

Arizona Department of Health Services
Division of Behavioral Health Services
PROVIDER MANUAL
Magellan Health Services of Arizona Edition

Section 3.21 **Service Prioritization for Non-Title XIX/XXI Funding**

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3.21.1 Introduction

In Arizona's public behavioral health system, persons may be eligible for, or entitled to, services as Title XIX (Medicaid), Title XXI (KidsCare) or as a person determined to have a Serious Mental Illness (SMI). Non-Title XIX/XXI funds are available but limited. As such, each Tribal and Regional Behavioral Health Authority (T/RBHA) must implement priorities for Non-Title XIX/XXI funded service delivery.

This section is intended to describe the Arizona Department of Health Services/Division of Behavioral Health Services (ADHS/DBHS) expectations regarding the prioritization and expenditure of Non-Title XIX/XXI funds. Typically, ADHS/DBHS establishes a set of state-level priorities based on requirements of federal, state, and local funding that ensures standardization in availability of Non-Title XIX/XXI funded services across the state. ADHS/DBHS allows the T/RBHAs to delineate prioritization of any remaining Non-Title XIX/XXI funds within each geographic service area (GSA).

3.21.2 References

The following citations can serve as additional resources for this content area:

- [42 CFR §400](#)
- [42 CFR §403](#)
- [42 CFR §411](#)
- [42 CFR §417](#)
- [42 CFR §422](#)
- [42 CFR §423](#)
- [A.R.S. § 36-3408](#)
- [ADHS/RBHA Contracts](#)
- [ADHS/TRBHA IGAs](#)
- [Substance Abuse Performance Partnership Block Grant](#)
- [Section 3.1, Eligibility Screening for AHCCCS Health Insurance, Medicare Part D Prescription Drug Coverage, and the Limited Income Subsidy Program](#)
- [Section 3.4, Co-payments](#)
- [Section 3.5, Third Party Liability and Coordination of Benefits](#)
- [Section 3.13, Covered Behavioral Health Services](#)
- [Section 3.16, Medication Formulary](#)

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[Section 3.19, Special Populations](#)

[Section 5.1, Notice Requirements and Appeal Process for Title XIX and Title XXI Eligible Persons.](#)

[ADHS/DBHS Financial Reporting Guide](#)

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

[Part D Voluntary Prescription Drug Benefit Program – Benefits and Costs for People With Medicare](#)

3.21.3 Scope

To whom does this apply?

All enrolled behavioral health recipients.

3.21.4 Did you know...?

ADHS/DBHS receives limited Non-Title XIX/XXI service funds from a variety of sources. Non-Title XIX/XXI service fund sources include, but are not limited to:

- Center for Mental Health Services (CMHS) and Substance Abuse Prevention and Treatment (SAPT) Federal Block Grants;
- State appropriations for children, adults (including persons determined to have a Serious Mental Illness), substance abuse treatment and prevention;
- County and city funds;
- Other state agency funding agreements; and
- Other Non-Title XIX/XXI funds as made available periodically for targeted activities.

Non-Title XIX/XXI service funds do not include discretionary grant funds for specific grant projects.

3.21.5 Definitions

[Dual Eligible](#) - Refers to a behavioral health recipient who is eligible for both Title XIX and Medicare services. There are two types of dual eligible behavioral health recipients: those eligible for Qualified Medicare Beneficiary (QMB) benefits (QMB dual), and Medicare beneficiaries that are not eligible for QMB benefits (Non-QMB dual).

[Medicare Advantage Prescription Drug Plan \(MA-PD\)](#) -

A Medicare Advantage plan that provides qualified prescription drug coverage.

[Prescription Drug Plan \(PDP\)](#) -

Prescription drug coverage that is offered under a policy, contract, or plan that has been approved as specified in [42 CFR 423.272](#) and that is offered by a Prescription Drug Plan (PDP) sponsor that has a contract with CMS that meets the contract requirements under [42 CFR 423.505](#). This includes fallback prescription drug plans.

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3.21.6 Objectives

To communicate covered behavioral health services for populations that have been prioritized for Non-Title XIX/XXI funding.

3.21.7 Procedures

3.21.7-A: General Requirements

The ADHS/DBHS requires adherence to the following statewide priorities for Non-Title XIX/XXI funded service delivery¹:

- Requirements of CMHS and SAPT block grants ([see Section 3.19, Special Populations](#));
- Requirements of state appropriations, county, and city funds with designated uses (see applicable [IGAs](#) and [ISAs](#));
- Services for Non-Title XIX/XXI adults determined to have a Serious Mental Illness (SMI), including evaluation for Serious Mental Illness determination avoiding out-of-network (Single Case Agreements) whenever possible. When alternative in-network providers are available to meet the need, these can and should be used. The use of Single Case Agreements for Non-Title XIX/XXI adults is not a priority for the use of non-title XIX/XXI funding;
- Medicare Part D prescription drug coverage costs for dual eligibles who are determined to have a Serious Mental Illness; and,
- Behavioral health crisis system services, including emergency department response for Non-Title XIX/XXI, Non-SMI individuals.

All other Non-Title XIX/XXI services and eligible individuals are covered according to regionally defined priorities and as funding is available. T/RBHA specific priorities for Non-Title XIX/XXI funded services include:

- HIV early intervention services at the site where behavioral health recipients receive covered behavioral health services for their substance use;
- Primary prevention services to individuals and families who do not require covered behavioral health services; and
- Treatment services according to the following priority:
 - Pregnant women/teenagers who use substances;
 - Persons who use drugs by injection;
 - Women and teenagers (who use substances) with young (dependent) children and their families, including women who are attempting to regain custody of their children; and
 - Other Non-title XIX individuals in need of substance abuse treatment.

¹ Coverage of Non-Title XIX/XXI, Non-SMI services is based on available funding.

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- Behavioral health providers must ensure that information about Non-Title XIX/XXI funded service priorities is available to persons immediately upon request;
- Behavioral health providers must ensure that all services are based on an individual service plan; and,

When providing Non-Title XIX/XXI funded behavioral health services to persons, behavioral health providers must assess the person's ability to contribute to the cost of services per [Section 3.4 Co-payments](#).

3.21.7-B Medicare Part D Prescription Drug Coverage

Behavioral health recipients who are eligible for Medicare Part D Prescription Drug coverage must access most prescription drug coverage through Medicare, rather than through the T/RBHA. Medicare eligible persons will continue to access excluded Medicare Part D drugs through their T/RBHA. Medicare eligible persons must enroll with a Prescription Drug Plan (PDP) or Medicare Advantage-Prescription Drug Plan (MA-PD) to access the Medicare Part D Prescription Drug coverage (see [Section 3.1, Eligibility Screening for AHCCCS Health Insurance, Medicare Part D Prescription Drug Coverage, and the Limited Income Subsidy Program](#), regarding how to provide assistance to behavioral health recipients with Medicare Part D enrollment).

Medicare eligible behavioral health recipients, who are not dual eligible persons determined to have SMI, will be subject to the cost sharing requirements of Medicare Part D. The cost sharing requirements will vary depending on the Part D Plan the person enrolls with and the person's income and resources (see the [Part D Voluntary Prescription Drug Benefit Program – Benefits and Costs for People with Medicare](#) for specific Part D costs). Medicare Part D cost sharing includes premiums, deductibles, co-payments and/or co-insurance.

State funds will be used to pay or reimburse Medicare Part D co-payments and premiums for behavioral health recipients who are dual eligible and determined to have a Serious Mental Illness. Dual eligible persons automatically receive the Limited Income Subsidy (LIS) and do not have deductibles or coinsurance requirements for Part D coverage. Dual eligible persons may have a premium if they select a plan with a premium that is greater than the amount covered with the Limited Income Subsidy. When covering the Part D premium, the T/RBHA must submit payment directly to the Part D plan and not to the behavioral health recipient (see billing information in the [ADHS/DBHS Covered Behavioral Health Services Guide](#), section II.D.9, Non-Medically Necessary Covered Services).

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Excluded Medicare Part D drugs

Certain drugs are excluded from coverage under Medicare Part D. Title XIX/XXI funding will continue to be available to cover the following excluded drugs for Title XIX/XXI eligible persons²:

- Benzodiazepines,
- Barbiturates;
- and certain over-the-counter drugs.

Non-covered Medicare Part D drugs

Part D plans may choose to leave certain medications off the plan formulary. As such, behavioral health recipients may be prescribed drugs that are not available through his/her Part D plan (or AHCCCS, for persons who are dual eligible). Medicare will not cover *excluded* drugs, but *non-covered* Part D drugs may be covered through Medicare after going through the exceptions and appeals processes. T/RBHAs and/or behavioral health providers must assist behavioral health recipients with requesting an exception from the Part D plan to acquire a drug not on a Part D plan's formulary. When Title XIX/XXI eligible persons determined to have a Serious Mental Illness have utilized all options to have the Part D plan cover a drug not on the plan's formulary (e.g., exception, redetermination of benefits and appeal), T/RBHAs may cover the drug if the drug is medically necessary and on the T/RBHA formulary (see [PM Section 3.16, Medication Formulary](#)). If coverage of the drug is denied, a Notice of Action must be provided in accordance with [PM Section 5.1, Notice Requirements and Appeal Process for Title XIX and Title XXI Eligible Persons](#).

3.21.7-C Crisis Service Prioritization

Adult hospital-based rapid response services are prioritized to be available only to persons with serious mental illness who are receiving services in an emergency room setting. Non-Title XIX/XXI recipients who are not enrolled with Magellan under SMI category are not eligible for hospital-based Rapid Response Services. Please refer to Section 3.14.7-A, Securing Services and Prior Authorization for additional information regarding adult hospital-based rapid response services.

² Medicare Part D prescription drug coverage is subject to change, and drugs that are no longer excluded will be covered under Medicare, not Medicaid.