

Senate Engrossed

home; community-based services; mental illness

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

SENATE BILL 1630

AN ACT

AMENDING TITLE 36, CHAPTER 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
5 FOR PERSONS 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 LONG-TERM LEVEL OF CARE AND ONE OR MORE
15 PRIORITY 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 LONG-TERM LEVEL OF CARE" MEANS THE
32 BEHAVIORAL HEALTH INSTITUTIONAL LEVEL OF CARE ADOPTED BY THE
33 ADMINISTRATION PURSUANT 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 semiannual implementation 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. THROUGH THE SUBMISSION OF THE FIRST ANNUAL REPORT, THE
44 ADMINISTRATION SHALL CONVENE A STAKEHOLDER WORKGROUP THAT INCLUDES
45 REPRESENTATIVES FROM BEHAVIORAL HEALTH PROVIDERS, FAMILY MEMBERS,

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

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

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

16 36-2979.02. Eligibility; financial eligibility; serious
17 mental illness long-term level of care;
18 criteria

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

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

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

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

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

- 1 4. REPEATED PSYCHIATRIC HOSPITALIZATIONS OR CRISIS EPISODES.
2 5. IMPAIRED JUDGMENT, DISORGANIZATION OR INABILITY TO PERFORM
3 ACTIVITIES OF DAILY LIVING DUE TO PSYCHIATRIC SYMPTOMS.
4 6. DOCUMENTED SAFETY RISKS, INCLUDING ELOPEMENT, FIRE OR WATER
5 MISUSE, AGGRESSION, DELUSIONAL BEHAVIOR OR EXPLOITATION RISK.
6 7. HOMELESSNESS OR IMMINENT RISK OF HOMELESSNESS.
7 8. HIGH-INTENSITY OR COMPLEX PSYCHOTROPIC MEDICATION REGIMENS
8 REQUIRING ENHANCED MONITORING TO ENSURE ADHERENCE AND TO IDENTIFY
9 POTENTIAL ADVERSE EFFECTS.
10 9. CLINICAL NEEDS THAT NECESSITATE STRUCTURED COMMUNITY-BASED
11 SUPPORTS, INCLUDING ASSISTED LIVING-TYPE SUPPORTS, TO MAINTAIN CONTINUITY
12 OF MEDICATION THERAPY, SUCH AS THOSE AT ELEVATED RISK OF RELAPSE,
13 DECOMPENSATION OR HOSPITALIZATION RELATED TO MEDICATION NONADHERENCE.
14 D. THE SERIOUS MENTAL ILLNESS LONG-TERM LEVEL OF CARE ADOPTED
15 PURSUANT TO SUBSECTION C OF THIS SECTION MAY NOT REQUIRE A NURSING
16 FACILITY LEVEL OF CARE OR PHYSICAL DISABILITY OR PHYSICAL IMPAIRMENT
17 CRITERIA AND MAY NOT USE A PREADMISSION SCREENING TOOL.
18 E. THE ADMINISTRATION MAY REFINE THE ASSESSMENT CRITERIA AND
19 PROCESSES THROUGH RULE OR POLICY, CONSISTENT WITH LEGISLATIVE INTENT,
20 INCLUDING ADJUSTMENT TO ASSESSMENT TOOLS, THRESHOLDS OR PROCESSES.
21 36-2979.03. Covered services; modification
22 A. SUBJECT TO THE APPROVAL OF THE CENTERS FOR MEDICARE AND MEDICAID
23 SERVICES, THE ADMINISTRATION SHALL PROVIDE HOME AND COMMUNITY-BASED
24 SERVICES THAT ARE COMPARABLE TO THOSE AUTHORIZED UNDER ARTICLE 2 OF THIS
25 CHAPTER, WITH MODIFICATIONS APPROPRIATE FOR BEHAVIORAL HEALTH NEEDS. THE
26 HOME AND COMMUNITY-BASED SERVICES SHALL INCLUDE:
27 1. ATTENDANT CARE AND PERSONAL CARE.
28 2. HABILITATION WITH BEHAVIOR MANAGEMENT.
29 3. ADULT DAY HEALTH CARE WITH A BEHAVIORAL HEALTH FOCUS.
30 4. SUPERVISED COMMUNITY LIVING SERVICES, INCLUDING ASSISTED
31 LIVING-TYPE SUPPORTS.
32 5. RESPITE CARE.
33 6. HOME-DELIVERED MEALS.
34 7. NURSING, HOME HEALTH AND MEDICATION ADMINISTRATION SERVICES.
35 8. NONEMERGENCY TRANSPORTATION.
36 B. THE ADMINISTRATION SHALL ESTABLISH SERVICE DESCRIPTIONS AND
37 SCOPE AND STAFFING STANDARDS THROUGH RULE OR POLICY.
38 C. HOME AND COMMUNITY-BASED SERVICES MAY BE DELIVERED IN ANY
39 RESIDENTIAL SETTING AUTHORIZED UNDER STATE LAW WHEN AN INDIVIDUAL IS
40 SUBJECT TO A VALID COURT ORDER, GUARDIANSHIP OR INVOLUNTARY TREATMENT
41 AUTHORITY PURSUANT TO THIS TITLE, IF:
42 1. MEDICAID REIMBURSEMENT UNDER THIS ARTICLE IS LIMITED TO COVERED
43 HOME AND COMMUNITY-BASED SERVICES AND DOES NOT INCLUDE ROOM, BOARD,
44 SUPERVISION FOR CUSTODY OR ENFORCEMENT OF COURT ORDERS.

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

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

6 36-2979.06. Annual report

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

11 1. THE NUMBER OF ENROLLED MEMBERS AND THE NUMBER OF INDIVIDUALS WHO
12 ARE ON THE WAITLIST.

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

15 3. HOUSING STABILITY OUTCOMES FOR MEMBERS.

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

18 5. PROVIDER DENIALS AND DISCHARGES AND THE REASONS FOR THE DENIALS
19 AND DISCHARGES OF MEMBERS.

20 6. THE FISCAL IMPACT OF AND ESTIMATED COST AVOIDANCE RELATED TO THE
21 PROGRAM.

22 36-2979.07. Authority to seek and maintain federal approval;
23 rules

24 A. THE ADMINISTRATION SHALL SEEK AND MAINTAIN ANY NECESSARY FEDERAL
25 APPROVALS AND MAY OPERATE THE PROGRAM PURSUANT TO ONE OR MORE APPROVED
26 MEDICAID STATE PLAN AUTHORITIES, WAIVERS OR DEMONSTRATION AUTHORITIES,
27 INCLUDING THOSE AUTHORIZED UNDER 42 UNITED STATES CODE SECTION 1315 OR
28 1396n.

29 B. IF THE CENTERS FOR MEDICARE AND MEDICAID SERVICES DENIES OR DOES
30 NOT APPROVE A REQUEST NECESSARY TO IMPLEMENT THIS ARTICLE, THE
31 ADMINISTRATION, TO THE EXTENT ALLOWED BY FEDERAL LAW, SHALL CONTINUE TO
32 PURSUE APPROVAL THROUGH MODIFICATIONS, RESUBMISSIONS OR ALTERNATIVE
33 FEDERAL AUTHORITY AND SHALL REPORT THE STATUS OF THESE EFFORTS IN THE
34 SEMIANNUAL IMPLEMENTATION UPDATES REQUIRED PURSUANT TO SECTION 36-2979.01.

35 C. THE ADMINISTRATION MAY ADOPT RULES TO IMPLEMENT THIS ARTICLE.

36 D. THIS ARTICLE DOES NOT EXPAND OR MODIFY STANDARDS FOR INVOLUNTARY
37 TREATMENT UNDER THIS TITLE.