

Arizona Department of Health Services

Division of Behavioral Health Services

PROVIDER MANUAL

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

- 3.21.1 **Introduction**
- 3.21.2 **References**
- 3.21.3 **Scope**
- 3.21.4 **Did you know...?**
- 3.21.5 **Definitions**
- 3.21.6 **Objectives**
- 3.21.7 **Procedures**
- 3.21.7-A **General Requirements**
- 3.21.7-B **Medicare Part D Prescription Drug Coverage**

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 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 Prevention & Treatment 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 3.19, Special Populations](#)
- [ADHS/DBHS Financial Reporting Guide](#)
- [Part D Voluntary Prescription Drug Benefit Program – Benefits and Costs for People With Medicare](#)

Arizona Department of Health Services

Division of Behavioral Health Services

PROVIDER MANUAL

3.21.3 Scope

To whom does this apply?

All enrolled behavioral health recipients.

3.21.4 Did you know...?

The 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) Block Grants;
- State appropriations for children, adults 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.

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

3.21.5 Definitions

[Dual Eligible](#)

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

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

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 delivery:

1. Requirements of CMHS and SAPT block grants ([see Section 3.19, Special Populations](#));
2. State appropriations, county, and city funds with designated uses (see applicable [IGAs](#) and [ISAs](#)), such as Community Placement and other housing funds for adults determined to have a Serious Mental Illness;
3. Services for Non-Title XIX/XXI adults determined to have a Serious Mental Illness, including evaluation for Serious Mental Illness determination;

Arizona Department of Health Services

Division of Behavioral Health Services

PROVIDER MANUAL

4. Medicare Part D prescription drug coverage costs for persons determined to have a Serious Mental Illness and dual eligibles; and,
 5. Behavioral health crisis system services, including emergency department response for Non-Title XIX/XXI, Non-Serious Mental Illness individuals as specified in RBHA contracts and TRBHA IGAs.
- All other Non-Title XIX/XXI services and eligible individuals are covered according to regionally defined priorities. T/RBHA specific priorities for Non-Title XIX/XXI funded services include: **[T/RBHAs insert T/RBHA specific information here]**;
 - 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](#). This assessment is not required when Non-Title XIX/XXI funding is used for prescription drugs or cost sharing of Medicare Part D Prescription Drug coverage for Medicare eligible persons.

3.21.7-B Medicare Part D Prescription Drug Coverage

State funds will be used to pay or reimburse Medicare Part D cost sharing for behavioral health recipients who are dual eligible or Non-Title XIX Medicare eligible and determined to have a Serious Mental Illness. Payment of any Medicare Part D cost sharing or any Medicare Part D excluded or non-covered drugs for Non-Title XIX eligible, Non-Serious Mental Illness behavioral health recipients is based on available funding as determined by the T/RBHA.

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.

Medicare Part D Cost Sharing

Behavioral health recipients 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. Medicare Part D cost sharing includes premiums, deductibles, co-payments and/or co-insurance.

Medicare Part D cost sharing may impose financial difficulties on some persons. ADHS/DBHS intends to ensure that behavioral health recipients continue to have access to medically necessary prescription drugs. There are circumstances in which the T/RBHA will use state funds to pay a person's cost sharing for Medicare Part D or to pay for prescription drugs not

**Arizona Department of Health Services
Division of Behavioral Health Services
PROVIDER MANUAL**

accessible through Medicare Part D. In other circumstances, state funds may be used to pay a person’s cost sharing for Medicare Part D or to pay for prescription drugs not accessible through Medicare Part D, based on available funding as determined by the T/RBHA.

The T/RBHAs can pay cost sharing of Medicare Part D with state funds according to the following table. Cost sharing requirements of Medicare Part D are based on income and resources (see the [Part D Voluntary Prescription Drug Benefit Program – Benefits and Costs for People with Medicare](#) for specific Part D costs)

T/RBHA Coverage of Part D Cost Sharing with State-Only Funds							
	Co-payments	Monthly Premium	Annual Deductible	Co-insurance			
				5%	15%	25%	100%
Dual eligibles (On Medicare and Medicaid)	Yes	Yes*					
Non-Title XIX, Serious Mental Illness Medicare eligibles	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Non-Title XIX, Non-Serious Mental Illness Medicare eligibles	Based on available funding	Based on available funding	Based on available funding	Based on available funding	Based on available funding	Based on available funding	Based on available funding

* Dual eligibles may have a premium if they select a plan with a premium that is greater than the amount subsidized by the federal government.

In some cases, payment of a Part D premium to avoid disenrollment of the person by the Part D plan can be made by the T/RBHA with state funds. Behavioral health recipients who do not have the Part D premium automatically deducted from their Social Security checks are able to have their premium paid for by the T/RBHA. If the T/RBHA does make a premium payment on behalf of a person, the T/RBHA can recommend that the person request that the premium be withheld from his/her social security check, if he/she receives one. This request must be made directly to his/her Part D plan. 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). T/RBHAs will use state funds to cover premiums for dual eligibles and Non-Title XIX/XXI eligible persons determined to have a Serious Mental Illness who are in jeopardy of losing Part D coverage. T/RBHAs are responsible for managing the use of state funds to cover Part D

Arizona Department of Health Services

Division of Behavioral Health Services

PROVIDER MANUAL

premiums. [T/RBHA insert information here for any established limits to coverage of Part D premiums.]

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 persons:

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

T/RBHAs will use state funds to pay for these excluded drugs for Non-Title XIX/XXI behavioral health recipients determined to have a Serious Mental Illness and may cover excluded drugs for Non-Title XIX/XXI, Non-Serious Mental Illness persons, as funding is available and determined by the T/RBHAs. [T/RBHAs insert T/RBHA specific information here.]

Non-covered Medicare Part D drugs

There may be an occasion when a behavioral health recipient's prescribed drug is not available through his/her Part D plan's formulary. This is considered a non-covered Part D drug. Persons determined to have a Serious Mental Illness, both dual eligibles and Non-Title XIX/XXI Medicare eligible persons, must maintain access to needed behavioral health medications as required by [9 A.A.C.21](#). Therefore, if a person determined to have a Serious Mental Illness is denied coverage of a behavioral health medication through his/her assigned Medicare Part D plan for any reason, the T/RBHA must ensure coverage of the behavioral health medication(s).

Some drugs can be obtained through the Part D plan via step therapy or prior authorization processes. Medicare eligible behavioral health recipients, other than persons determined to have a Serious Mental Illness, may be expected to obtain their Part D medications through these processes before a T/RBHA determines whether or not to use state funds to cover the medications. T/RBHAs may not use state funds to pay for prescription drugs denied by a Medicare Part D plan for other reasons, including denials due to an out-of-network prescriber writing the prescription or denials of formulary drugs that have been subjected to a prior authorization process through the Part D plan. T/RBHAs and/or behavioral health providers may 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 Part D plans do not grant an exception and when Part D covered drugs are not on a Part D plan's formulary, T/RBHAs may use state funds to cover the medications. Use of state funds to cover Part D non-covered drugs, for behavioral health recipients other than persons determined to have a Serious Mental Illness, will be based on available funding as determined by the T/RBHA.