

**SECTION: 1 CHAPTER: 100**  
**POLICY: 114, Arizona State Hospital**

---

**1. PURPOSE:**

- a. To outline the collaborative decision-making process between the Arizona State Hospital (AzSH), Tribal/Regional Behavioral Health Authorities (T/RBHAs), other referring agencies, behavioral health recipients, families, legal representatives, advocate/designated representatives and all relevant interested parties at the earliest point in the assessment, admission, treatment planning, delivery of care and discharge of behavioral health recipients from AzSH. This policy replaces the use of collaborative agreements directly established between each T/RBHA and AzSH.
- b. This policy applies to the following categories of behavioral health recipients who may be admitted to AzSH:
  - i. Civilly committed adult behavioral health recipients (T-36 and [A.R.S. § 12-136](#) and [A.R.S. § 31-226](#)); and
  - ii. Voluntary admission for behavioral health recipients under T-14+ guardianship with mental health powers.
- c. AzSH is a Level I facility currently licensed under applicable state and local law, is accredited by [The Joint Commission](#) and certified by the [Centers for Medicare and Medicaid Services \(CMS\)](#). AzSH is a long-term inpatient psychiatric hospital that provides the most restrictive setting for care in the State. Coordination between AzSH and T/RBHAs must occur in a manner that ensures persons being admitted meet medical necessity criteria. Those individuals referred for admission must have a mental disorder as defined in [A.R.S. 36-501 \(26\)](#), and must be able to benefit from care and treatment at AzSH ([A.R.S. 36-202](#)). The level of care provided at AzSH must be the most appropriate and least restrictive treatment option for the person ([A.R.S. 36-501 \(22\)](#)). The provision of appropriate, medically necessary covered behavioral health services must be consistent with treatment goals outlined on the admission application and individual needs identified in the course of treatment of individuals admitted to AzSH.
- d. The goal of all hospitalizations of persons at AzSH is to provide comprehensive evaluation, treatment, and rehabilitation services to assist each behavioral health recipient in his/her own recovery, and to achieve successful placement into a less restrictive community-based treatment option.

**2. TERMS:**

Definitions for terms are located online at <http://www.azdhs.gov/bhs/definitions/index.php>

The following terms are referenced in this section:

Appeal

**SECTION: 1 CHAPTER: 100**  
**POLICY: 114, Arizona State Hospital**

---

Appeal Resolution  
Certification of Need (CON)  
Clinical Team  
Court Ordered Evaluation (COE)  
Court Ordered Treatment (COT)  
Danger to Others (DTO)  
Danger to Self (DTS)  
Designated TRBHA  
Discharge Pending List  
Enrolled Person  
Geographic Service Area (GSA)  
Gravely Disabled  
Guilty Except Insane (GEI)  
Home T/RBHA  
Incapacitated Person  
Inpatient Services  
Inpatient treatment and discharge plan or "ITDP"  
Letter of Authorization (LOA)  
Mental Disorder  
Not Guilty by Reason of Insanity (NGRI)  
Pending Admission List  
Persistently or Acutely Disabled (PAD)  
Recertification of Need (RON)  
Referral for Behavioral Health Services  
Regional Behavioral Health Authority (RBHA)  
Residence  
Serious Mental Illness (SMI)  
Special Assistance  
Title 14 Guardian  
Title 14 Guardian with Mental Health Powers (T-14+)  
Title XIX  
Title XIX Covered Services  
Title XIX Eligible Person  
Title XIX Member  
Title XIX Waiver Member  
Title XXI Member  
Treatment  
Tribal RBHA  
T/RBHA

**SECTION: 1 CHAPTER: 100**  
**POLICY: 114, Arizona State Hospital**

---

**3. PROCEDURES:**

a. Admissions

To ensure that individuals are treated in the least restrictive and most appropriate environment that can address their individual treatment and support their needs, the criteria for clinically appropriate admissions to AzSH are as follows:

- i The behavioral health recipient must not require acute medical care beyond the scope of medical care available at AzSH.
- ii The T/RBHA or other referral source has made reasonable good-faith efforts to address the individual's target symptoms and behaviors in an inpatient setting(s).
- iii For behavioral health recipients who are also enrolled with the Arizona Department of Economic Security/Division of Developmental Disabilities (DES/DDD), the DES/DDD Director or designee agrees with the recommendation for admission.
- iv The T/RBHA and other referral source have completed Utilization Review of the potential admission referral and it is recommending admission to the AzSH as necessary and appropriate, and as the least restrictive option available for the person given his/her clinical status.
- v When a community provider agency or other referral source believes that a civilly committed or voluntarily admitted adult is a candidate to be transferred from another Level I Behavioral Health treatment facility for treatment at AzSH, the agency will contact the designated T/RBHA for that geographic service area to discuss the recommendation for admission to AzSH. The T/RBHA must be in agreement with the other referral source that a referral for admission to AzSH is necessary and appropriate. If the candidate is not T/RBHA enrolled, the T/RBHA will initiate an SMI determination and the enrollment process prior to application or at the latest within twenty-four (24) hours of admission pursuant to [Policy 102, Appointment Standards and Timeliness of Service](#) to AzSH. The enrollment date is effective the first date of contact by the T/RBHA. The T/RBHA will also complete a Title XIX application once T/RBHA enrollment is completed. For all non-T/RBHA enrolled Tribal behavioral health recipients, upon admission to AzSH, the hospital will enroll the person, if eligible in the AHCCCS Indian Health Program.
- vi For TRBHA (Tribal RBHA only) enrolled behavioral health recipients, ADHS/DBHS must also be in agreement with the referring agency that admission to AzSH is necessary and appropriate, and ADHS/DBHS must prior authorize the person's admission (see [Policy 1101, Securing Services and Prior Authorization](#)).
- vii The T/RBHA and/or other referral sources must contact the AzSH Admissions Office and forward a completed packet of information regarding the referral to the Admissions Office (see Attachment A, AzSH Application and Attachment B, AzSH Payor Financial Information), and if determined to be SMI and previously assessed as requiring Special Assistance, then the existing Special Assistance form should be included in the package. If the form has not been completed, please refer to [Policy 113, Special Assistance for Persons Determined to have a Serious Mental Illness](#) for further instructions.

**SECTION: 1 CHAPTER: 100**  
**POLICY: 114, Arizona State Hospital**

- 
- viii The Admissions Office confirms receipt of the complete packet and notifies the referral source of missing or inadequate documentation within two business days of receipt. AzSH cannot accept any person for admission without copies of the necessary legal documents.
  - ix For T-XIX enrolled persons, the certification of need (CON) (see [Policy Form 1101.1](#)) should be included in the application for admission. The T/RBHA needs to generate a Letter of Authorization (LOA) or issue a denial. The LOA should be provided to the AzSH Admissions Department with the application for admission to AzSH.
  - x The T/RBHA is responsible for notifying AzSH's Admissions Office of any previous court ordered treatment days utilized by the behavioral health recipient. Behavioral health recipients referred for admission must have a minimum of forty-five (45) inpatient court ordered treatment days remaining to qualify for admission. The behavioral health recipient's AHCCCS eligibility will be submitted by the T/RBHA to the AzSH Admissions Office with the admission application and verified during the admission review by the AzSH Admissions Office. The AzSH Admissions Office will notify (AHCCCS) Member Services of the behavioral health recipient's admission to AzSH and any change in health plan selection, or if any other information is needed.
  - xi The Chief Medical Officer or Acting Designee will review the information within two (2) business days after receipt of the completed packet and determine whether the information supports admission and whether AzSH can meet the Behavioral Health Recipient's treatment and care needs.
  - xii If the AzSH Chief Medical Officer or Acting Designee determines that the behavioral health recipient does not meet criteria for admission, the Chief Medical Officer or Acting Designee will provide a written statement to the referral source explaining why the behavioral health recipient is not being accepted for admission, and the referral source will be offered the opportunity to request reconsideration by submitting additional information or by conferring with the AzSH Chief Medical Officer or Acting Designee. If the admission is denied, the AzSH Admissions Office will send the denial statement to the referral source.
  - xiii If the admission is approved, the Admissions Office will send the acceptance statement from the Chief Medical Officer or Acting Designee to the referral source.
  - xiv A Court Order for transfer is not required by AzSH when the proposed behavioral health recipient is already under a Court Order for treatment with forty-five (45) remaining inpatient days. However, in those jurisdictions in which the court requires a court order for transfer be issued, the referring agency will obtain a court order for transfer to AzSH.
  - xv If a Court Order for transfer is not required, the AzSH Admissions Office will set a date and time for admission. It is the responsibility of the referring agency to make the appropriate arrangements for transportation to AzSH.
  - xvi When AzSH is unable to admit the accepted behavioral health recipient immediately, AzSH shall establish a pending list for admission. If the behavioral health recipient's admission is pending for more than 15 days, the referral agency must provide AzSH a clinical update in writing, including if any alternative placements have been explored while pending, and if the need for placement at AzSH is still necessary.

**SECTION: 1 CHAPTER: 100**  
**POLICY: 114, Arizona State Hospital**

---

- b. For adult behavioral health recipients under civil commitment:
  - i. The behavioral health recipient must have a primary diagnosis of Mental Disorder (other than Cognitive Disability, Substance Abuse, Paraphilia-Related Disorder, or Antisocial Personality Disorder) as defined in [A.R.S. § 36-501](#), which correlates with the symptoms and behaviors precipitating the request for admission, and be determined to meet DTO, DTS, GD, or PAD criteria as the result of the mental disorder.
  - ii. The behavioral health recipient is expected to benefit from proposed treatment at AzSH ([A.R.S. § 36-202](#)). The behavioral health recipient must have completed 25 days of mandatory treatment in a local mental health treatment agency under T-36 Court Ordered Treatment (COT), unless waived by the court as per [A.R.S. § 36-541](#) or, if PAD, waived by the Chief Medical Officer of AzSH.
  - iii. AzSH must be the least restrictive alternative available for treatment of the person ([A.R.S. § 36-501](#)) and the less restrictive long-term level of care available elsewhere in the State of Arizona to meet the identified behavioral health needs of the behavioral health recipient.
  - iv. The behavioral health recipient must not suffer more serious harm from proposed care and treatment at AzSH. ([A.A.C. R9-21-507\(B\)\(1\)](#)).
  - v. Hospitalization at AzSH must be the most appropriate level of care to meet the person's treatment needs, and the person must be accepted by the Chief Medical Officer for transfer and admission ([A.A.C. R9-21-507\(B\)\(2\)](#)).
  
- c. Treatment and Community Placement Planning for All Behavioral Health Recipients:
  - i. AzSH will begin treatment and community placement planning immediately upon admission, utilizing the Adult Clinical Team model.
  - ii. All treatment is patient-centered and is provided in accordance with ADHS/DBHS-established five principles of person-centered treatment for adult behavioral health recipients determined to have Serious Mental Illness (SMI).
  - iii. Behavioral health recipients shall remain assigned to their original clinic/outpatient treatment team throughout their admission, unless the recipient initiates a request to transfer to a new clinic site or treatment team.
    - (1) Consideration of comprehensive information regarding previous treatment approaches, outcomes and recommendations/input from the T/RBHA and other outpatient community treatment providers is vital.
    - (2) Representative(s) from the outpatient treatment team are expected to participate in treatment planning throughout the admission in order to facilitate enhanced coordination of care and successful discharge planning.
    - (3) Treatment goals and recommended assessment/treatment interventions must be carefully developed and coordinated with the outpatient providers (including the T/RBHA, ALTCS Health Plan, DDD, other provider(s), the behavioral health recipient's legal guardian, family members, significant others as authorized by

**SECTION: 1 CHAPTER: 100**  
**POLICY: 114, Arizona State Hospital**

---

- the behavioral health recipient and Advocate/designated representative whenever possible.
- (4) The first ITDP meeting, which is held within 10 days of the behavioral health recipient's admission, should address specifically what symptoms or skill deficits are preventing the behavioral health recipient from participating in treatment in the community and the specific goals/objectives of treatment at AzSH. This information should be used to establish the treatment plan.
- (5) The first ITDP meeting should also address the discharge plan for reintegration into the community. The behavioral health recipient's specific needs for treatment and placement in the community, including potential barriers to community placement and successful return to the community, should be identified and discussed.
- iv AzSH will provide all treatment plans to the responsible agency. The responsible agency should indicate review of and agreement/disagreement with the treatment plan on the document. Any disagreements should be discussed as soon as possible and resolved as outlined in [9 A.A.C. 21](#).
- v Treatment plans are reviewed and revised collaboratively with the Adult Clinical Team at least monthly.
- vi Any noted difficulties in collaboration with the outpatient provider treatment teams will be brought to the attention of the T/RBHA to be addressed. The T/RBHA Hospital Liaison will monitor the participation of the outpatient team and assist when necessary.
- vii Through the Adult Clinical Team, AzSH will actively address the identified symptoms and behaviors which led to the admission, and link them to the community rehabilitation and recovery goals whenever possible. AzSH will actively seek to engage the behavioral health recipient and all involved parties to establish understandable, realistic, achievable and practical treatment, discharge goals and interventions.
- viii While in AzSH and depending upon the behavioral health recipient's individualized treatment needs, a comprehensive array of evaluation and treatment services are available and will be utilized as appropriate and as directed by the behavioral health recipient's treatment plan and as ordered by the behavioral health recipient's treating psychiatrist.
- d. Recertification of Need (RON):
- i The AzSH Utilization Manager is responsible for the recertification process for all Title XIX/XXI eligible persons and is the contact for AzSH for all T/RBHA continued stay reviews.
- ii The AzSH Utilization Manager will work directly with the behavioral health recipient's attending physician to complete the RON form. The RON will be sent to the T/RBHA within five (5) days of expiration of the current CON/ RON. If required by the T/RBHA, the Utilization Manager will send to the T/RBHA Utilization Review staff additional information/documentation needed for review to determine continued stay.



**SECTION: 1 CHAPTER: 100**  
**POLICY: 114, Arizona State Hospital**

- 
- iii All T/RBHA decisions with regard to the approval or denial for continued stay will be rendered prior to the expiration date of the previous authorization and upon receipt of the RON for those behavioral health recipients. T/RBHA authorization decisions are based on review of chart documentation supporting the stay and application of the ADHS/ DBHS Level Continued Stay criteria. If continued stay is approved, the T/RBHA must send a LOA to the AzSH Utilization Management Department with the completed RON and updated standard nomenclature diagnosis codes (if applicable). Denials will be issued upon completion of the denial process described in [Policy 1101, Securing Services and Prior Authorization](#).
  
  - e. Transition to Community Placement Setting:
    - i The behavioral health recipient is considered to be ready for community placement and is placed on the Discharge Pending List when the following criteria are met:
      - (1) The agreed upon discharge goals set at the time of admission with the T/RBHA have been met by the behavioral health recipient.
      - (2) The behavioral health recipient presents no imminent danger to self or others due to psychiatric disorder. Some behavioral health recipients, however, may continue to exhibit occasional problematic behaviors. These behaviors must be considered on a case-by-case basis and do not necessarily prohibit the person from being placed on the Discharge Pending List. If the behavioral health recipient is psychiatrically stable and has met all treatment goals but continues to have medical needs, the behavioral health recipient remains eligible for discharge/community placement.
      - (3) All legal requirements have been met.
    - ii Once a behavioral health recipient is placed on the Discharge Pending List, the T/RBHA must immediately take steps necessary to transition the behavioral health recipient into community-based treatment as soon as possible. The T/RBHA has up to thirty (30) days to transition the behavioral health recipient out of AzSH. The T/RBHA outpatient treatment team should identify and plan for community services and supports with the recipient's inpatient clinical team 60 – 90 days out from the recipients discharge date. This will allow sufficient time to identify appropriate community covered behavioral health services.
    - iii When the behavioral health recipient has not been placed in a community placement setting within 30 days, a quality of care concern will be initiated by ADHS/DBHS.
  
  - f. Other contractual considerations
    - i AzSH acknowledges that it and its providers have an independent responsibility to provide mental health and/or dual diagnosis substance abuse services, including covered services, to eligible persons and that coverage or payment determinations by the T/RBHA does not absolve AzSH or its providers of responsibility to render appropriate services to eligible persons.
    - ii AzSH must render and must ensure that contracted providers render covered services in a quality and cost effective manner pursuant to the T/RBHA applicable
-

**SECTION: 1 CHAPTER: 100**  
**POLICY: 114, Arizona State Hospital**

---

- standards and procedures and in accordance with generally accepted medical standards and all applicable laws and regulations.
- iii AzSH shall not discriminate against any eligible person based on race, color, gender identity, sexual orientation, age, religion, national origin, handicap, health status, or source of payment in providing services under this policy.
  - iv AzSH agrees to identify and initiate appropriate referrals to Children's Rehabilitation Services (CRS) for all eligible persons age 18 up to the age of twenty-one (21) years whose condition is identified as an eligible CRS diagnosis.
  - v AzSH further agrees to comply with ADHS/DBHS policies regarding appropriate referrals to the ADES/DDD, and the AHCCCS/ALTCS programs.
  - vi The failure of AzSH to make referrals that are timely and adequate may result in denial of claims or recoupment depending upon AzSH's method of reimbursement.
  - vii Under the HIPAA regulations, confidential information must be safeguarded pursuant to [42 C.F.R. Part 431\(F\)](#), [A.R.S. §§ 36-107](#), [36-509](#), [36-2903](#), [41-1959](#), [46-135](#), [A.A.C. R9-22](#), and any other applicable provisions of state or federal law.
- g. Grievance and Appeal Process
- i AzSH agrees, and will ensure that its contracted providers agree to abide by and cooperate with the T/RBHA complaint, grievance, and appeal process maintained to fairly and expeditiously resolve eligible person's, provider's, and AzSH's concerns pertaining to any service provided; issues related to this policy; and/or allow an eligible person, provider, or AzSH to appeal a determination that a service is not medically necessary; and to resolve SMI eligible person allegations of rights violations under the ADHS/DBHS rules ([A.A.C. R9-21](#)) for SMI eligible persons.
  - ii Additionally the T/RBHAs and provider staff must comply with the AzSH complaint, appeal and grievance processes.
- h. The Denial Process
- i All decisions by the T/RBHA to deny authorization for admission or continued stay must be made to the AzSH Utilization Manager via phone and followed by fax. The denial letter must specify the reason(s) for denial specifically applying the T/RBHA level of care criterion to each case.
  - ii The AzSH Utilization Manager will request to appeal the T/RBHA decision in writing and document the date and time the formal appeal was requested in the behavioral health recipient's utilization management file.
- i. Clinical Dispute Resolution Process
- i Any disagreements between the T/RBHA and AzSH should be resolved in a collaborative manner and at the lowest possible level.
  - ii Disputes regarding admission referrals may include but are not limited to:
    - (1) The patient does not have a mental disorder as defined in [A.R.S. 36-501 \(26\)](#),
    - (2) The patient must be able to benefit from care and treatment at AzSH ([A.R.S. 36-202](#)),



**SECTION: 1 CHAPTER: 100**  
**POLICY: 114, Arizona State Hospital**

---

- (3) AzSH level of care must be the most appropriate and least restrictive treatment option for the person ([A.R.S 36-501 \(21\)](#)),
- (4) The provision of appropriate, medically necessary covered behavioral health services must be consistent with treatment goals outlined on the admission application and individual needs identified in the course of treatment of individuals admitted to AzSH.
- iii Disputes regarding discharge referrals will be dealt with through the clinical team. If the dispute cannot be resolved within the clinical team, the AzSH treating psychiatrist will attempt to resolve the dispute through a telephonic conversation with the T/RBHA's provider psychiatrist.
- iv If the dispute continues to not be resolved, a telephonic conversation with the AzSH Chief Medical Officer (CMO) or Acting Designee and T/RBHA CMO or Acting Designee will occur. As appropriate, the discharge dispute will be documented in the order identified on the attached Dispute Resolution Form (Attachment C) and as indicated below.
  - (1) The T/RBHA Chief Medical Officer (CMO) or Acting Designee or other referral source contacts AzSH CMO or Acting Designee.
  - (2) The decision is to be completed within a timely manner not to exceed three (3) working days.
  - (3) If the disagreement continues, the T/RBHA Chief Medical Officer or Acting designee or other referral source will contact the AzSH CEO or acting designee.
  - (4) The reconsideration decision is to be completed in a timely manner, not to exceed three (3) working days.
  - (5) If the disagreement continues to be unresolved, the ADHS/DBHS Chief Medical Officer or Acting Designee will review all pertinent information.
  - (6) ADHS/DBHS will render a final determination within three (3) working days, and the written decision will be issued to both parties.
- j. Claims, Billing and reimbursement
  - i Claims
    - (1) AzSH agrees to file claims for covered services in the form and manner required by the T/RBHA.
    - (2) AzSH agrees to cooperate with the T/RBHA in providing any information reasonably requested in connection with claims and in obtaining necessary information relating to coordination of benefits, subrogation, verification of coverage, and health status.
    - (3) All claims will be submitted on a UB04 form or electronically.
    - (4) The billing amount will be the filed program rate for the program in which the behavioral health recipient resides. The payment amount will be the lesser of the published amount in the B2 matrix or the program rate.
    - (5) The T/RBHA must provide the name and address to which claims are to be sent in writing to the AzSH Finance Department and any changes thereof.
  - ii Time Frames

**SECTION: 1 CHAPTER: 100**  
**POLICY: 114, Arizona State Hospital**

- 
- (1) The claim will be submitted to the T/RBHA within six (6) months after the date of service.
  - (2) Payment by the T/RBHA will be made within thirty/ninety (30/90) days upon receipt of clean claims. This standard will be based on the Center for Mental Health Services (CMS) requirement that 90% of clean claims be paid in thirty (30) days and 99% in ninety (90) days.
  - (3) An explanation of any denials will be received from the T/RBHA within thirty/ninety (30/90) days of the T/RBHA receiving the initial claim submission.
  - (4) Resubmissions will be provided to the T/RBHA within thirty (30) days of the receipt of the denial.
- iii Availability of Funds
- (1) Payments made by the T/RBHA to AzSH and the continued authorization of covered services are conditioned upon the receipt of funds by ADHS, and in turn, the receipt of funds to the T/RBHA from ADHS authorized for expenditure in the manner and for the purposes provided in this policy.
  - (2) The T/RBHA must not be liable to AzSH for any purchases, obligations, or cost of services incurred by AzSH in anticipation of such funding.
- iv Indemnification
- (1) The T/RBHA agrees to indemnify and to hold AzSH harmless from any costs, claims, judgments, losses, damages, or expenses, including attorneys' fees, which AzSH incurs because of the negligent acts or omissions of the T/RBHA, T/RBHA employees, agents, directors, trustees, and/or representatives.
  - (2) AzSH agrees to indemnify and to hold the T/RBHA harmless from any costs, claims, judgments, losses, damages, or expenses, including attorneys' fees, which the T/RBHA incurs because of the negligent acts or omissions of AzSH, AzSH employees, agents, directors, trustees, and/or representatives.
- v T/RBHA External Medical Record Review
- T/RBHA utilization review specialists may obtain information from the health record of the AzSH patient to review the utilization of the hospitals services. All procedures as outlined in this policy will be in compliance with standards set forth by the Joint Commission; the Centers for Medicare and Medicaid Services; and all federal, state and local laws, rules and regulations, including the Health Insurance Portability and Accountability Act (HIPAA).

**4. REFERENCES:**

[42 C.F.R. 431](#)  
[42 C.F.R.456.60](#)  
[42 C.F.R.441.152](#)  
[A.R.S. § 36-107](#)  
[A.R.S. § 36-202](#)  
[A.R.S. § 36-204](#)  
[A.R.S. § 36-205](#)  
[A.R.S. § 36-206](#)

**SECTION: 1 CHAPTER: 100**  
**POLICY: 114, Arizona State Hospital**

---

[A.R.S. § 36-501](#)

[A.R.S. § 36-509](#)

[A.R.S. § 36-2903](#)

[A.R.S. § 36-2932 et seq](#)

[A.R.S. § 41-1959](#)

[A.R.S. § 46-135](#)

[9 A.A.C.20](#)

[9 A.A.C. 21](#)

[9 A.A.C. 22](#)

[AHCCCS/ADHS Contract](#)

[ADHS/RBHA Contracts](#)

[ADHS/TRBHA IGAs](#)

[Policy 104, Outreach, Engagement, Re-Engagement and Closure](#)

[Policy 1101, Securing Services and Prior Authorization](#)

[ADHS/DBHS Covered Behavioral Health Services Guide](#)

[The Joint Commission](#)