

REFERENCE TITLE: home; community-based services; mental illness

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

SB 1630

Introduced by
Senators Angius: Fernandez, Finchem, Gabaldón, Miranda, Shope, Werner

AN ACT

AMENDING TITLE 36, ARTICLE 29, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 3.1; RELATING TO THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

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

4 ARTICLE 3.1. HOME AND COMMUNITY-BASED SERVICES FOR PERSONS
5 WITH SERIOUS MENTAL ILLNESS

6 36-2979. Definitions

7 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

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

10 2. "BEHAVIORAL HEALTH RESIDENTIAL FACILITY" MEANS A HEALTH CARE
11 INSTITUTION THAT IS LICENSED PURSUANT TO THIS TITLE TO PROVIDE LEVEL I OR
12 II BEHAVIORAL HEALTH RESIDENTIAL SERVICES.

13 3. "HIGH-ACUITY SERIOUSLY MENTALLY ILL INDIVIDUAL" MEANS A PERSON
14 WHO MEETS A SERIOUS MENTAL ILLNESS LEVEL OF CARE AND ONE OR MORE PRIORITY
15 CRITERIA LISTED IN SECTION 36-2979.04, SUBSECTION B.

16 4. "HOME AND COMMUNITY-BASED SERVICES":

17 (a) MEANS SERVICES AUTHORIZED UNDER ONE OR MORE MEDICAID STATE PLAN
18 AUTHORITIES, WAIVERS OR DEMONSTRATION AUTHORITIES, INCLUDING THOSE
19 AUTHORIZED UNDER 42 UNITED STATES CODE SECTION 1315 OR 1396n, THAT SUPPORT
20 INDIVIDUALS IN THE COMMUNITY AS AN ALTERNATIVE TO INSTITUTIONALIZATION.

21 (b) INCLUDES SERVICES THAT PROVIDE ASSISTANCE WITH ACTIVITIES OF
22 DAILY LIVING, MEDICATION ADMINISTRATION, SUPERVISION AND STRUCTURED
23 SUPPORTS COMPARABLE TO ASSISTED LIVING MODELS.

24 5. "MEMBER" MEANS A PERSON WHO IS ENROLLED IN THE PROGRAM.

25 6. "PROGRAM" MEANS THE HOME AND COMMUNITY-BASED SERVICE PROGRAM FOR
26 ADULTS WHO ARE SERIOUSLY MENTALLY ILL.

27 7. "QUALIFIED INCOME TRUST" MEANS A TRUST AS DESCRIBED IN 42 UNITED
28 STATES CODE SECTION 1396p(d)(4)(B).

29 8. "SERIOUSLY MENTALLY ILL" HAS THE MEANING PRESCRIBED IN SECTION
30 36-550.

31 9. "SERIOUS MENTAL ILLNESS LEVEL OF CARE" MEANS THE BEHAVIORAL
32 HEALTH INSTITUTIONAL LEVEL OF CARE ADOPTED BY THE ADMINISTRATION PURSUANT
33 TO SECTION 36-2979.02.

34 36-2979.01. Home and community-based service program for
35 adults who are seriously mentally ill; request
36 for federal approval; stakeholder workgroup;
37 quarterly updates

38 A. THE HOME AND COMMUNITY-BASED SERVICE PROGRAM FOR ADULTS WHO ARE
39 SERIOUSLY MENTALLY ILL IS ESTABLISHED. THE ADMINISTRATION SHALL DEVELOP
40 AND REQUEST AUTHORITY FROM THE CENTERS FOR MEDICARE AND MEDICAID SERVICES
41 TO IMPLEMENT A DEDICATED HOME AND COMMUNITY-BASED SERVICES BENEFIT FOR
42 ADULTS WHO ARE DETERMINED TO BE SERIOUSLY MENTALLY ILL.

43 B. THE ADMINISTRATION SHALL CONVENE A STAKEHOLDER WORKGROUP THAT
44 INCLUDES REPRESENTATIVES FROM BEHAVIORAL HEALTH PROVIDERS, FAMILY MEMBERS,
45 CAREGIVERS AND GUARDIANS OF INDIVIDUALS WHO ARE SERIOUSLY MENTALLY ILL,

1 COUNTIES, TRIBAL NATIONS AND COMMUNITY ORGANIZATIONS TO ADVISE ON PROGRAM
2 DESIGN AND IMPLEMENTATION. STAKEHOLDER INPUT SHALL SPECIFICALLY ADDRESS
3 THE NEEDS OF INDIVIDUALS WHO REQUIRE COMPLEX MEDICATION MANAGEMENT,
4 ENHANCED MONITORING AND STRUCTURED COMMUNITY-BASED SUPPORTS, INCLUDING
5 ASSISTED LIVING-TYPE MODELS, TO PROMOTE MEDICATION CONTINUITY AND SAFETY.

6 C. THE ADMINISTRATION SHALL REQUEST APPROVAL FROM THE CENTERS FOR
7 MEDICARE AND MEDICAID SERVICES FOR THE PROGRAM NOT LATER THAN JULY 1, 2027
8 AND SHALL BEGIN IMPLEMENTING THE PROGRAM NOT LATER THAN ONE YEAR AFTER THE
9 APPROVAL BY THE CENTERS FOR MEDICARE AND MEDICAID SERVICES.

10 D. UNTIL THE PROGRAM IS IMPLEMENTED, THE ADMINISTRATION SHALL
11 PROVIDE QUARTERLY IMPLEMENTATION UPDATES TO THE PRESIDENT OF THE SENATE,
12 THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE CHAIRPERSONS OF THE
13 SENATE AND HOUSE OF REPRESENTATIVES HEALTH AND HUMAN SERVICES COMMITTEES,
14 OR THEIR SUCCESSOR COMMITTEES.

15 36-2979.02. Eligibility; financial eligibility; serious
16 mental illness level of care; criteria

17 A. TO BE ELIGIBLE FOR THE PROGRAM, AN INDIVIDUAL MUST MEET ALL OF
18 THE FOLLOWING:

- 19 1. HAVE BEEN DETERMINED TO BE SERIOUSLY MENTALLY ILL.
- 20 2. MEET THE SERIOUS MENTAL ILLNESS LEVEL OF CARE ADOPTED BY THE
21 ADMINISTRATION PURSUANT TO SUBSECTION C OF THIS SECTION.
- 22 3. REQUIRE HOME AND COMMUNITY-BASED SERVICES IN ORDER TO AVOID
23 PLACEMENT IN A BEHAVIORAL HEALTH RESIDENTIAL FACILITY OR PSYCHIATRIC
24 INSTITUTION.
- 25 4. MEET THE FINANCIAL ELIGIBILITY REQUIREMENTS PURSUANT TO
26 SUBSECTION B OF THIS SECTION.

27 B. AN INDIVIDUAL WHO MEETS THE SERIOUS MENTAL ILLNESS LEVEL OF CARE
28 ADOPTED BY THE ADMINISTRATION PURSUANT TO SUBSECTION C OF THIS SECTION IS
29 FINANCIALLY ELIGIBLE FOR THE PROGRAM IF THE INDIVIDUAL'S INCOME DOES NOT
30 EXCEED THREE HUNDRED PERCENT OF THE FEDERAL SUPPLEMENTAL SECURITY INCOME
31 BENEFIT RATE. AN INDIVIDUAL WHOSE INCOME EXCEEDS THIS STANDARD MAY
32 ESTABLISH A QUALIFIED INCOME TRUST TO ACHIEVE ELIGIBILITY. RESOURCE AND
33 SPOUSAL IMPOVERISHMENT STANDARDS SHALL BE THE SAME AS REQUIRED PURSUANT TO
34 ARTICLE 2 OF THIS CHAPTER FOR ENROLLEES IN THE ARIZONA LONG-TERM CARE
35 SYSTEM HOME AND COMMUNITY-BASED SERVICES.

36 C. THE ADMINISTRATION SHALL ADOPT A SERIOUS MENTAL ILLNESS LEVEL OF
37 CARE SPECIFIC TO INDIVIDUALS WHO ARE SERIOUSLY MENTALLY ILL THAT IS BASED
38 ON BEHAVIORAL, FUNCTIONAL AND SAFETY CRITERIA, WHICH MAY INCLUDE ANY OF
39 THE FOLLOWING:

- 40 1. CURRENT OR RECENT COURT-ORDERED TREATMENT.
- 41 2. LEGAL GUARDIANSHIP DUE TO PSYCHIATRIC INCAPACITY.
- 42 3. RECENT DISCHARGE FROM A JAIL OR PRISON, THE STATE HOSPITAL OR A
43 BEHAVIORAL HEALTH RESIDENTIAL FACILITY.
- 44 4. REPEATED PSYCHIATRIC HOSPITALIZATIONS OR CRISIS EPISODES.

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, FIRE OR WATER
4 MISUSE, AGGRESSION, DELUSIONAL BEHAVIOR 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 COMMUNITY-BASED
10 SUPPORTS, INCLUDING ASSISTED LIVING-TYPE SUPPORTS, TO MAINTAIN CONTINUITY
11 OF MEDICATION THERAPY, SUCH AS THOSE AT ELEVATED RISK OF RELAPSE,
12 DECOMPENSATION OR HOSPITALIZATION RELATED TO MEDICATION NONADHERENCE.

13 D. THE SERIOUS MENTAL ILLNESS LEVEL OF CARE ADOPTED PURSUANT TO
14 SUBSECTION C OF THIS SECTION MAY NOT REQUIRE A NURSING FACILITY LEVEL OF
15 CARE OR PHYSICAL DISABILITY OR PHYSICAL IMPAIRMENT CRITERIA AND MAY NOT
16 USE A PREADMISSION SCREENING TOOL.

17 E. THE ADMINISTRATION MAY REFINE THE ASSESSMENT CRITERIA AND
18 PROCESSES THROUGH RULE OR POLICY, CONSISTENT WITH LEGISLATIVE INTENT,
19 INCLUDING ADJUSTMENT TO ASSESSMENT TOOLS, THRESHOLDS OR PROCESSES.

20 36-2979.03. Covered services; modification

21 A. SUBJECT TO THE APPROVAL OF THE CENTERS FOR MEDICARE AND MEDICAID
22 SERVICES, THE ADMINISTRATION SHALL PROVIDE HOME AND COMMUNITY-BASED
23 SERVICES THAT ARE COMPARABLE TO THOSE AUTHORIZED UNDER ARTICLE 2 OF THIS
24 CHAPTER, WITH MODIFICATIONS APPROPRIATE FOR BEHAVIORAL HEALTH NEEDS. THE
25 HOME AND COMMUNITY-BASED SERVICES SHALL INCLUDE:

26 1. ATTENDANT CARE AND PERSONAL CARE.

27 2. HABILITATION WITH BEHAVIOR MANAGEMENT.

28 3. ADULT DAY HEALTH CARE WITH A BEHAVIORAL HEALTH FOCUS.

29 4. SUPERVISED COMMUNITY LIVING SERVICES, INCLUDING ASSISTED
30 LIVING-TYPE SUPPORTS.

31 5. RESPITE CARE.

32 6. HOME-DELIVERED MEALS.

33 7. NURSING, HOME HEALTH AND MEDICATION ADMINISTRATION SERVICES.

34 8. NONEMERGENCY TRANSPORTATION.

35 B. THE ADMINISTRATION SHALL ESTABLISH SERVICE DESCRIPTIONS AND
36 SCOPE AND STAFFING STANDARDS THROUGH RULE OR POLICY.

37 C. HOME AND COMMUNITY-BASED SERVICES MAY BE DELIVERED IN ANY
38 RESIDENTIAL SETTING AUTHORIZED UNDER STATE LAW WHEN AN INDIVIDUAL IS
39 SUBJECT TO A VALID COURT ORDER, GUARDIANSHIP OR INVOLUNTARY TREATMENT
40 AUTHORITY PURSUANT TO THIS TITLE, IF:

41 1. MEDICAID REIMBURSEMENT UNDER THIS ARTICLE IS LIMITED TO COVERED
42 HOME AND COMMUNITY-BASED SERVICES AND DOES NOT INCLUDE ROOM, BOARD,
43 SUPERVISION FOR CUSTODY OR ENFORCEMENT OF COURT ORDERS.

1 2. THE INDIVIDUAL IS AFFORDED PERIODIC REVIEW AND PLANNING FOR
2 TRANSITION TO A LESS RESTRICTIVE SETTING WHEN CLINICALLY APPROPRIATE.

3 D. THE ADMINISTRATION MAY ADD, MODIFY OR COMBINE SERVICES
4 CONSISTENT WITH FEDERAL APPROVAL AND LEGISLATIVE INTENT.

5 36-2979.04. Program capacity; priority; emergency placements

6 A. SUBJECT TO THE APPROVAL OF THE CENTERS FOR MEDICARE AND MEDICAID
7 SERVICES, ENROLLMENT IN THE PROGRAM IS LIMITED TO FIVE HUNDRED MEMBERS,
8 INCLUDING TEMPORARY EMERGENCY PLACEMENTS.

9 B. WHEN CAPACITY IS LIMITED, THE ADMINISTRATION SHALL ASSIGN
10 AVAILABLE SLOTS BASED ON THE FOLLOWING ORDER OF PRIORITY:

11 1. INDIVIDUALS UNDER COURT-ORDERED TREATMENT.

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

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

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

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

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

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

25 C. A COURT MAY RECOMMEND PARTICIPATION IN THE PROGRAM BUT MAY NOT
26 COMPEL THE ADMINISTRATION TO EXCEED THE ENROLLMENT CAP.

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

29 36-2979.05. Provider requirements; enhanced reimbursement
30 rates

31 A. PROVIDERS SHALL DOCUMENT BEHAVIORAL INTERVENTIONS, CRISIS
32 SUPPORTS AND STAFFING ADJUSTMENTS BEFORE INITIATING DISCHARGE.

33 B. A PROVIDER THAT RECEIVES REIMBURSEMENT UNDER THE PROGRAM SHALL
34 IMPLEMENT EVICTION-PREVENTION PROTOCOLS AND OBTAIN REGIONAL BEHAVIORAL
35 HEALTH AUTHORITY APPROVAL BEFORE ISSUING NONEMERGENCY NOTICES TO VACATE.

36 C. THE ADMINISTRATION MAY ADOPT ENHANCED REIMBURSEMENT RATES FOR
37 HIGH-ACUITY SERIOUSLY MENTALLY ILL INDIVIDUALS WHO ARE RECEIVING HOME AND
38 COMMUNITY-BASED SERVICES.

39 D. THIS SECTION DOES NOT LIMIT THE ADMINISTRATION'S AUTHORITY TO
40 ENSURE THE HEALTH AND SAFETY OF PARTICIPANTS.

41 E. THIS SECTION DOES NOT REQUIRE A PROVIDER TO CONTINUE SERVICES
42 WHEN IMMEDIATE AND DOCUMENTED RISKS TO HEALTH OR SAFETY CANNOT BE
43 MITIGATED THROUGH REASONABLE CLINICAL INTERVENTIONS.

