

REFERENCE TITLE: AHCCCS; behavioral health rate study

State of Arizona
Senate
Fifty-sixth Legislature
Second Regular Session
2024

SB 1450

Introduced by
Senator Shope

AN ACT

AMENDING SECTION 36-3403, ARIZONA REVISED STATUTES; RELATING TO BEHAVIORAL HEALTH SERVICES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 36-3403, Arizona Revised Statutes, is amended to
3 read:

4 36-3403. Powers and duties of the director; studies; annual
5 report; reimbursement and capitation rates

6 A. In addition to the powers and duties prescribed in chapter 29 of
7 this title, in carrying out the duties of this chapter, the director may:

8 1. Employ professional, secretarial and clerical staff as are
9 determined necessary by the director to carry out the functions and duties
10 of the administration, subject to legislative appropriation.

11 2. Contract for the services of consultants and other persons that
12 are reasonably necessary to enable the administration to carry out its
13 functions and duties, subject to legislative appropriation.

14 3. Contract FOR and incur obligations that are reasonably necessary
15 within the general scope of the administration.

16 4. Adopt rules that are necessary to carry out the requirements of
17 the administration.

18 5. Contract or enter into intergovernmental agreements with other
19 public and private nonprofit agencies and entities.

20 6. Use monies, facilities or services to provide matching
21 contributions under federal or other programs that further the objectives
22 and programs of the administration.

23 7. Accept gifts, grants, matching monies or direct payments from
24 public or private agencies or private persons and enterprises ~~for the~~ TO
25 conduct ~~of~~ programs that are consistent with the general purposes and
26 objectives of the administration.

27 B. The director shall administer:

28 1. Unified mental health programs, excluding the functions of the
29 state hospital but including community mental health.

30 2. Addictive behavior programs to include alcohol and drug abuse.

31 C. Notwithstanding any other law, the director may waive or reduce
32 the requirements for local match.

33 D. Except as otherwise required by this chapter, the director shall
34 carry out the duties of this chapter subject to and consistent with
35 chapter 29 of this title.

36 E. The administration shall contract with an independent consulting
37 firm for an annual study of the adequacy and appropriateness of title XIX
38 reimbursement rates to providers of behavioral health services. The
39 administration may require and the regional behavioral health authorities
40 and service providers shall provide to the administration financial data
41 in the format prescribed by the administration to assist in the study. A
42 complete study of reimbursement rates shall be completed at least once
43 every five years. The administration shall provide the report to the
44 joint legislative budget committee on or before October 1 of each year.
45 If results of the study are not completely incorporated into the

1 capitation rate, the administration shall provide a report to the joint
2 legislative budget committee within thirty days ~~of~~ AFTER setting the final
3 capitation rate, including reasons for differences between the rate and
4 the study. THE COMPLETE STUDY OF REIMBURSEMENT RATES SHALL CONSIDER, AT A
5 MINIMUM, THE FOLLOWING FACTORS:

6 1. THE MEDICAL CARE CONSUMER PRICE INDEX OF THE UNITED STATES
7 DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS.

8 2. INFLATION SINCE THE LAST RATE STUDY BUT NOT LESS THAN THE
9 PRECEDING FIVE YEARS.

10 3. ANY BEHAVIORAL HEALTH WORKFORCE SHORTAGES IN THIS STATE THAT MAY
11 AFFECT LABOR COSTS.

12 4. FOR ANY STATES USED AS A COMPARISON, AT LEAST THE FOLLOWING:

13 (a) ANY DIFFERENCE IN THAT STATE'S MINIMUM WAGE VERSUS ARIZONA'S
14 MINIMUM WAGE THAT MAY AFFECT LABOR COSTS.

15 (b) DIFFERENCES IN THE MODEL OF CARE.

16 (c) PROVIDER TYPES AND SERVICES THAT MAY AFFECT LABOR COSTS.

17 (d) THE IMPACT OF STATE-SPECIFIC LITIGATION.

18 5. THE AVERAGE TIME FOR A MEMBER TO ACCESS BEHAVIORAL HEALTH
19 SERVICES, INCLUDING AN INITIAL APPOINTMENT AND ONGOING TREATMENTS.

20 6. BEHAVIORAL HEALTH SERVICE APPOINTMENT AVAILABILITY.

21 7. THE ACTUAL COST OF DELIVERING BEHAVIORAL HEALTH SERVICES,
22 INCLUDING LABOR, PHYSICAL SPACE, NO-SHOW RATES AND OVERHEAD BY SETTING AND
23 BEHAVIORAL HEALTH SERVICE TYPE.

24 8. THE WORKFORCE TURNOVER RATE AND ASSOCIATED TRAINING COSTS.

25 9. THE COSTS APPLICABLE TO EACH LEVEL OF BEHAVIORAL HEALTH SERVICE,
26 INCLUDING OUTPATIENT, INPATIENT AND RESIDENTIAL BEHAVIORAL HEALTH
27 SERVICES.

28 F. Capitation rate adjustments shall be limited to utilization of
29 existing services and inflation unless policy changes, including creation
30 or expansion of programs, have been approved by the legislature or are
31 specifically required by federal law or court mandate.

32 Sec. 2. AHCCCS; behavioral health services; reimbursement
33 rate study

34 On or before December 1, 2024, the Arizona health care cost
35 containment system administration shall deliver to the governor, the
36 speaker of the house of representatives, the president of the senate and
37 the chairpersons of the health and human services committees of the house
38 of representatives and the senate a complete study of behavioral health
39 provider reimbursement rates as prescribed in section 36-3403, Arizona
40 Revised Statutes, as amended by this act, including an assessment of the
41 impact of fraudulent claims from the preceding five years.