



ARIZONA DEPARTMENT OF HEALTH SERVICES

ARIZONA STATE HOSPITAL

ANNUAL REPORT
STATE FISCAL YEAR 2022

Douglas A. Ducey, Governor

Michael R. Sheldon, MPA, Deputy Director/CEO
Arizona Department of Health Services
Arizona State Hospital

Submitted pursuant to A.R.S. § 36-217

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Vision & Mission Statements

The Arizona Department of Health Services (ADHS) is the state agency responsible for assessing and assuring the health of all Arizonans through education, intervention, prevention and delivery of public health services. The operation of the Arizona State Hospital is maintained by ADHS, with the ADHS Director providing direct oversight.

The Governing Body of the Arizona State Hospital is legally responsible¹ for the conduct of the Hospital and fulfills specific functions, as outlined in the Centers for Medicare and Medicaid (CMS) regulations, The Joint Commission accreditation standards and state licensing rules. Governing Body membership is composed of ADHS representatives and community representatives, as specified in the Governing Body Bylaws.

The Arizona Department of Health Services has the following Vision and Mission Statements:

- **Vision:** Health and Wellness for all Arizonans
- **Mission:** To promote, protect, and improve the health and wellness of individuals and communities in Arizona.

The Arizona State Hospital has the following Vision and Mission Statements:

- **Vision:** Quality, Compassion, and Excellence in the Provision of Psychiatric Care
- **Mission:** Provide evidence-based, recovery-oriented, and trauma-informed care to the individuals receiving care at the Arizona State Hospital in order to facilitate their successful transition to the least restrictive alternative possible.

Arizona State Hospital (ASH) Leadership

ASH leadership is responsible for the care, treatment and services that are provided to Civil and Forensic hospital patients and Arizona Community Protection and Treatment Center (ACPTC) residents. The Chief Executive Officer reports to the Director of ADHS and provides direct supervision to other members of the Executive Management Team (EMT; listed below).

- Michael R. Sheldon, M.P.A., Chief Executive Officer
- Katharine N. Woods, M.S., D.O., Chief Medical Officer
- Shanda Payne, L.M.S.W., Chief Operating Officer
- Michele Dunsworth, M.S.N., R.N., Chief Nursing Officer
- Lisa Wynn, B.S., CPHQ, Chief Quality Officer
- Margaret McLaughlin, M.S., CHC, Chief Compliance Officer
- Sheridyn Miller, Psy.D., ACPTC Director
- Levada Coker, C.P.M., Human Resources Assistant Chief
- William Bugbee, Chief Security Officer

¹ The Governing Body does not represent the Arizona State Hospital in legal matters, but may consult with the Hospital's designated legal counsel when determined necessary to do so.

- Ryan Rodney, C.P.A., Chief Financial Officer
- Joseph Dick, Senior Project Manager

The following leadership responsibilities outlined by The Joint Commission characterize common goals:

- A culture that fosters safety as a priority for everyone who works in the hospital
- The planning and provision of services that meet the needs of patients
- The availability of resources—human, financial, and physical—for providing care, treatment, and services
- The recruitment and retention of competent staff and other care providers
- Ongoing evaluation of and improvement in performance (*The Joint Commission, Comprehensive Hospital Accreditation Manual, Leadership (LD) Chapter*)

The Chief Executive Officer (CEO) functions as the “superintendent” of the State Hospital by supervising and directing the activities of the Hospital and carrying out the purposes for which the Hospital is maintained (see A.R.S. § 36-206).

The Chief Medical Officer (CMO) is responsible for the clinical administration of the hospital pursuant to A.R.S. § 36-205, and directly manages psychiatric providers; medical providers, laboratory services, and pharmacy services; psychology, social work, and rehabilitation services, such as occupational therapy, recreational therapy and psychosocial rehabilitation.

The Chief Operating Officer (COO) is responsible for managing financial and administrative support services, vendor management, facilities, dietary services, the environment of care, oversight of the Hospital’s Safety Officer and management of environmental and housekeeping services.

The Chief Nursing Officer (CNO) oversees and assures the provision of quality psychiatric and medical nursing services for patients and coordination of nursing care based on individual patient needs. In addition, the CNO oversees the Training and Education Department and the Specialty Clinic, which includes the Hospital’s Infection Preventionist, employee health, and medical services scheduling within the Clinic and with outside medical providers.

The Chief Quality Officer (CQO) is responsible for providing oversight to the Hospital’s Patient Rights Advocate and maintaining the hospital-wide quality management program including: quality assurance and performance improvement activities, data analytics, and incident reporting.

The Chief Compliance Officer (CCO) is responsible for monitoring hospital-wide compliance with the Centers for Medicaid and Medicare (CMS) Services regulations, Arizona State Rules and The Joint Commission accreditation standards; development of policies and procedures; managing patient complaints, grievances and appeals; and overseeing the ASH Health Records department.

The Director of ACPTC is responsible for managing the day-to-day clinical and administrative operations for the Sexually Violent Persons Program.

The Human Resources Assistant Chief is responsible for compensation and benefits, employee relations, recruitment and retention, and employee-related special investigations.

The Chief Security Officer (CSO) is responsible for overall monitoring and safety duties of the hospital, monitoring the functionality of the hospital's phone and video surveillance systems, and providing patient transportation services.

The Chief Financial Officer (CFO) is responsible for tracking the Hospital's budget and coordinating with program areas to monitor and manage the budget within those respective areas.

The Health IT Architect/Senior Project Manager is responsible for managing Hospital electronic systems/operations, providing technical support in coordination with ADHS ITS staff, interfacing with electronic health records and other Hospital system vendors, and monitoring Hospital compliance with data collection, storage and reporting requirements.

ASH Licensed Facilities

The Arizona State Hospital serves all counties within the state of Arizona and tribal communities. Treatment at ASH is considered "the highest and most restrictive" level of care in the state. Patients are admitted as a result of an inability to be treated in a community facility or due to their legal status.

The Arizona State Hospital consists of three separately licensed healthcare facilities located on a 93-acre campus at 24th Street and Van Buren in Phoenix, Arizona. The Civil and Forensic hospitals, each licensed as a *Special Hospital* (A.A.C. R9-10-101.218), are authorized to provide psychiatric services only to individuals admitted as inpatient with a primary diagnosis of a mental disorder, a personality disorder, or a significant psychological or behavioral response to an identifiable stressor per AAC R9-10-225(A)(2).² As such, any individual whose medical needs cannot be met by the facility shall not be admitted to the Arizona State Hospital for treatment (R9-10-225(A)(4)). The Arizona Community Protection and Treatment Center (ACPTC) is licensed as a *Behavioral Health Specialized Transitional Facility*. ACPTC is the only *Behavioral Health Specialized Transitional Facility* in operation in Arizona.

The Civil Hospital operates in accordance with requirements outlined in the CMS Hospital Conditions of Participation (CoPs), The Joint Commission Hospital Accreditation Program (HAP) standards and healthcare institution (HCI) state licensing rules. The Civil Hospital is an institution for mental disease (IMD; see 42 CFR Ch. IV § 435.1010), and as such, Title XIX funding is not provided for inpatient psychiatric services beyond 15 days of a patient's (between the ages of 21-64) admission. However, Civil Hospital patients retain medical benefits and enrollment in Medicaid/Arizona Health Care Cost Containment System (AHCCCS) health plans. Hospital staff coordinate care with outpatient treatment teams to optimize medical and behavioral health care, with the goal of recovery and successful discharge into a community setting. The Civil Hospital is licensed to operate 116 beds.

² Pursuant to ARS 36-501 a "Mental disorder" means a substantial disorder of the person's emotional processes, thought, cognition or memory. Mental disorder is distinguished from: (a) Conditions that are primarily those of drug abuse, alcoholism or intellectual disability, unless, in addition to one or more of these conditions, the person has a mental disorder. (b) The declining mental abilities that directly accompany impending death. (c) Character and personality disorders characterized by lifelong and deeply ingrained antisocial behavior patterns, including sexual behaviors that are abnormal and prohibited by statute unless the behavior results from a mental disorder.

The Forensic Hospital is accredited by The Joint Commission and operates as a hospital in accordance with HCI licensing rules. Due to their legal status, Forensic patients are not eligible for Medicaid covered benefits during the duration of their Forensic Hospital admission. Forensic patients receive services at the Hospital under a criminal court order for treatment and are under the jurisdiction of the Psychiatric Services Review Board (PSRB). Release of Forensic patients to the community is coordinated with the PSRB and a patient's AHCCCS health plan. The Forensic Hospital is licensed to operate 143 beds.

The ACPTC facility meets requirements outlined in HCI state licensing rules, and the ASH CEO functions as the governing authority. Each resident of ACPTC is under court order for treatment as a *sexually violent person* (see A.R.S. § 36-3701(7)). The ACPTC facility is licensed to operate 131 beds.

ASH Services

Services provided at ASH are outlined in the Scope of Services posted online at <https://azdhs.gov/documents/az-state-hospital/about/scope-of-services.pdf> for the Civil and Forensic hospitals and at <https://azdhs.gov/az-state-hospital/index.php#acptc-services> for ACPTC.

Certain services are provided under contract, including pharmacy services (Cardinal Healthcare), dietary services (Morrison), and environmental cleaning and linen services (Crothall). ASH also utilizes available contracts for registry staffing, including Behavioral Health Technicians (BHTs) and Registered Nurses (RNs).

The Arizona Department of Health Services has an intergovernmental agreement (IGA) with Valleywise Healthcare for emergency medical services and other medical/diagnostic services provided to ASH patients and residents.

ASH Patient Populations and Programs

ASH maintains population-based programs for each facility, and patients are housed separately in accordance with legal, treatment and/or safety needs.

The Civil Adult Rehabilitation Program consists of six (6) treatment units specializing in providing services to adults who are civilly committed (pursuant to A.R.S. § 36-201 through 36-217) as a danger to self (DTS), danger to others (DTO), gravely disabled (GD) and/or persistently and acutely disabled (PAD), who have completed a mandatory 25 days of treatment in a community inpatient setting prior to admission. Medical beds are also available.

The Forensic Adult Program is for patients who are court-ordered for pre- or post-trial treatment as a result of involvement with the criminal justice system due to a mental health issue.

The Forensic Hospital consists of seven (7) treatment units specializing in providing services to adults who are under court-ordered commitments through a criminal process, for either:

- *Pre-Trial Restoration to Competency Program (“RTC”)*: These patients are currently housed in one unit, which provides pre-trial evaluation, treatment, and restoration to competency to stand trial.
- *Post-Trial Forensic Program*: These patients are adjudicated as Guilty Except Insane (“GEI”) serving determinate sentences under the jurisdiction of the Psychiatric Security Review Board (PSRB), or for those adjudicated prior to 1994 as Not Guilty by Reason of Insanity (“NGRI”). These patients are currently housed on six (6) separate units, plus the Community Reintegration Unit (CRU), a free-standing building in which patients toward the end of their treatment/sentence receive care in a less structured setting as they prepare for discharge.

Arizona Community Protection and Treatment Center (ACPTC)

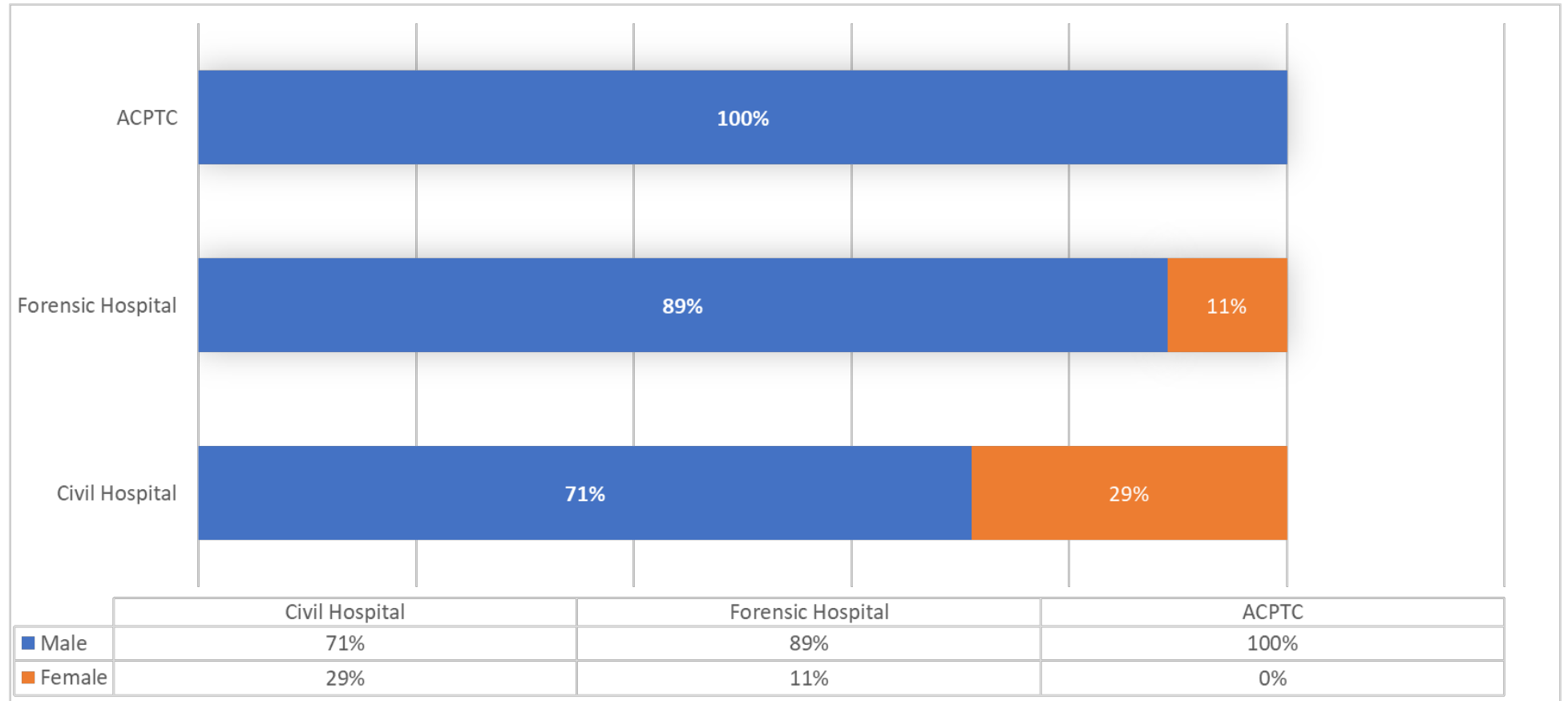
The Arizona Community Protection and Treatment Center (ACPTC) is located on the same grounds as ASH. The ACPTC is a statutorily mandated program (ARS §36-3701 - §36-3717). ACPTC provides care, supervision and treatment for those persons court-ordered into the program while protecting the community from sexually violent offenders. There are several types of residents at ACPTC:

- *Pre-Trial Detainee Residents*: Pre-trial residents are awaiting a court decision to determine their sexually violent person (SVP) status.
- *Treatment Resident (Full Confinement)*: Residents in this program have been adjudicated as SVP pursuant to A.R.S. §36-3701-3717 and have been committed to treatment. Full confinement residents can only leave the grounds for court-ordered legal proceedings and medical appointments during this phase of treatment.
- *Less Restrictive Alternative (LRA)*: "Less restrictive alternative" means court ordered treatment in a setting that is less restrictive than total confinement and that is conducted in a setting approved by the CEO of ASH. LRA residents are conditionally released to begin community reintegration activities. Residents in LRA are monitored via Global Position System (GPS) satellite.
- *LRA Level 6 Resident*: Residents are ready for community living placement. Only the court can order a resident to Level 6 status. Once the court orders a resident into Community Based Living (LRA Level 6), the resident is expected to find suitable housing and employment and begin community reintegration under strict supervision by ACPTC.

ASH Patient Demographics

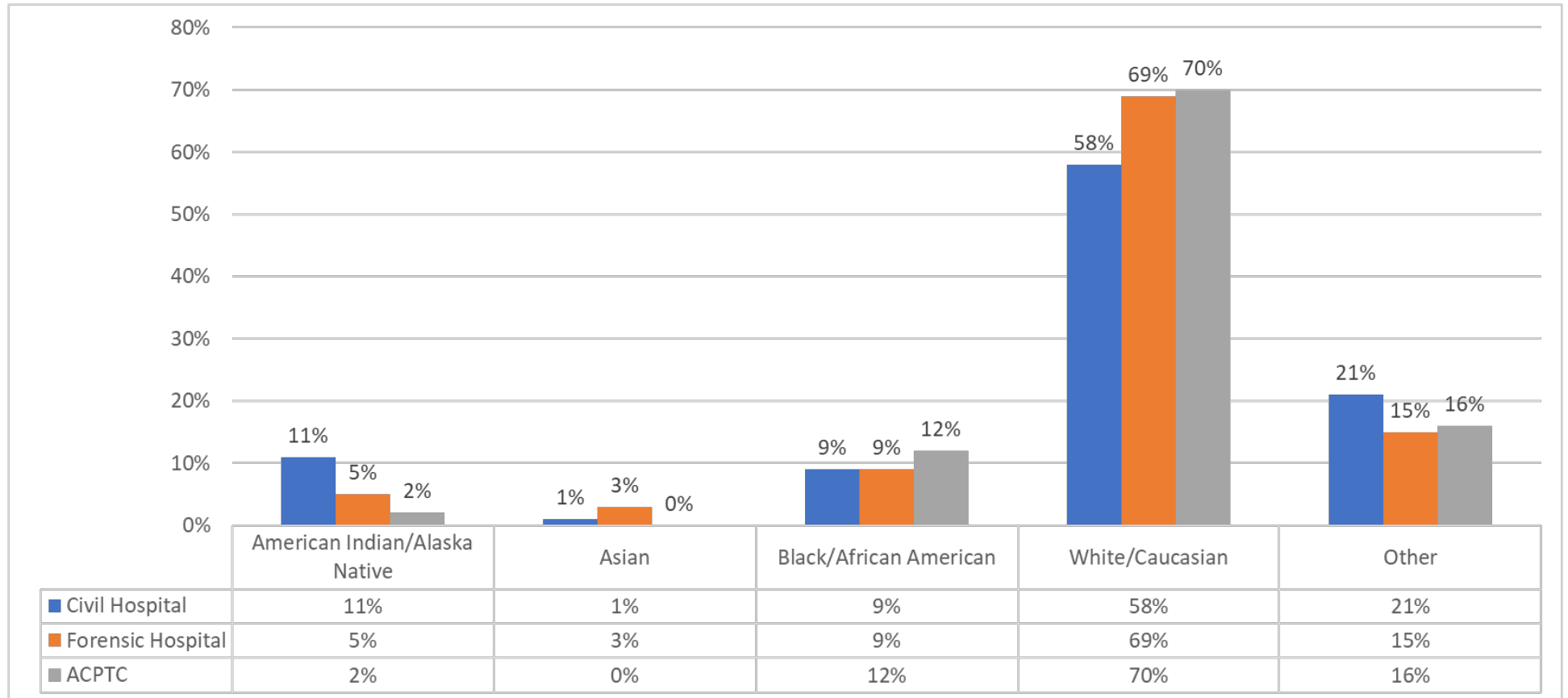
Data presented below is included in this report pursuant to A.R.S. § 36-217(A)(2) and reflects the status of individuals treated during FY 2022. Due to the low number of patients represented in certain demographic categories, the data is presented in an aggregate format to protect confidential patient information.

Gender by Facility



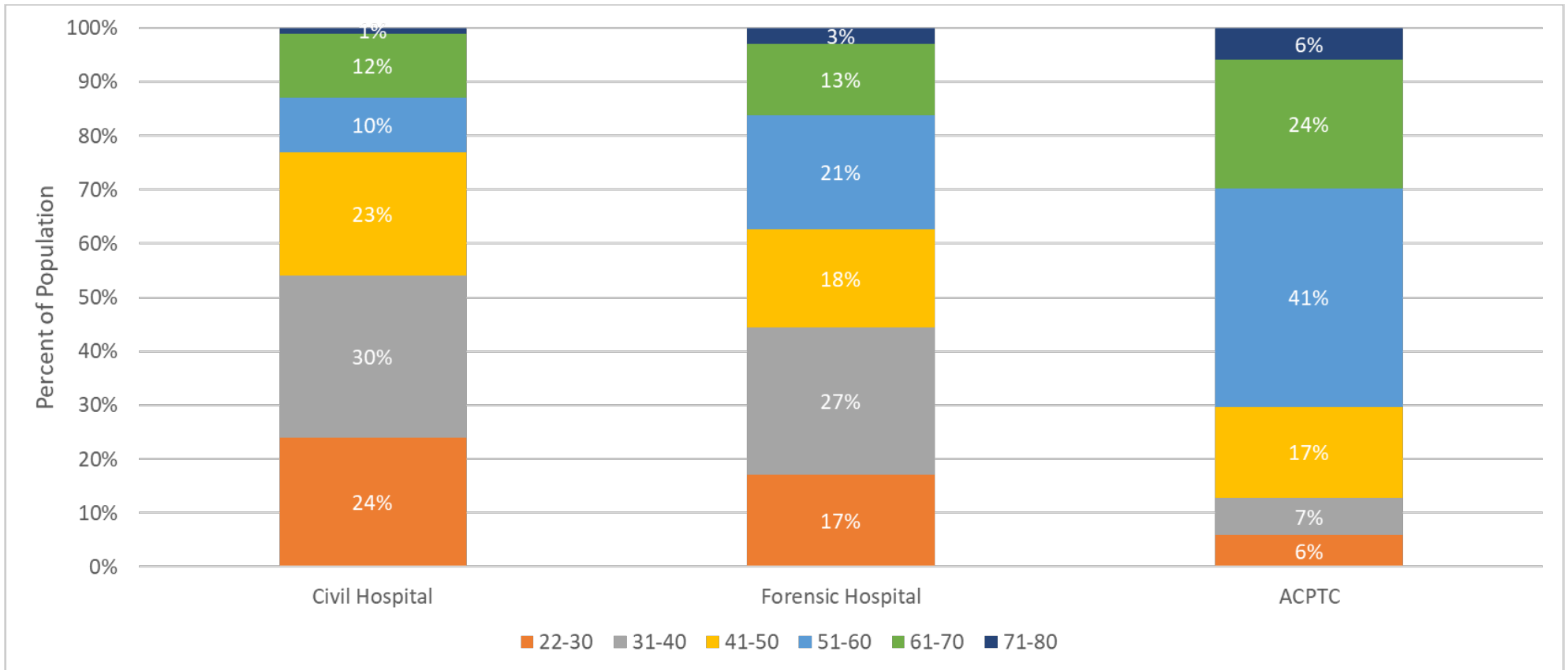
Race

Patients self-identify their race within the following categories: American Indian/Alaskan Native, Asian, Black/African American, White/Caucasian, or Other. With regard to ethnicity, 19% of Civil patients self-identify as Hispanic, twelve percent (12%) of Forensic patients self-identify as Hispanic, and eleven percent (11%) of ACPTC residents self-identify as Hispanic. The following chart represents the breakdown of race by facility.



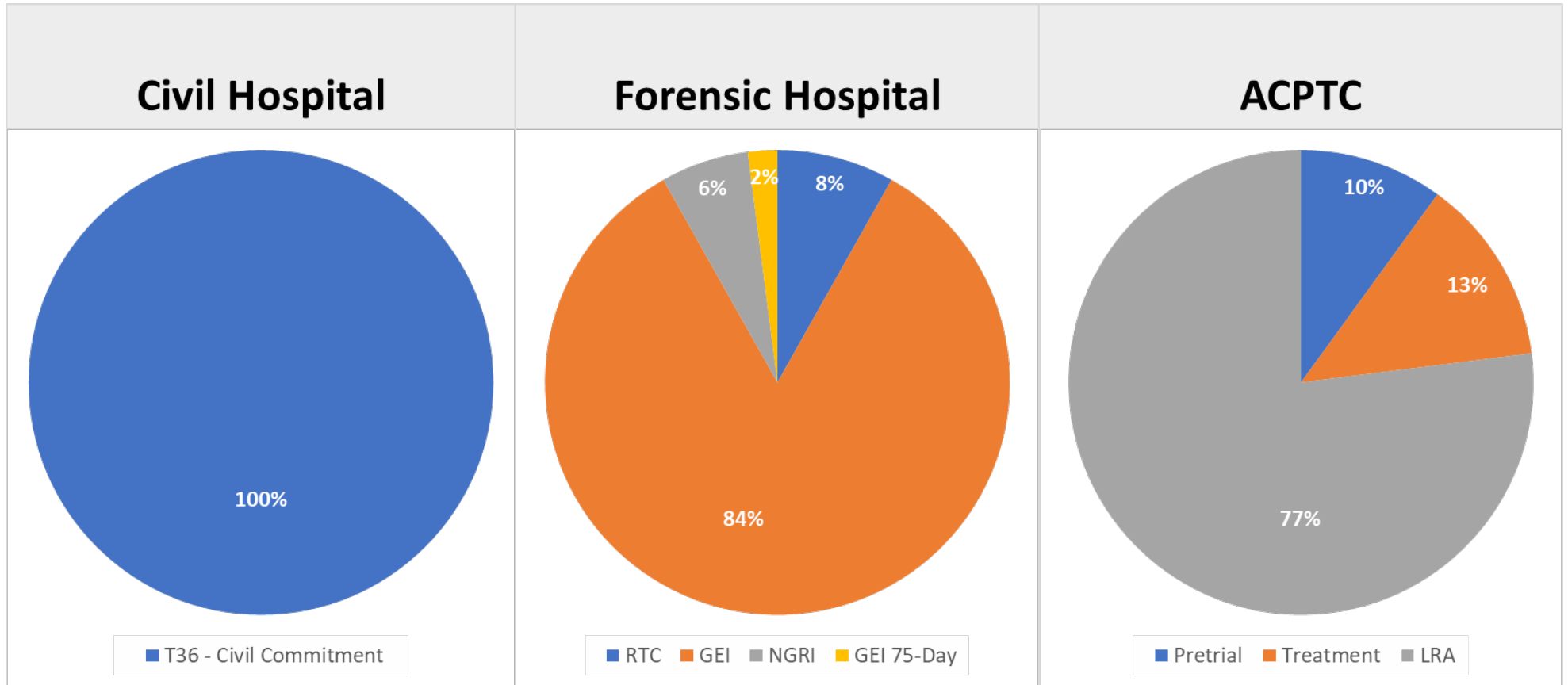
Age

The Arizona State Hospital serves individuals age 18 and older. The following chart represents patient and resident ages, within the following age ranges: 18-21, 22-30, 31-40, 41-50, 51-60, 61-70, and 71-80. While the majority of Civil and Forensic patients are in the 31-40 age range, the majority of ACPTC residents are in the 51-60 age range. The average length of stay for ACPTC residents is longer than the average length of stay for Civil and Forensic patients, and this data represents an aging population within the ACPTC facility. Subsequently, more medical care services from internal and external health care providers are necessary to meet the needs of ACPTC's aging population.



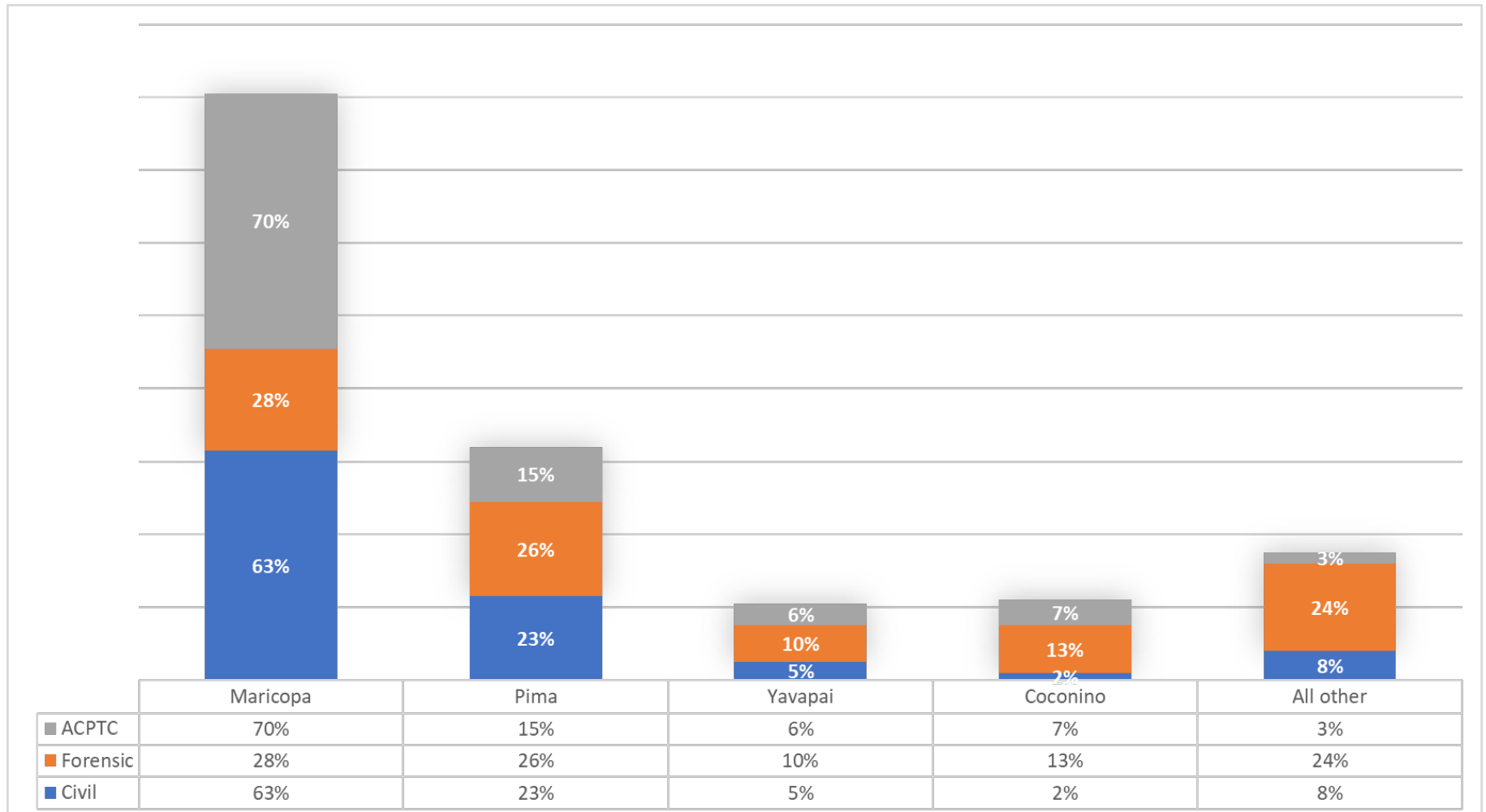
Legal Status/Program Type

The Civil and Forensic hospital patients' legal status, as well as the legal status of ACPTC residents, primarily determines the program type. Under very limited circumstances, a patient under civil commitment may be placed at the Forensic Hospital, and in this circumstance, the patient's physical location changes (i.e., discharge from Civil Hospital and admission to the Forensic Hospital), but the patient's program remains the same.

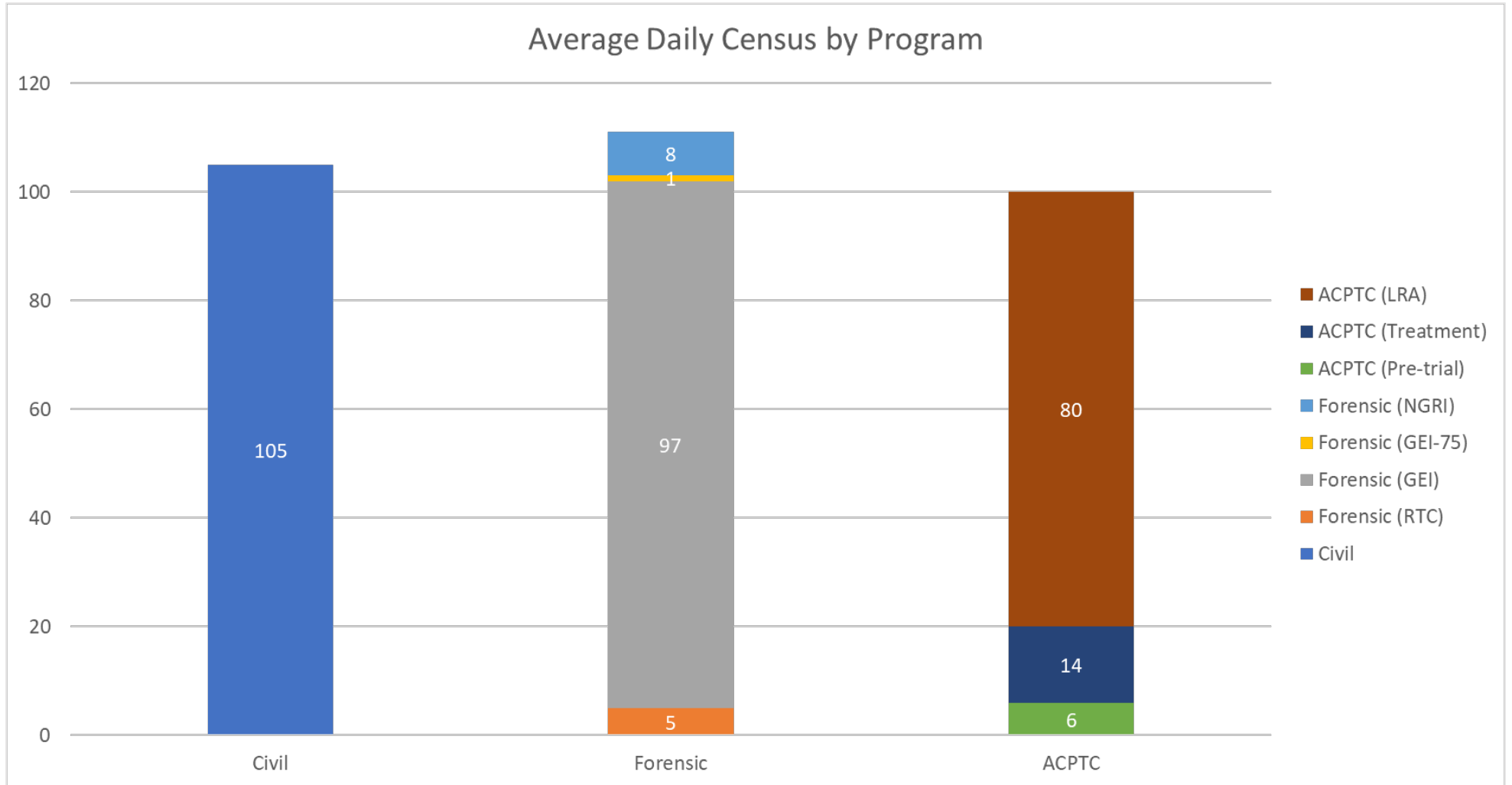


County of origin

The following data represents the original county issuing the court order for treatment, but does not necessarily represent the county of residence. The 55-bed limitation for Maricopa County residents applies to Civil Hospital admissions, in accordance with the [Arnold v. Sarn Exit Stipulation](#). The bed limit is managed according to a patient’s county of residence. The remaining Civil Hospital beds are used for other Arizona counties and tribal communities with limited behavioral health service resources.

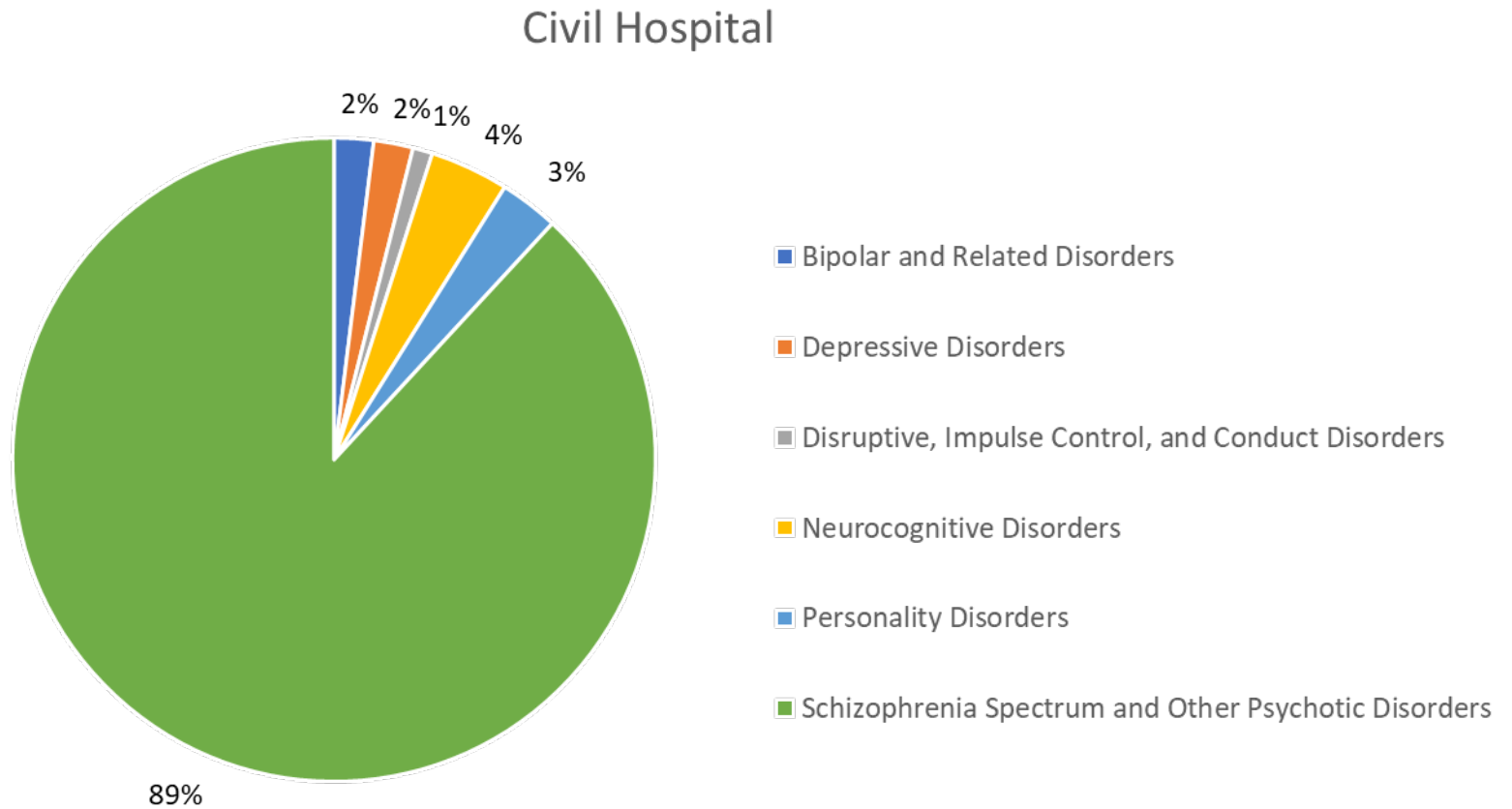


Census by program

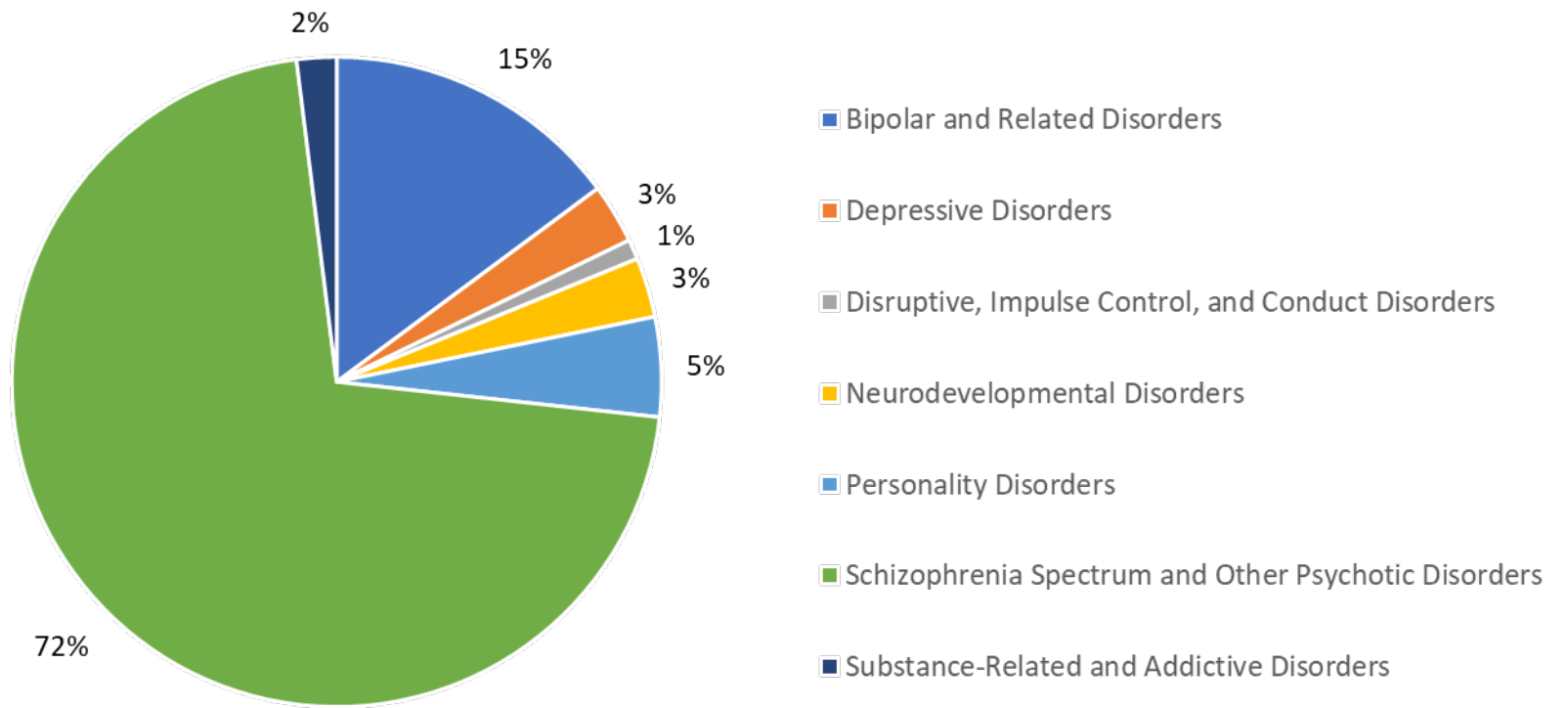


Primary diagnosis of each by category

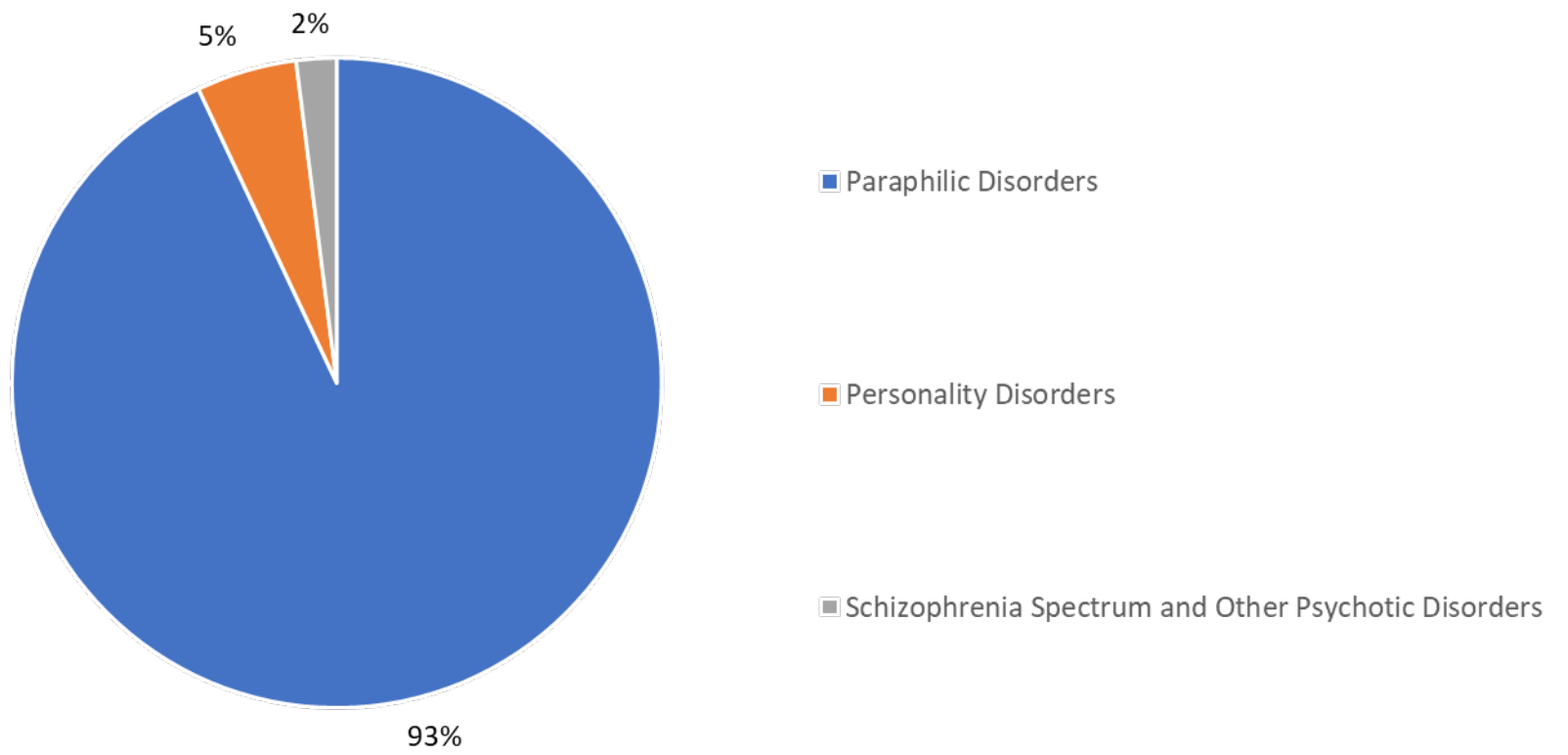
The following data represents the primary diagnosis of current ASH patients and residents. Of note, the primary diagnosis may not be the same as the admission diagnosis.



Forensic Hospital

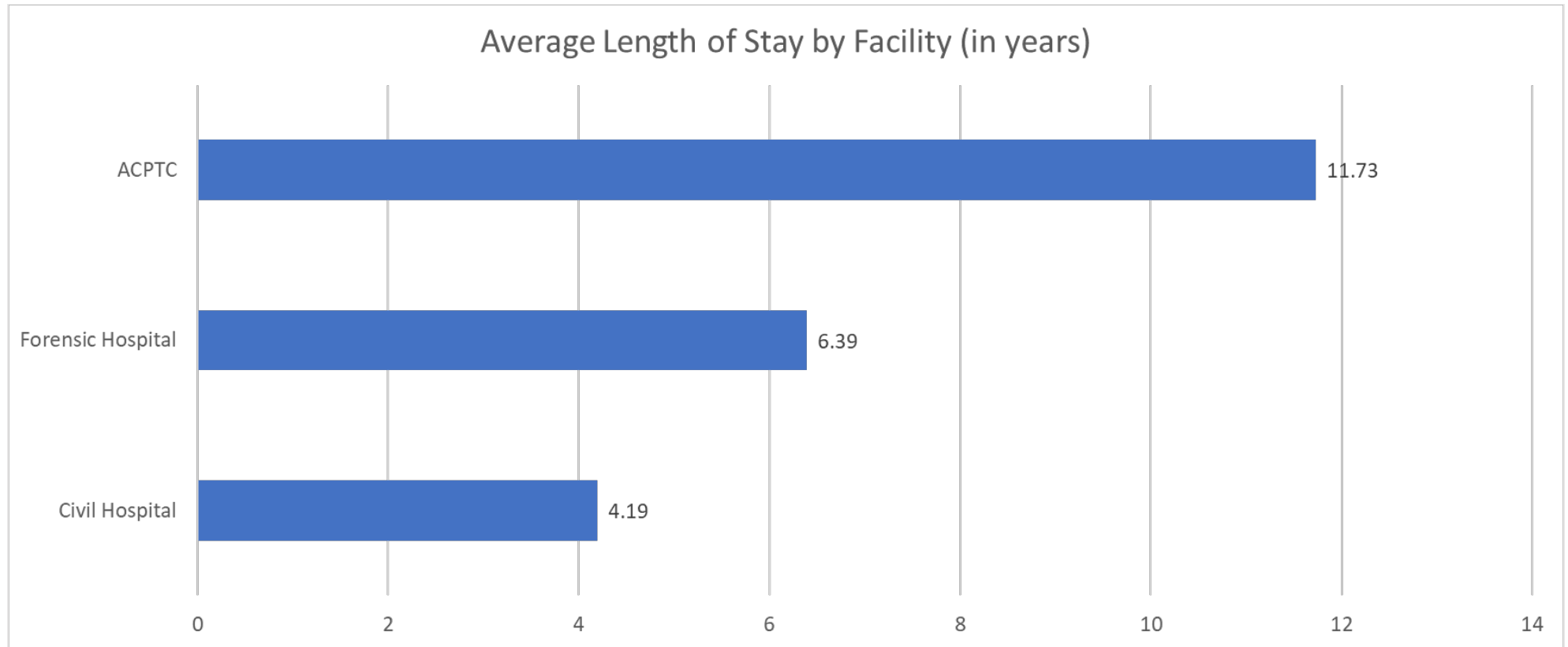


ACPTC



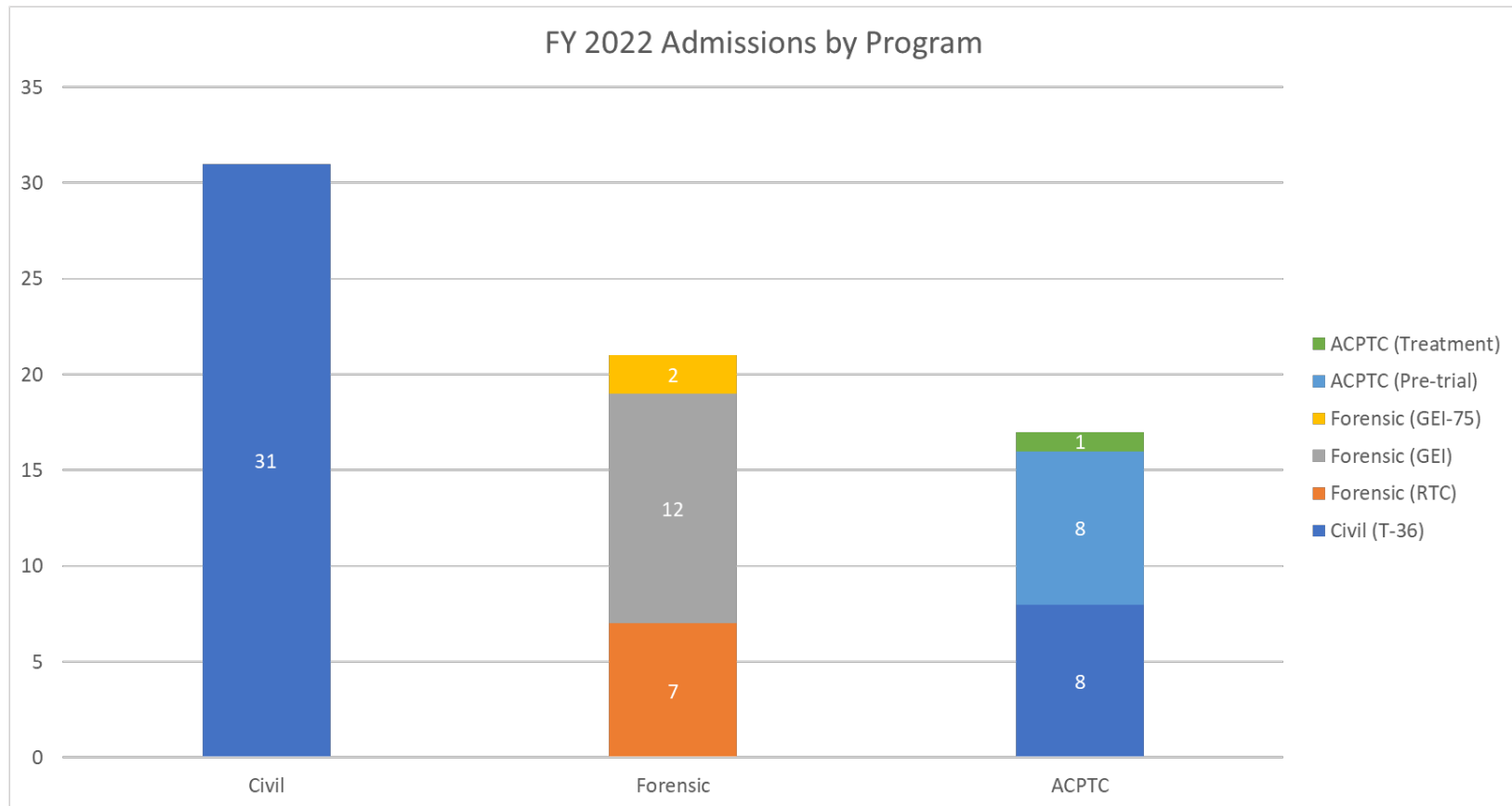
Length of stay

All patients served at the Arizona State Hospital are under court order for treatment and have lengths of stay consistent with long-term care facilities. Accordingly, patient programs and services are structured in a manner to best meet the needs of patients on a long-term basis. All patients have an inpatient treatment and discharge plan (ITDP), regardless of the patient’s anticipated length of stay. Planning for discharge is initiated immediately, in compliance with hospital requirements for discharge assessments and reassessments. The bar graph below represents the length of stay for patients served during FY 2022.

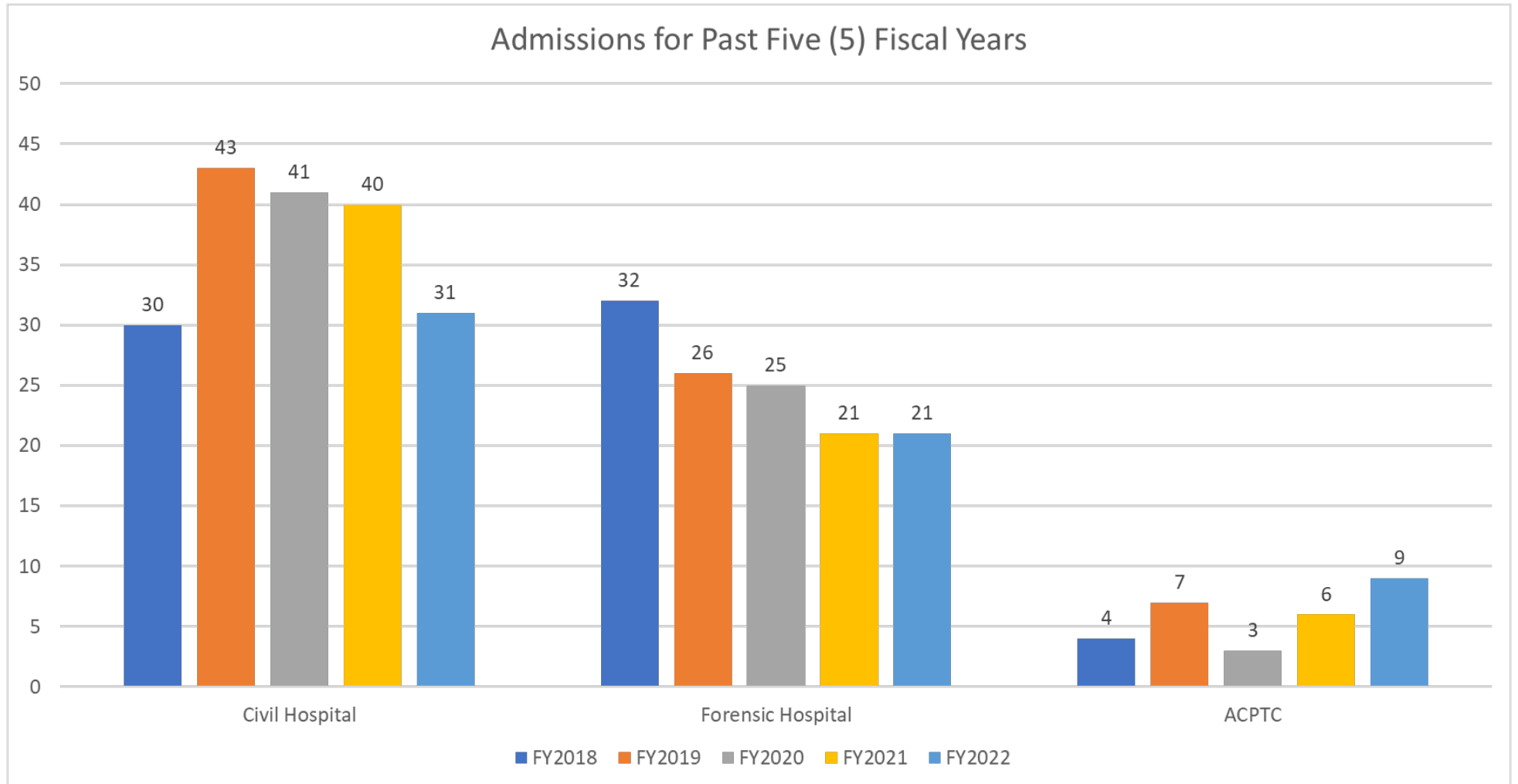


ASH Admissions

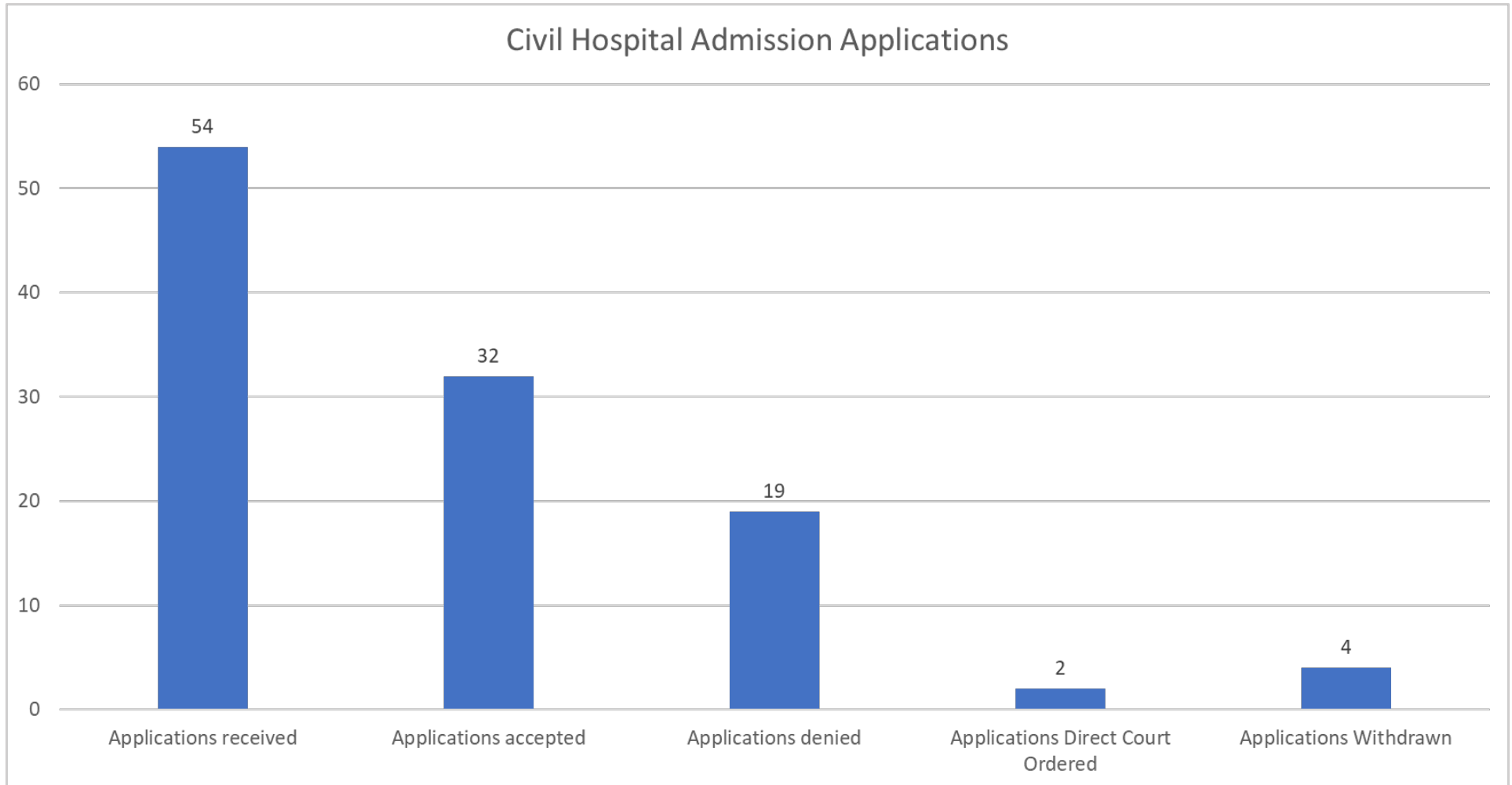
Forensic Hospital and ACPTC admissions are through a direct Court Order, meaning that the court orders these facilities to admit individuals. Patients at the Civil Hospital may be admitted under a direct Court Order (pursuant to A.R.S. § 36-541), but most patients are admitted through the application process. The application process is outlined in the ASH Utilization Management Plan (see also 42 C.F.R. § 482.30). Applications are reviewed independently (without discussion of the case) by three (3) Hospital psychiatrists for a suggestion to “approve” or “deny” admission. These three recommendations are compiled by the CMO, and an admission determination is made. The Hospital may request further information, if the application is unclear, before making this determination. The determination is communicated back to the referring agency. In the uncommon case wherein the determination is to deny admission, the opportunity to request reconsideration is offered in that letter. Amended applications may also be re-submitted.



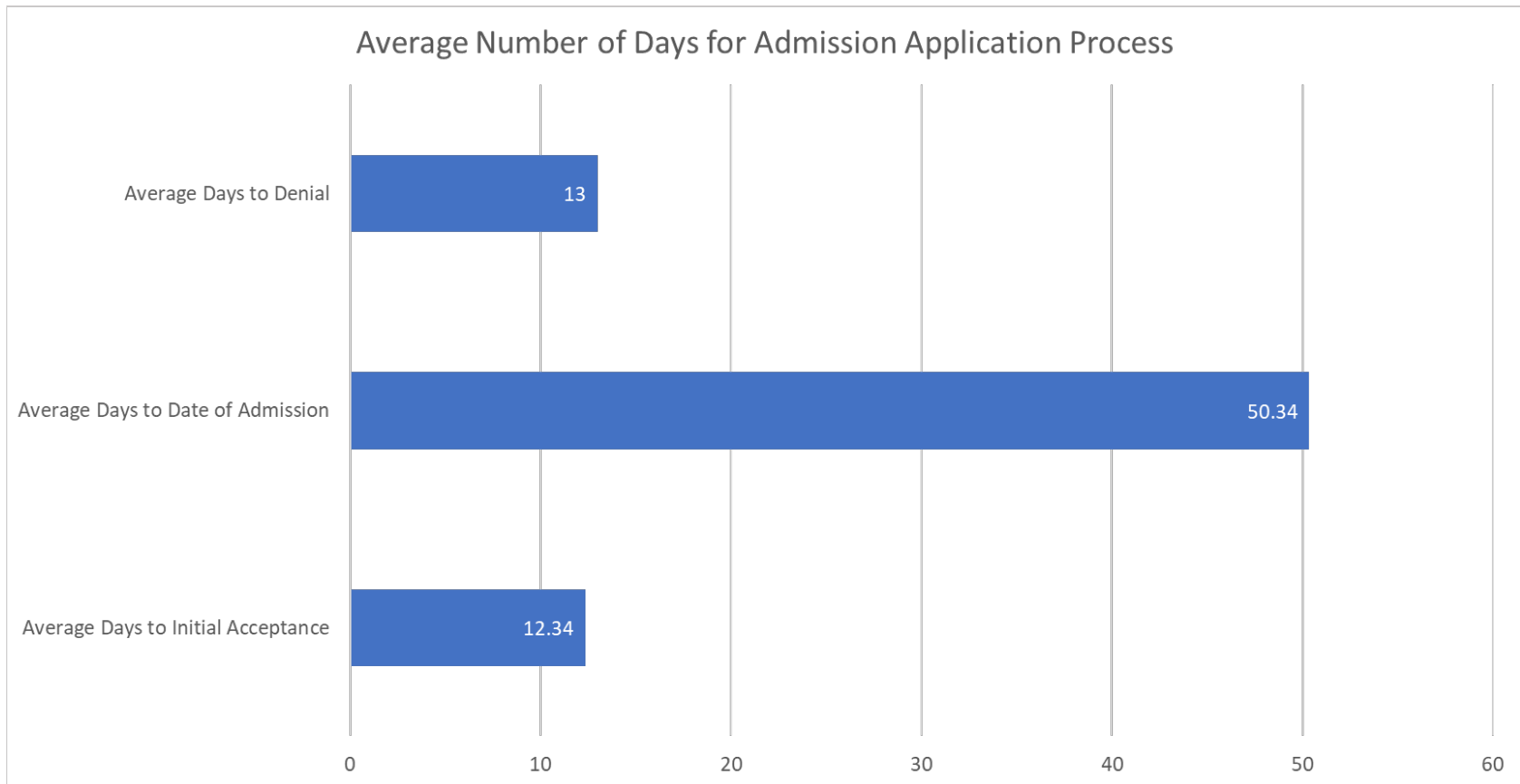
Overall, admission numbers during FY 2022 remain relatively consistent in comparison to prior fiscal years.



Details of Civil Hospital admissions are included in the charts below. As indicated in “Admission Applications” chart, 63% of all applications submitted in FY22 resulted in admission to the Civil Hospital. Of note, the number of Civil admissions includes “transfers,” meaning the readmission of Civil patients who return from jail or return from a temporary admission to the Forensic Hospital (for the safety and welfare of the patient and patient’s peers).



The Hospital's admissions office collaborates with Arizona Health Care Cost Containment System (AHCCCS) health plans during the application for admission process. Upon admission, the health plan provides the certification of need (CON) documenting the medical necessity for the inpatient admission. The following chart includes the time frames associated with the application process.

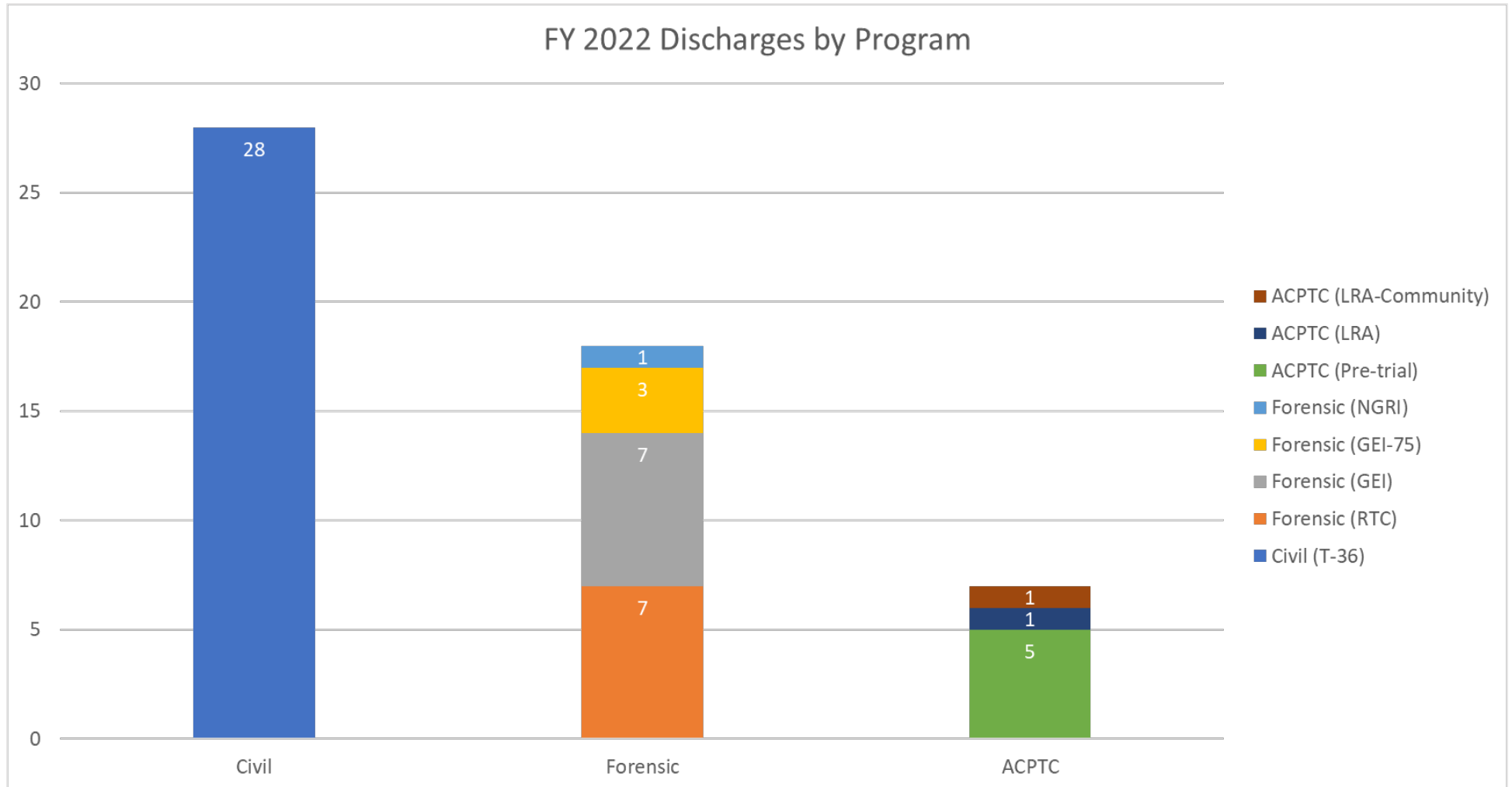


During FY 2022, 19 applications for admission were denied. The following are the reasons for denial, in accordance with state law. Applications were denied for one or more of the following.

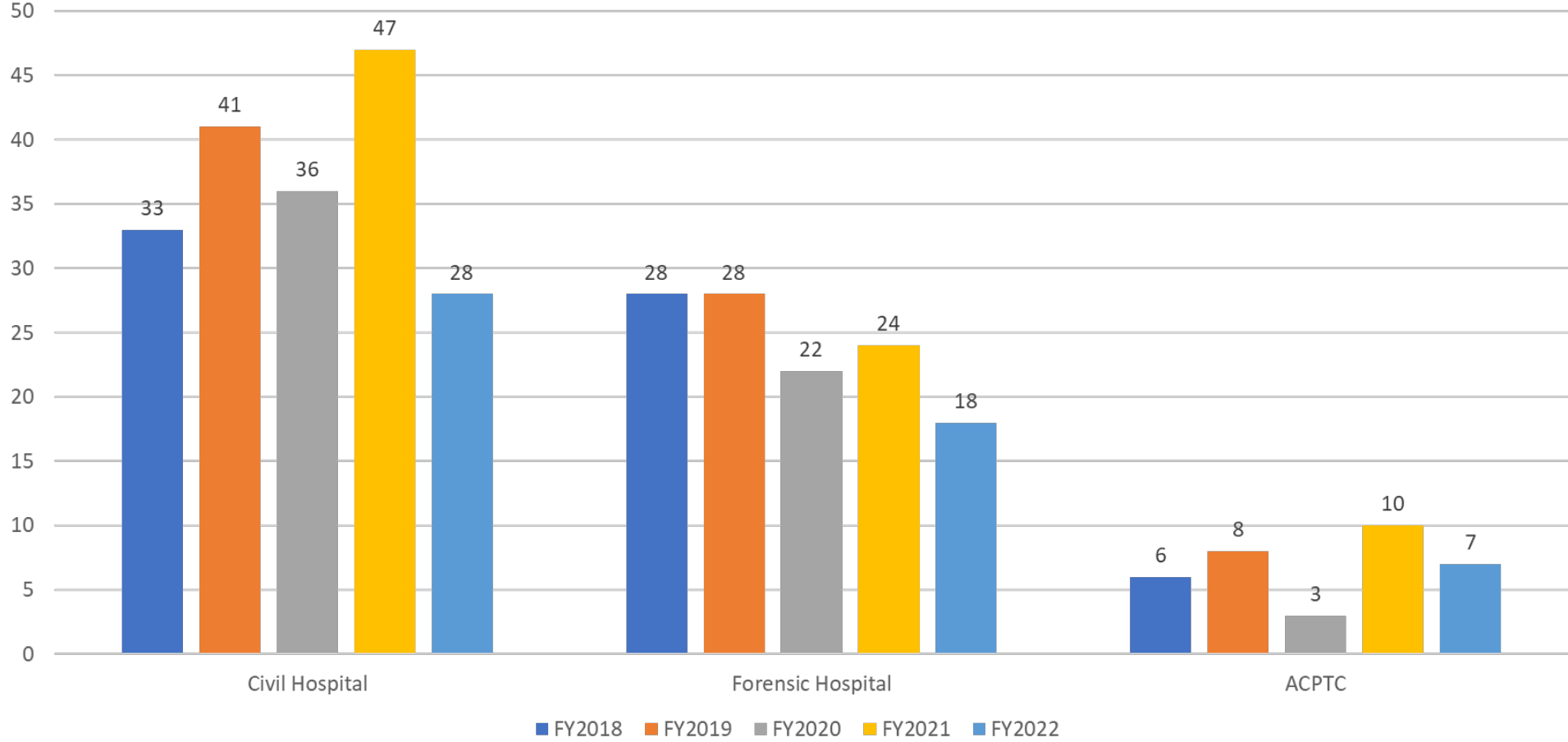
- The patient/applicant was determined not likely to benefit from care and treatment at the Arizona State Hospital (ARS § 36-202; e.g., the patient does not have a behavioral health condition that can be treated at ASH).
- The Arizona State Hospital is not the most appropriate and/or least restrictive placement for the patient (ARS § 36-501.21).
- Local mandatory treatment, as outlined in A.R.S. § 36-541, has not happened.

ASH Discharges

Arizona State Hospital discharges for the Civil and Forensic hospitals decreased during FY 2022. The number of admissions and discharges at ACPTC remain low when compared to the Civil and Forensic hospitals, but there was also a decrease from FY 2021 to FY 2022.



Discharges for Past Five (5) Fiscal Years



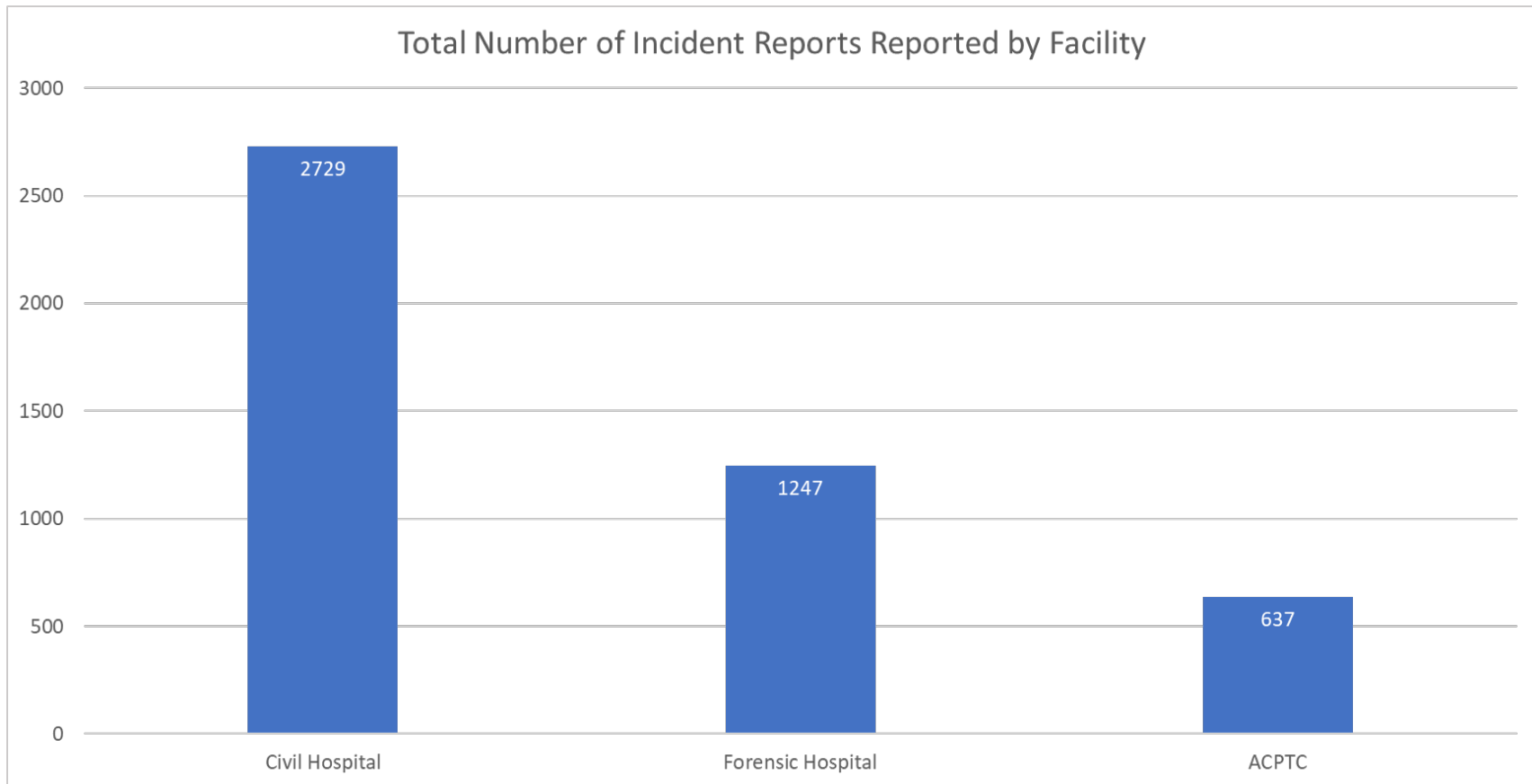
ASH treatment teams coordinate closely with outpatient treatment teams, and when applicable, patient guardians to prepare patients for discharge. A number of barriers impact ASH’s ability to discharge Civil Hospital patients in a timely manner; importantly, these barriers are out of ASH’s control, yet directly affect ASH’s ability to discharge expediently. During FY 2022, ASH collaborated closely with health plans and Regional Behavioral Health Authorities (RBHAs) to coordinate on complex cases.

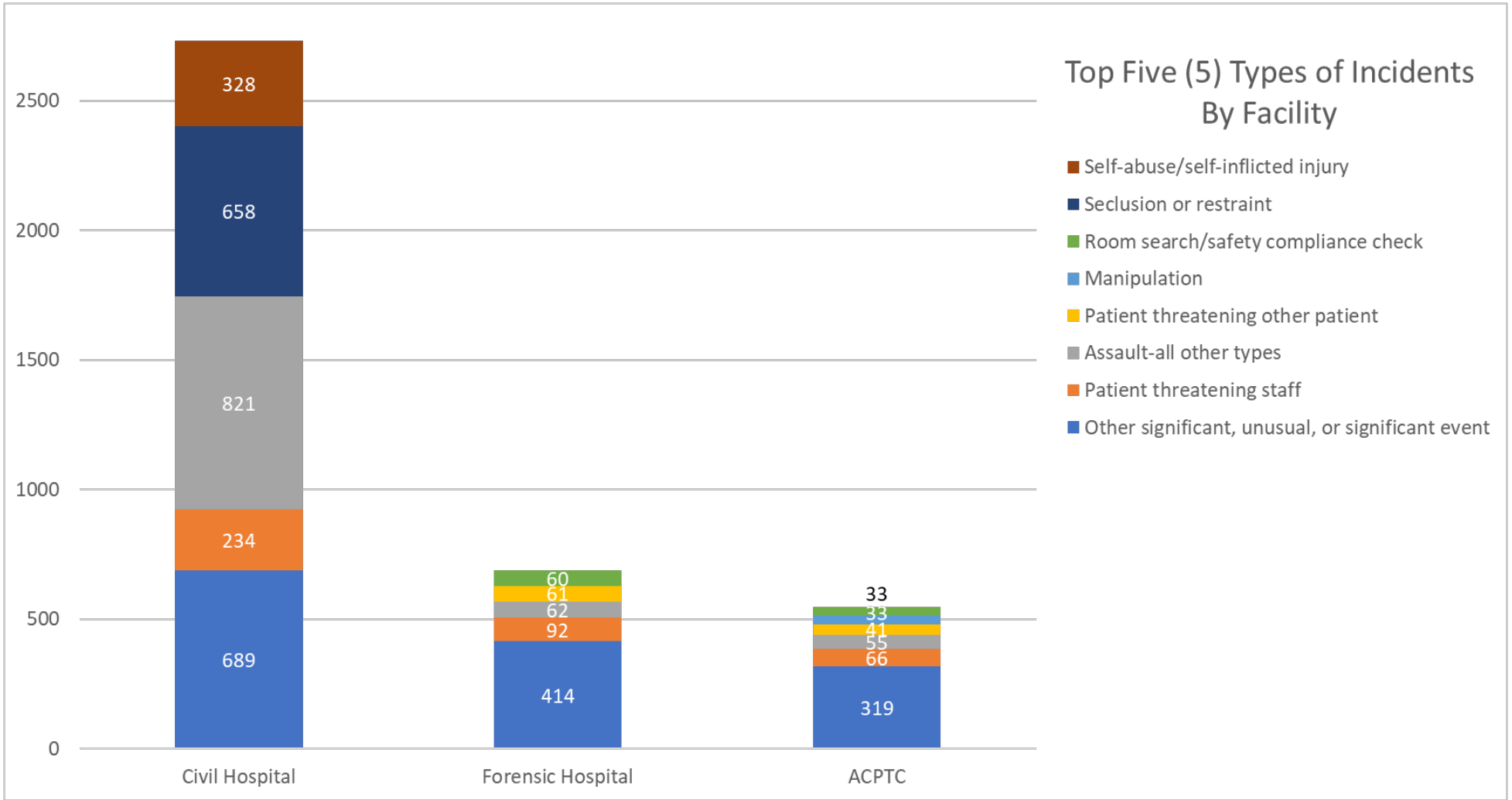
ASH Quality Data - Incident Reports

The Hospital's Quality Management Team oversees the Quality Assurance and Performance Improvement Program, (QAPI) which is a hospital-wide data driven program that seeks to achieve the highest quality of inpatient psychiatric services through Continuous Process Improvement.

The Hospital's Incident Reporting System (QMS) is the main web-based repository and source for information regarding possible risk events. All significant, unusual or irregular occurrences are documented with QMS per Hospital policy.

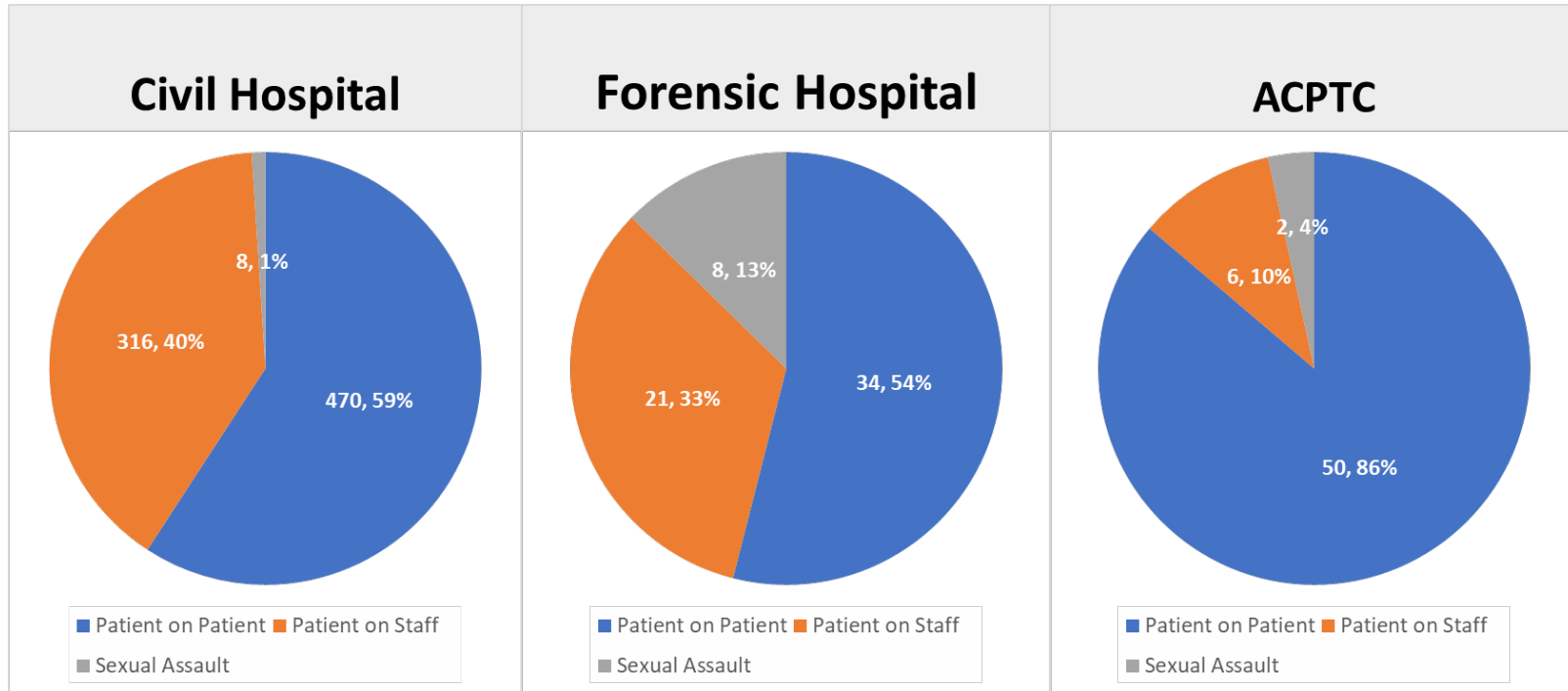
Incident Reports are written by the person having the most comprehensive knowledge of the event, and other involved staff and the Hospital's Executive Risk Management Team conducts a thorough review of each incident.





Assault Data

The Arizona State Hospital tracks assault data in accordance with the Risk Management and Quality Management plans. ASH defines “assaults” as any unwanted touch or other physical contact (e.g., person-to-person physical contact, one person spitting on another, objects thrown by one individual and hitting another individual). Assaults account for approximately 20% of all incidents reported in FY 2022.



Sexual Assaults

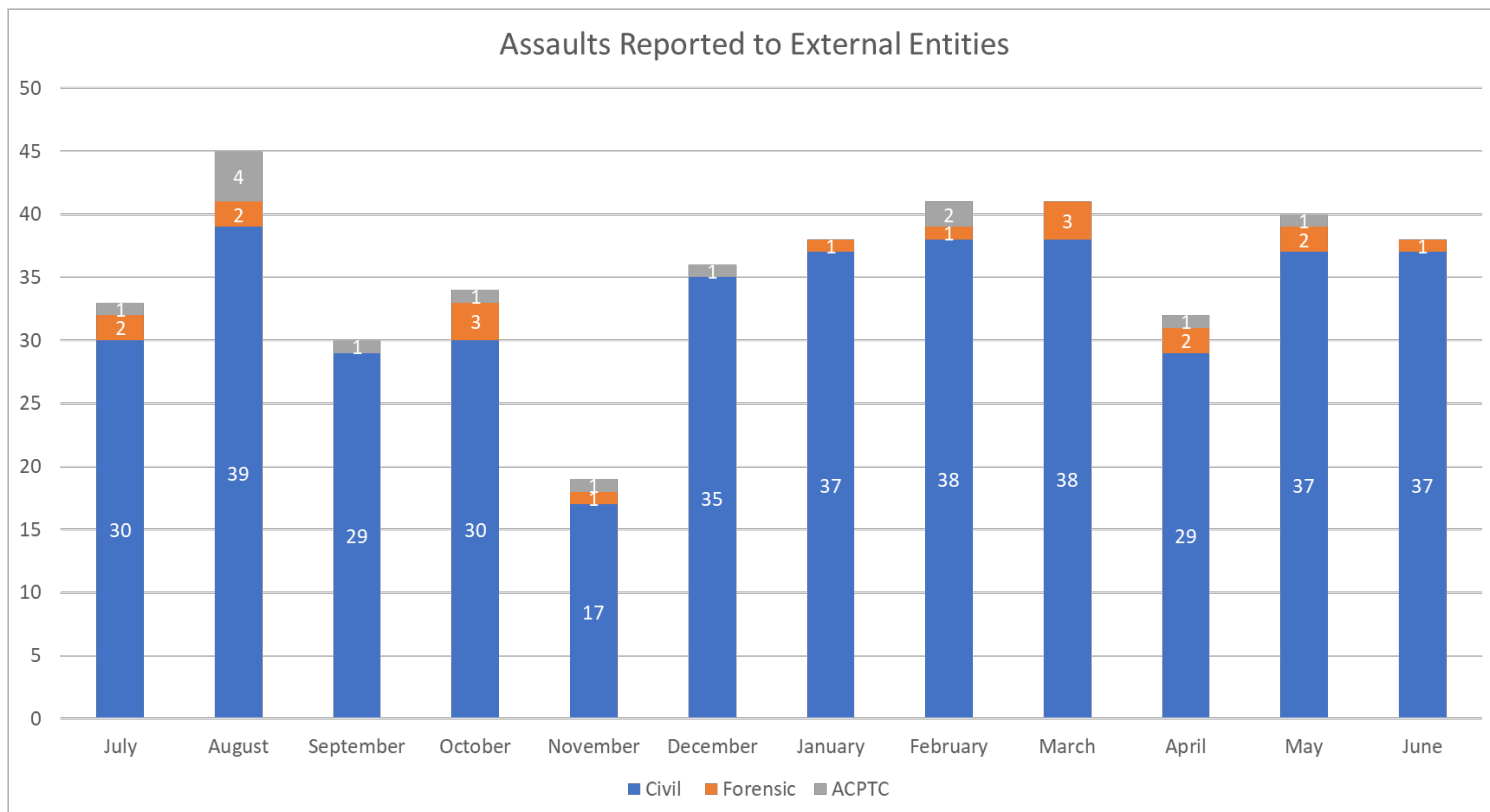
Of the assaults that occurred at the Civil and Forensic hospitals, 16 were categorized as sexual assaults³ in which a patient was the victim, accounting for 1% of the total number of assaults. There were two (2) sexual assaults reported at ACPTC during FY 2022. All allegations of sexual assault are documented as sexual assaults, pending a thorough investigation. Sexual assault data is collected, as the term is defined in Arizona statute and Hospital policy.

³Sexual assault is defined as sexual intercourse or sexual contact with any person without consent of such person. Sexual contact means oral sexual contact or direct or indirect touching or manipulating of any part of the genitals, buttocks, anus or female breast by any part of the body or by any object or causing a person to engage in such contact.

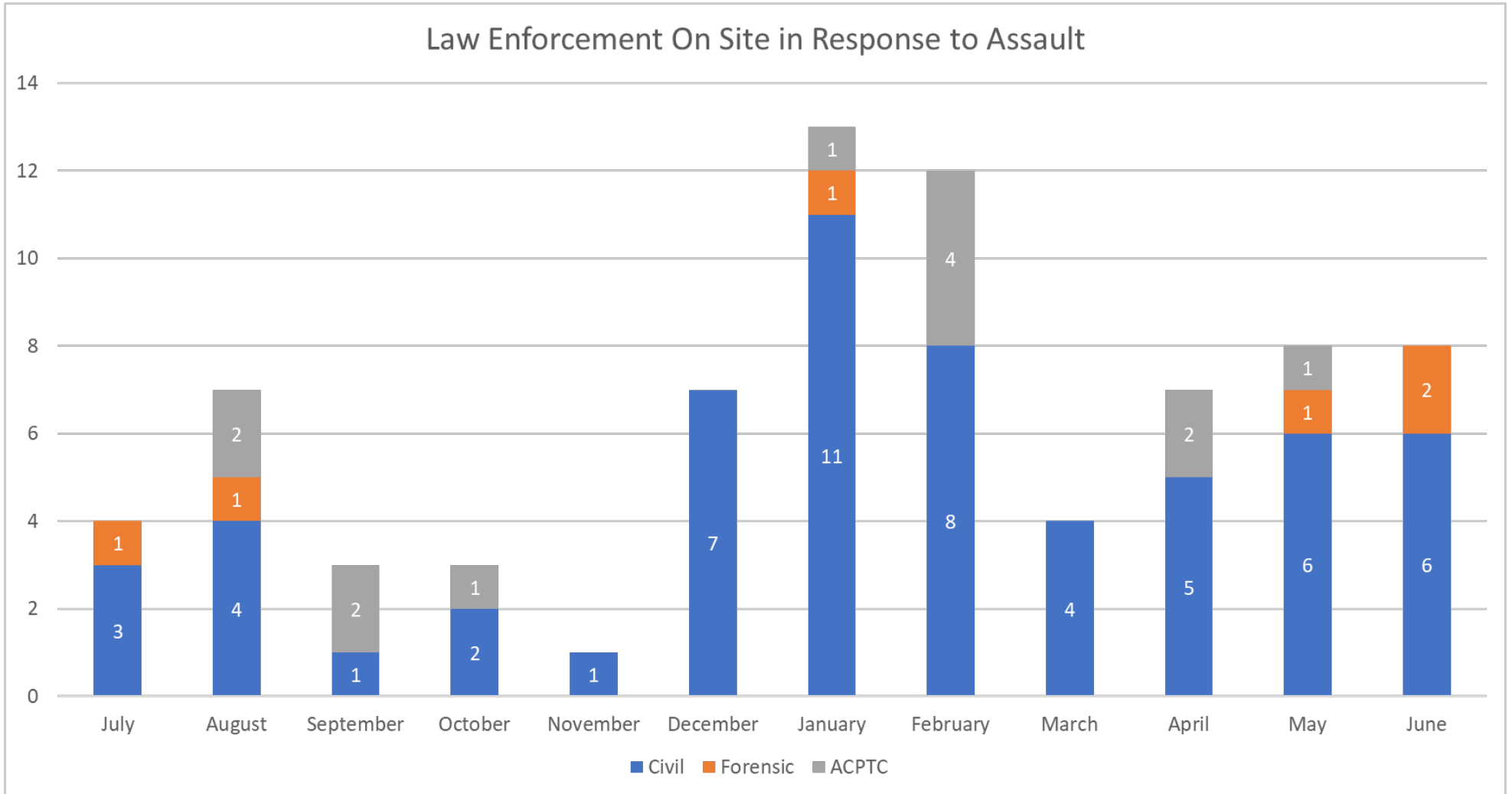
Assaults reported to law enforcement, regulatory agencies and accreditation agencies

The Arizona State Hospital reports assaults to external entities when the event meets reporting requirements, as applicable to the facility and outlined in state law, federal regulations, The Joint Commission accreditation standards, and the memorandum of understanding (MOU) between the Arizona Department of Health Services and Department of Economic Security, Adult Protective Services. Patients and staff may contact the Phoenix Police Department, separate from and in addition to the Hospital contacting Phoenix PD.

The Joint Commission has an established process for accredited organizations to report sentinel events, as defined in The Joint Commission’s Sentinel Event (SE) policy. Accordingly, not all assaults are reported to The Joint Commission, and most assaults will not meet the definition of a sentinel event. The Centers for Medicare and Medicaid Services (CMS) does not require hospitals to report assaults. State licensing also does not require facilities to report assaults, but facilities may choose to self-report assaults that are significant.



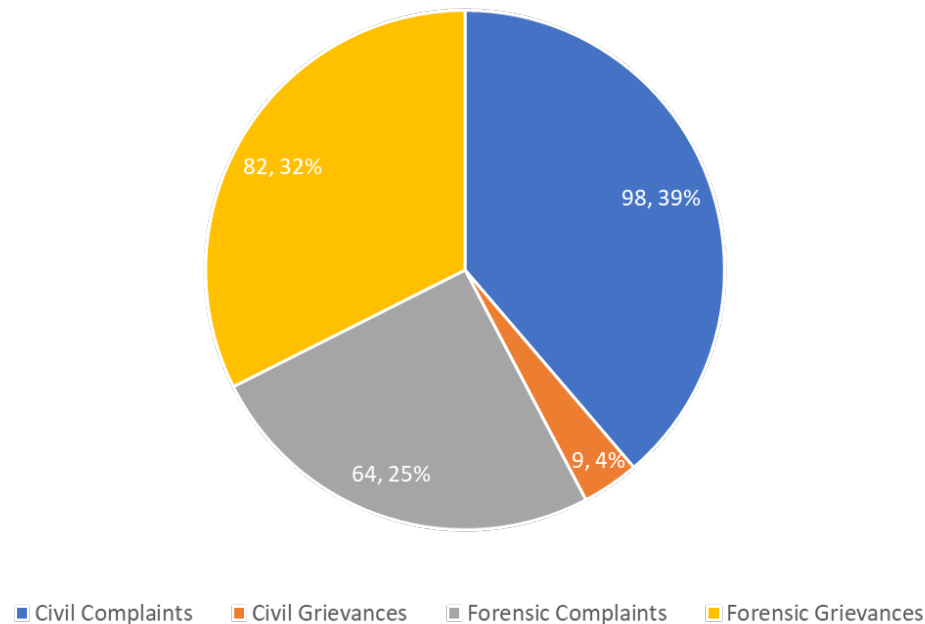
Number of times law enforcement on site in response to assault at ASH



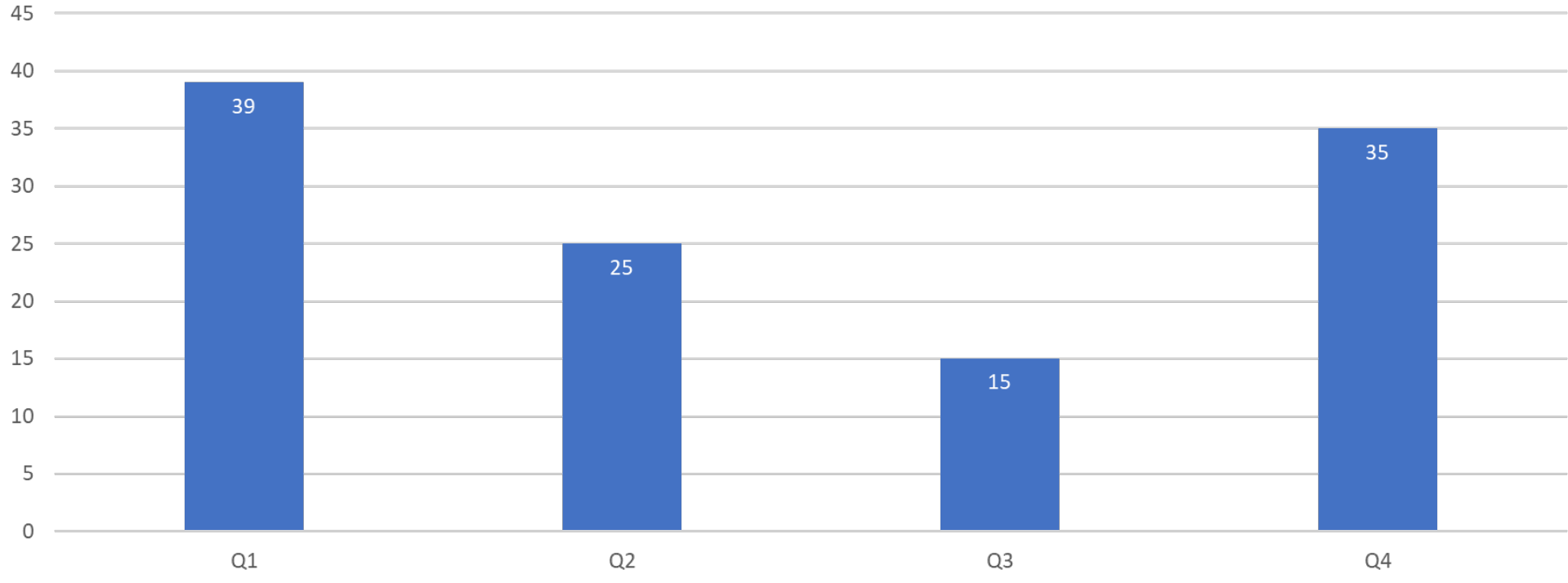
ASH Patient Complaints, Grievances and Appeals

In accordance with ASH policies, patients and ACPTC residents may file complaints regarding any aspect of their care. Civil and Forensic hospital patients may file complaints, grievances and appeals with the ASH Office of Complaints, Grievances, and Appeals. Processes to investigate and manage complaint, grievance and appeal cases are outlined in Hospital policy and based on The Joint Commission standards and 9 A.A.C. 21, *Behavioral Health Services for Persons with Serious Mental Illness* (of note, A.A.C. R9-21-102 applies to individuals receiving services pursuant to A.R.S. Title 36, Chapter 5. ASH applies the same processes for both Civil and Forensic patients).

Patients and residents may seek the assistance from a unit advocate to file a complaint, grievance or appeal, and depending on the nature of the concern, the matter may be resolved by the patient and unit staff. Patients and residents may also utilize the ASH Patient Rights Advocate for assistance during the complaint, grievance or appeal processes. Patient complaint, grievance and appeal cases are presented to the ASH Complaints, Grievances and Appeals Committee (with delegated authority from the ASH Governing Body) to make a decision regarding the recommended outcome of the case. However, grievances filed with allegations of physical/sexual abuse or sexual misconduct are investigated by AHCCCS, pursuant to A.A.C. R9-21-404. ACPTC resident complaints are resolved by ACPTC clinical and administrative staff, and when necessary, by ASH leadership.

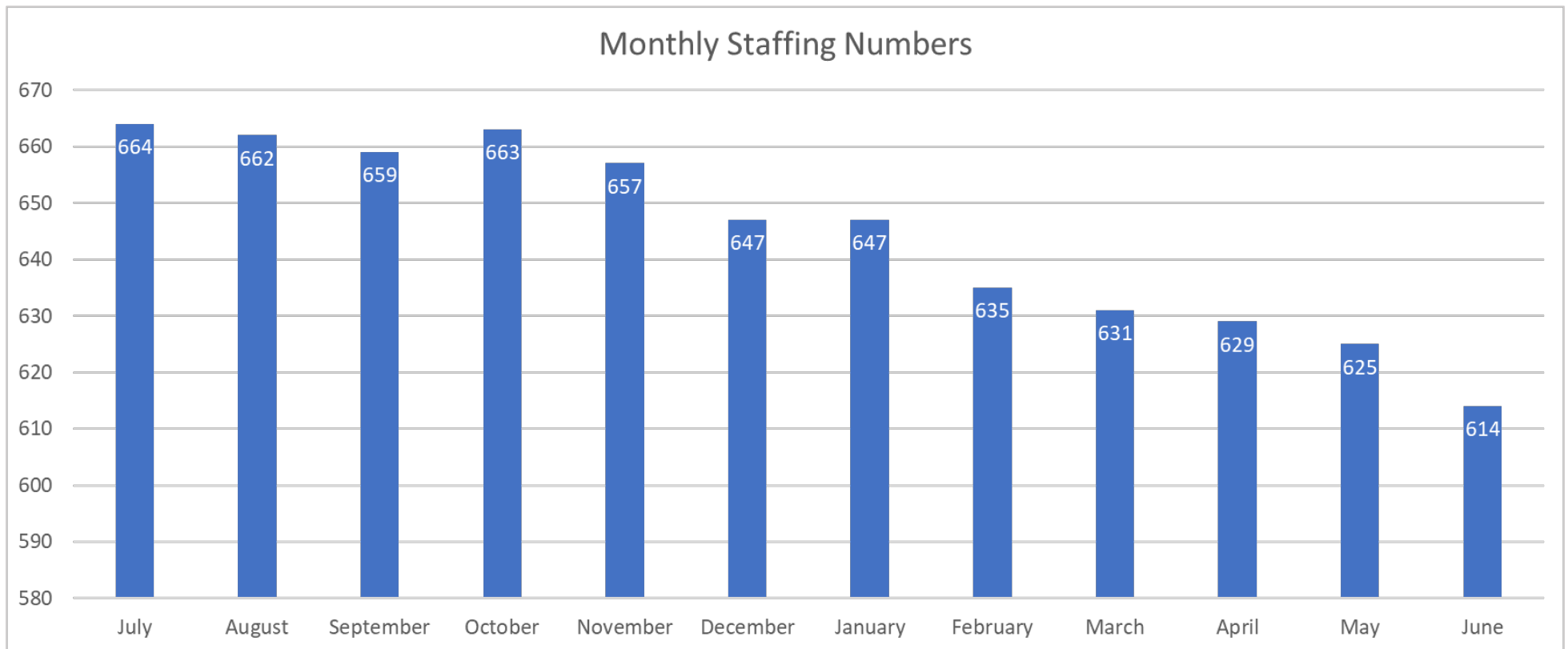


ACPTC Complaints Filed by Quarter

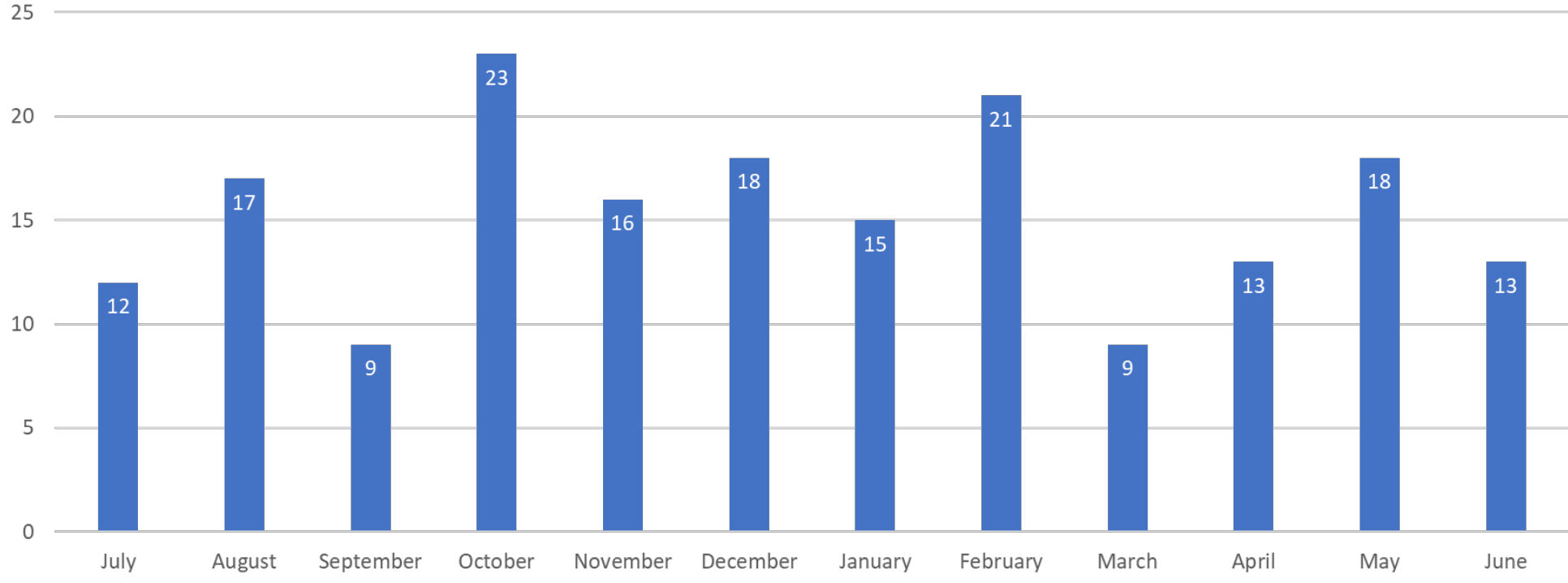


ASH Personnel

Leadership at ASH continues to closely monitor the established Hospital headcount, recruitment efforts for approved positions, and staff turnover. Data on Full-Time Employees (FTEs) for Fiscal Year 2022 is included below. This information was taken from the last payroll record of each month during the fiscal year. Employee turnover (“Monthly Separation”) per month is also included below.



Monthly Separation Numbers



The hospital maintains a \$62 million personnel budget, which allows the hospital to fund approximately 640 positions. Beginning in February, 2022 and ending in October, 2022 the Hospital offered “double-time” pay to front-line employees working additional shifts in an effort to compensate for decreased staffing levels. This caused a significant strain on the personnel budget, as would be expected, and the policy was discontinued once the hospital began to field large numbers of potential applicants resulting from a state-approved aggregate increase in base salary and aggressive recruitment efforts led by the Department’s human resources team.

The hospital has been closely monitoring its Behavioral Health Technician (BHT) registry staffing levels. During the last half of fiscal year 2022, the hospital struggled to attract adequate registry staffing from its temporary staffing partners. To address this issue, the hospital proactively engaged its partners in order to significantly increase the staffing levels. A main part of this initiative was to determine adequate wages in order to bring in additional staffing to make the hospital more competitive. In June, the hospital increased the rates that registry staffing would receive by 33%. So far, this has achieved meaningful results, as the registry staffing levels has increased from a low of 23 in March to 84 in October, or a 265% increase.

In addition, the hospital has been able to attract Nursing registry staffing to complement its full-time staff. This was necessary as the full-time staff has been down about 30%, which has caused significant staffing issues. As of October, the hospital had about 20 registry staff working as nurses. Much of this increase was unfunded, but necessary for operations at the hospital. The hospital is projecting an overall expenditure of about \$5.3 million for FY 2023, which would be an increase from the prior fiscal year of about \$3.4 million.

Finally, the Hospital has taken several actions over the past year to increase recruitment and retention. These efforts are ongoing.

- Beginning on the November 27, 2021 pay period, through the end of the fiscal year (June 30th, 2022), staff providing direct patient care (most positions except for security and administration) received a 10% critical services premium pay stipend (**Discontinued July 28th, 2022**)
- As of November 19, 2021, the weekend differential for employees working Saturday and Sunday shifts increased from 5% to 10%.
- ASH offered a \$500 incentive to each employee required to work Thanksgiving (November 25th, 2021), Christmas Eve (December 24th, 2021), Christmas Day (December 25th, 2021), New Year's Eve (December 31st, 2021), and New Year's Day (January 1st, 2021). (**Not Carried Over in FY2023 due to funding**)
- Effective January 8, 2022, the following classifications receive a \$5,000.00 hiring incentive to be paid out in three payments (\$500 at month three, \$1,000 at month six, and \$3,500 at the one-year mark): Registered Nurses, Licensed Practical Nurses, Behavioral Health Technicians, Therapy Technicians, Residential Program Specialists, Occupational Therapists, Rehab Therapists, Recreational Therapists, and Social Workers.
- As of January 18, 2022, the policy "ADHS Payment of Annual Leave to a Non-Separating Employee" was updated to make it easier for clinical staff at ASH to request an annual leave payout for COVID-related hardships. The update removed the minimum number of annual leave hours a clinical employee must have used in the previous 12 months from 40 to zero hours.
- As of February 17th, 2022, ADOA approved a new "Call-Back Pay Incentive". This incentive offers staff the opportunity to receive Double-Time for responding to a call to work any additional shift beyond their normal workweek required shifts. All staff (hourly and salary), minus certain disciplines and administrators, are eligible to participate and receive double-time for working an additional shift. (**Discontinued in its entirety – October 14, 2022**).
- June 15, 2022 – The Hospital amended its contracts with the five Registry Staffing agencies to increase our payable rate for services and come into alignment with market salaries and subsequently increase the number of registry staff willing to accept placement at ASH. The final adjustment was approximately 33%.

ASH FY2022 Updates, Initiatives, and Projects

Accreditation: On July 21, 2021, The Joint Commission issued the accreditation award letter for ASH, indicating that the accreditation organization accepted the evidence of standard compliance (ESC) submitted by ASH to address deficiencies identified during the May 2021 accreditation survey. The accreditation covers 36 months, effective May 8, 2021. The Joint Commission's award letter also included the recommendation for ASH's continued Medicare certification.

PSRB Transition: Effective January 1, 2023, the jurisdiction over Forensic patients admitted pursuant to a Guilty Except Insane (GEI) plea will be transferred to the Superior Courts and the Psychiatric Security Review Board (PSRB) will be effectively discontinued. ASH has continued to complete all internal processes and file all required paperwork with the PSRB during this transitory period and is coordinating with the Superior Courts for operational continuity. ASH is currently in the process of upgrading a conference room in the existing PSRB building on campus to accommodate video hearings for GEI patients – as the court has expressed its intent to hold all hearings virtually.

SMI Transitional Housing Project: ADOA has selected a construction vendor, and AHCCCS has awarded the operator's contract jointly to COPA Health and Central Arizona Shelter Services (CASS), and the facility is anticipated to open in late 2023. ASH commissioned a site survey to determine the market rental rate that will be charged to the tenant once the facility is operational; the results of that survey determined an annual rental value of \$155,000.

Legislation: There were several bills approved in the last legislative session that impacted operations at ASH. ASH is actively working to meet the requirements of these new laws, including the following:

SB1444: ARIZONA STATE HOSPITAL: Requires the ASH CEO and CMO, or their designees, to attend the regularly scheduled Independent Oversight Committee (IOC) meetings. Directs ASH to develop and implement an innovative clinical improvement and human resources development plan and outlines what must be included therein – due Sept. 1, 2023. The Hospital has issued a Request for Proposals (RFP) to solicit an outside consultant to complete this project.

HB2863 – HEALTH CARE: Establishes the Behavioral Health Care Provider Loan Repayment Program, providing a maximum of \$75,000 in student loan repayment funding to individuals working in the behavioral health field in Arizona, with a focus on those providing care at ASH. Bill also accelerates the timeline for transferring the PSRB to the superior courts by six (6) months (January 1, 2023 vs. July 1, 2023). Sunsets the PSRB on January 1, 2023.

Employee Health Portal (EHT): The EHT application has been released to production and is in use for tracking of employee health data. Additional change requests have been identified to expand capacity to accommodate additional data storage for key historical documentation, as well as a module to support the new “Hand-washing Observation” application.

Hand-washing Observation: The Joint Commission currently offers a product for tracking observations of proper handwashing, free of charge. ASH has received notification that this system will reach end of life on December 31, 2022, and a replacement will be required for compliance with CMS guidelines for infection prevention and control surveillance. A solution has been identified to leverage EHT for

administration of handwashing configurations, and to develop a lightweight tablet-friendly application for use across the ASH campus to collect observations. The requirements have been documented, and designs are ready for review. The application will be in production by mid December 2022 in advance of the current system retirement.

ASH Admissions Portal: The main application intake process is complete, and administrative review processes are in development. The ITS team is actively focused on integration with the Electronic Health Record (EHR) system, Avatar, as well as options to integrate with AHCCCS benefits validation. This project is on schedule and expected to be completed in the first calendar quarter of 2023.

Patient Census Application: The tablet-based application has been piloted on the Ironwood unit, and has been successful for collecting patient census and behavior levels. The planned expansion of Wi-Fi across patient care areas is complete, and tablets will be ordered to roll out the system to the Forensic and Civil campuses. Planned expansion will begin January 1, 2023.

SonoraQuest Lab Integration: Continuing to coordinate preparation activities for implementation. ASH's vendor, NetSmart, has delivered a portion of the functionality, and ASH will proceed with preparation until the final component is delivered in January. Final implementation is planned for March 2023.

Library System Replacement: The Library system implementation is complete, as well as the data migration. ITS is coordinating the planned cutover to the new system and retirement of the old system.

Order Printer Replacement: NetSmart EHR Avatar currently sends orders placed by providers to paper printers across campus. Evaluation of alternatives is in process, with the intention to replace the system with real-time monitoring. Specifically, the new system will be in the form of an electronic system with a digital display at the nursing stations, and some other order integration option for ancillary use cases. This project is in the definition phase.

Tableau Migration: ASH is in the process of implementing Tableau dashboards, which will modernize reporting structures and infrastructure to replace legacy extracts and reporting tools. The new infrastructure is in place with test and production servers, and ASH is currently moving through existing metrics and migrating to Tableau. This project is on track for completion in Spring 2023.

Facilities: The Office of Strategic Planning and Budgeting (OSPB) allocated funding to ASH for three (3) high-priority proposed projects: 1) replacing the fiber-optic network, 2) adding a secondary tie-in to the Civil Hospital's emergency generator, and 3) installing overlay materials in multiple bedrooms on the Civil campus to prevent patients from damaging the buildings. Due to supply chain issues, the fiber optic and generator projects were not completed prior to June 30th; however, ADOA received permission from the General Accounting Office to allow these funds to be expended in FY23. Phase I of the fiber optic project is expected to come to a close by 11/30/2022. Phase II is in the planning phase and is forecasted to be complete in July 2024. ASH is in the process of adding the secondary tie-in to the Civil Hospital's emergency generator, and is aiming for completion in December 2022. The wall overlay project is complete for the Ironwood and Desert Sage units. The Palo Verde unit is still pending, with a tentative completion date of December 16, 2022.

Psychiatric Center of Excellence

In state fiscal year 2017, the Arizona Department of Health Services (ADHS) and the Arizona State Hospital (ASH) solicited proposals from parties interested in developing a Center for Psychiatric Excellence to allow for the enhancement and expansion of non-ASH administered behavioral health services. The intent of the Center for Psychiatric Excellence is to provide state of the art, comprehensive behavioral health services for residents of Arizona and maximize vacant or unused space on the ASH campus. Responses received in SFY 2017 did not meet the intent of the proposal. ADHS did not issue any proposals for the Center for Psychiatric Excellence in FY 2022.

Civil & Forensic Hospital and ACPTC Budgets – Fiscal Year 2022 Financial Summary

Appropriated Expenditures Budget vs. Actual

Appropriation	Budget	Actuals	Variance
Operating			
Personal Services	\$28,712,729	\$ 29,539,456	\$ (826,727)
Employee Related Expenditures	\$10,353,142	\$10,571,553	\$ (218,411)
Professional And Outside Services	\$ 7,226,896	\$ 6,759,302	\$ 467,594
Travel - In-State	\$ 128,000	\$ 116,491	\$ 11,509
Travel - Out-Of-State	\$500	\$4,989	\$ (4,489)
Food	\$ 3,747,457	\$ 3,557,011	\$190,446
Other Operating Expenditures	\$ 9,971,876	\$ 9,509,276	\$ 462,600
Capital Equipment	\$ 14,000	\$ 91,858	\$(77,858)
Non-Capital Equipment	\$ 491,069	\$ 446,595	\$ 44,474
Transfers Out	\$ 3,542,331	\$ 3,542,332	\$ (1)
Total Operating	\$ 64,188,000	\$ 64,138,862	\$ 49,138
Sexually Violent Persons			
Personal Services	\$ 4,561,070	\$ 4,819,422	\$ (258,352)
Employee Related Expenditures	\$ 1,893,669	\$ 1,959,345	\$ (65,676)
Professional And Outside Services	\$ 1,399,299	\$ 1,138,772	\$ 260,528
Travel - Out-Of-State	\$500	\$ -	\$ 500
Food	\$ 30,600	\$ 15,960	\$ 14,640
Other Operating Expenditures	\$ 1,217,685	\$ 1,175,523	\$ 42,162
Capital Equipment	\$ 8,900	\$ -	\$ 8,900
Non-Capital Equipment	\$ 29,800	\$29,554	\$ 246
Transfers Out	\$594,577	\$594,577	\$-
Total Sexually Violent Persons	\$9,736,100	\$9,733,153	\$2,947
Restoration to Competency			
Other Operating Expenditures	\$ 900,000	\$ 900,000	\$-

Total Restoration to Competency	\$ 900,000	\$ 900,000	\$ -
Total Appropriated Expenditures	\$ 74,824,1000	\$ 74,772,015	\$ 52,085

**Revenues
Budget vs. Actual**

Revenue	Budget	Actuals	Variance
Medicaid	\$ 2,843,352	\$ 1,713,506	\$(1,129,846)
Restoration to Competency	\$ 1,245,132	\$ 1,276,926	\$ 31,794
Lease Revenue	\$ 755,824	\$ 833,985	\$ 78,161
Medicare	\$ 59,970	\$ 118,462	\$ 58,492
Self-Pay	\$ 266,910	\$ 277,404	\$ 10,494
Land Earnings	\$1,069,320	\$1,741,341	\$ 672,021
Other	\$ 132,000	\$111,125	\$ (20,875)
Total Revenues	\$ 6,086,879	\$ 6,208,112	\$ (299,759)

**Non-appropriated Funds
Fiscal Year Activity**

Fund	Beginning Available Funds	Revenues	Expenditures	Ending Available Funds
ISA/IGA	\$ 393,1951	\$ 833,985	\$ (941,635)	\$ 285,545
Donations	\$ 185,772	\$120,174	\$ (213,981)	\$91,965
LARC	\$ 49,907	\$ 82,500	\$(85,905)	\$ 46,502
Total Funds	\$ 628,874	\$1,036,659	\$ (1,241,521)	\$ 424,012