



Hi, I'm Dr. Laura Nelson with the Arizona Department of Health Services, Division of Behavioral Health.

During the past several years, Arizona has been confronted with perhaps the biggest financial challenge in its history. In fact, since 2008, state agencies have reduced operating expenses approximately \$800 million dollars by instituting hiring freezes, salary reductions, mandated furloughs and by reducing or eliminating Entire programs and critical services throughout our state.

Despite this bleak picture, thanks to our Governor and her commitment to behavioral health, our services had been spared major cuts until this current fiscal year. Regrettably, we now find ourselves at a point in where our behavioral health safety net of programs and services that serve many of our most vulnerable members must be reduced.

Here are some of the numbers that help tell the story:

- Instead of having close to \$130 million dollars in state General Fund, we now have \$62 million.
- Instead of having \$90 million dollars to serve adults with Serious Mental Illness, we now have \$40 million.
- We now have slightly more than \$16 million dollars for crisis services and about \$5.3 million dollars for supported housing services.

Despite facing this unprecedented challenge, I want our community to know the Division of Behavioral Health's commitment has consistently been and will continue to be to approach each and every decision in a way that:

- maintains dignity for the people we serve,
- promotes recovery and self determination,
- ensures high quality care,
- serves as many people as possible,
- Promotes transparency through the communication of active real-time information,
- Promotes collaboration, and
- Includes peer, family member and stakeholder participation.

Our annual budget, which just began on July 1, was approved in late March of this year. Fortunately, this allowed for some time to prepare, plan, and appropriately implement these service reductions.

Back in March, when the budget became final, we immediately deployed staff into project teams. These teams—called Phase I—began the difficult work of engaging in extensive research, financial modeling, and gathering input from stakeholders across the state. Significantly, each project team included peer

and family members whose contribution was invaluable in each step of the decision making process.

Together with our Regional Behavioral Health Authorities and community providers, we were able to reach over 2,300 individuals, family members, advocates and stakeholders through 40+ community events. The final work product of the priority project teams—completed on May 3-- is found in a series of detailed guidelines published on our web site.

During May and June, we began working to implement the guidelines, which we called Phase II. During this phase, RBHAs and community providers engaged in individualized outreach, education, and transition of non-TXIX SMI members to the reduced benefit package. While this work was continuing, the Division reconfigured our priority project teams in order to address policy and contractual revisions, develop supplemental guidance documents, evaluate RBHA progress in transitioning members, establish ongoing financial and performance monitoring mechanisms, and continue to support statewide communication needs. As in Phase I, each team had one or more peer, family member and community representatives.

Active and ongoing real-time communication has continued to be a priority. In addition to community forums and information sessions conducted statewide during Phase II, we have been active on Twitter and maintain an UPDATES website that has a number of frequently asked questions, guidance documents, community resources, and YouTube videos.

While clearly this has been a difficult and challenging time for all of us, it has also been a time of creative thinking...promoting personal responsibility, empowerment, hope, and community unification. We have seen consumer, family, and advocacy organizations volunteer and unite to support each other and themselves, becoming part of the solution! I am pleased to cite to several examples, many that involve peer and family run organizations.

In Northern AZ, NAZCARE, through funding from NARBHA's Community Reinvestment fund continues to provide services no longer covered for non-TXIX SMI individuals at no charge or for a nominal fee.

In Maricopa County, a peer run organization, Stand Together and Recover (STAR) has found jobs for many Non-TXIX SMI individuals by helping them become eligible for AHCCCS' Freedom to Work program. STAR is also providing services to veterans in collaboration with the Veteran's Administration.

Visions of Hope is offering a support group for Non-TXIX SMI members twice a month to help them find jobs and qualify for services.

Cenpatico has committed to using community reinvestment funds for start-up costs for consumer or family-run businesses. Non-TXIX SMI individuals are encouraged to submit proposals.

CPSA is using funding reserves to help consumer-run agencies. The agencies will provide support groups, information about community resources, employment services, a Warm Line for non-crisis support calls, and other programs.

HOPE, Inc. provides a free Warm Line, which offers peer-to-peer phone contact for individuals living with mental illness, addiction, or both. Coyote Task Force operates Our Place Clubhouse, which will continue to provide programs to help Non-TXIX SMI members re-enter the work community through prevocational and vocational rehabilitation services.

Another exciting byproduct to emerge during this challenging period has been the formation of the Statewide Consumer and Family Coalition. This group—a collection of peer and family member advocates with experience in navigating both the adult and children's systems—has been meeting regularly with leadership at the Department for the last several months and has greatly increased the role of peers and family members in decision making activities within our system.

Even though this a difficult time, we must continue to look ahead and move forward to do the best we can. The Department, together with the RBHAs and community providers, will continue to closely monitor transition activities and the health and stability of our system.

However, we know that many challenges lie ahead. If the economy remains stagnant, more budget reductions are possible.. As national health care reform begins to take shape, we must ask: what will this mean for Arizona? Other innovative health care delivery models are currently underway, for example, the movement toward increased integration with our community health center partners, a greater focus on prevention services, holistic health and wellness and parity for behavioral health service coverage like we have never had before.

We remain committed to transparency, accountability, and member choice. For the first time ever, our RBHAs now have provider-level performance dashboards and posted on their websites. Members can now use this ongoing and real-time information to make more informed choices about their care. All of our RBHAs have established their own Office of Individual and Family Affairs now as well, bringing the consumer and family voice into their organizations.

Clinic Councils, comprised of individuals who actually receive services at that clinic, are popping up all over the state guiding improvements and the recovery-focused environment at the direct-care level. I am so pleased to see the voice of

peers, family members, advocates and all stakeholders getting stronger every day and more unified than ever before.

While our vision at the Department remains the same, our approach has changed and I hope you have seen this positive shift in transparency, accountability, and member and family involvement. We welcome you to join us as we face future challenges and opportunities in Arizona's behavioral health system. While our system has definitely changed as a result of the state fiscal situation, we must deal with these changes together and use them as an opportunity to, create a better tomorrow for our community.

Thank You