FACILITIES.

27 36-2979.09. Authority to seek and maintain federal approval

28 A. THE ADMINISTRATION SHALL SEEK AND MAINTAIN ANY NECESSARY FEDERAL
29 APPROVALS AND MAY OPERATE THE PILOT PROGRAM PURSUANT TO ONE OR MORE
30 APPROVED MEDICAID STATE PLAN AUTHORITIES, WAIVERS OR DEMONSTRATION
31 AUTHORITIES, INCLUDING THOSE AUTHORIZED UNDER 42 UNITED STATES CODE
32 SECTION 1315 OR OTHER APPLICABLE FEDERAL AUTHORITY.

33 B. IF THE CENTERS FOR MEDICARE AND MEDICAID SERVICES DENIES OR DOES
34 NOT APPROVE A REQUEST NECESSARY TO IMPLEMENT THIS ARTICLE, THE
35 ADMINISTRATION, TO THE EXTENT ALLOWED BY FEDERAL LAW, SHALL CONTINUE TO
36 PURSUE APPROVAL THROUGH MODIFICATIONS, RESUBMISSIONS OR ALTERNATIVE
37 FEDERAL AUTHORITY AND SHALL REPORT THE STATUS OF THESE EFFORTS IN THE
38 SEMIANNUAL IMPLEMENTATION UPDATES REQUIRED PURSUANT TO SECTION 36-2979.01.
39 THE ADMINISTRATION SHALL OBTAIN LEGISLATIVE APPROVAL FOR MODIFICATIONS OR
40 RESUBMISSIONS THAT ARE INCONSISTENT WITH THIS ARTICLE.

41 C. ON FEDERAL APPROVAL AND SUBJECT TO AVAILABLE APPROPRIATIONS, THE
42 ADMINISTRATION MAY IMPLEMENT THIS ARTICLE THROUGH POLICY AND CONTRACT
43 REQUIREMENTS PURSUANT TO SECTIONS 36-2903, 36-2904 AND 36-3412.

44 D. THIS ARTICLE DOES NOT EXPAND OR MODIFY STANDARDS FOR INVOLUNTARY
45 TREATMENT UNDER THIS TITLE.

1 36-2979.10. Service plan; assessment

2 A. SERVICES PROVIDED UNDER THIS ARTICLE SHALL SUPPLEMENT BUT NOT
3 REPLACE ANY OTHER BENEFITS OR SERVICES FOR WHICH A MEMBER IS OTHERWISE
4 ELIGIBLE.

5 B. THE ADMINISTRATION SHALL COORDINATE BENEFITS WITH OTHER PAYORS,
6 INCLUDING MEDICARE AND PRIVATE INSURANCE, TO THE EXTENT REQUIRED BY
7 FEDERAL LAW.

8 C. A MEMBER IN THE PILOT PROGRAM MAY NOT ALSO BE ENROLLED IN THE
9 ARIZONA LONG-TERM CARE SYSTEM PURSUANT TO ARTICLE 2 OF THIS CHAPTER.

10 Sec. 5. Delayed repeal; condition; notice

11 A. The seriously mentally ill enhanced residential treatment pilot
12 program established by title 36, chapter 29, article 3.1, Arizona Revised
13 Statutes, as added by this act, is repealed three years after the date
14 that the centers for medicare and medicaid services approve the pilot
15 program.

16 B. The Arizona health care cost containment system administration
17 shall notify the director of the Arizona legislative council in writing of
18 this date.