

320-P SERIOUS EMOTIONAL DISTURBANCE AND SERIOUS MENTAL ILLNESS ELIGIBILITY DETERMINATIONS

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REFERENCES: A.R.S. 36-550, A.A.C. R9-21-101(B), Division Medical Policy 320-P

PURPOSE

This policy applies to the Division of Developmental Disabilities' (Division) Administrative Services Subcontractors (AdSS) and establishes requirements for eligibility determinations for individuals with Serious Emotional Disturbance (SED) and Serious Mental Illness (SMI). The Division contracts with the AdSS and delegates the responsibilities of implementing this policy. The Division provides oversight and monitoring of delegated duties.

DEFINITIONS

1. "Business Day" means a Monday, Tuesday, Wednesday, Thursday or Friday, excluding State and Federal Holidays.
2. "Designated Representative" means an individual parent, guardian, relative, advocate, friend, or other individual, designated orally or in

writing by a Member or Responsible Person who, upon the request of the Member, assists the Member in protecting the Member's rights and voicing the Member's service needs.

3. "Determining Entity" means an entity designated by AHCCCS and authorized to make SED and SMI eligibility determinations.
4. "Member" means the same as "Client" as defined in A.R.S. § 36-551.
5. "Removal of Serious Emotional Disturbance Designation" means the process that results in the removal of the SED behavioral health category from the individual's most recent, active enrollment segment.
6. "Removal of Serious Mental Illness Designation" means the process that results in a modification to a Member's medical record by changing the behavioral health category designation from SMI to General Mental Health.
7. "Responsible Person" means the parent or guardian of a minor with a developmental disability, the guardian of an adult with a developmental disability or an adult with a developmental disability who is a Member or an applicant for whom no guardian has been appointed.

8. "Serious Emotional Disturbance" means a designation for individuals from birth up to age 18 who currently or at any time during the past year have had a diagnosable mental or emotional disorder of sufficient duration to meet diagnostic criteria specified within the current version of the Diagnostic and Statistical Manual of Mental Disorders that resulted in functional impairment, which substantially interferes with or limits the individual's role or functioning in family, school, or community activities.
9. "Serious Mental Illness" means a designation as defined in A.R.S. §36-550 and determined in an individual 18 years of age or older.
10. "Serious Emotional Disturbance or Serious Mental Illness Eligibility Determination" means a process used to determine whether an individual meets the diagnostic and functional criteria established for the purpose of determining an individual's eligibility for SED or SMI services.

POLICY

A. GENERAL REQUIREMENTS

1. The AdSS shall ensure all Members from birth to 18 years of age are evaluated for SED eligibility by a qualified clinician and

referred to the Determining Entity if the Responsible Person or Designated Representative makes such a request.

2. The AdSS shall ensure all Members ages 17.5 or older are evaluated for SMI eligibility by a qualified clinician, as defined in A.A.C. R9-21-101(B), and are referred to the Determining Entity if:
 - a. The Responsible Person or Designated Representative makes such a request,
 - b. An Arizona Court issues an order instructing a Member to undergo an SMI evaluation,
 - c. It is clinically indicated by the presence of a qualifying diagnosis, or
 - d. There is reason to believe that the assessment may indicate the presence of a qualifying diagnosis and functional limitation(s), and
 - e. The actual SMI eligibility category will not become effective until a member turns 18 years of age.
3. The AdSS shall ensure the SED and SMI eligibility evaluation records contain all documentation considered during the review,

including current and historical treatment records.

4. The AdSS shall develop and make available to providers any requirements or guidance on SED and SMI eligibility evaluation record location and or maintenance.
5. The AdSS shall compute time as follows:
 - a. Day zero: The day the initial assessment is completed by a qualified clinician, regardless of time of the assessment;
 - b. Day one: The next business day after the initial assessment is completed. The individual or organization completing the initial assessment must provide it to the Determining Entity as soon as practicable, but no later than 11:59 pm on day one;
 - c. Day three: The third business day after the initial assessment is completed. The Determining Entity shall have at least two business days to complete the final SED or SMI determination, but the final SED or SMI determination must be completed no later than day three; and
 - d. Determination due date: Day three, three business days after day zero, excluding weekends and holidays, and is

the date that the determination decision must be rendered.

This date may be amended if an extension is approved in accordance with this policy.

B. PROCESS FOR COMPLETION OF INITIAL SED OR SMI ASSESSMENT

1. The AdSS shall require behavioral health providers, upon receipt of a referral or identification of the need for an SED or SMI Eligibility Determination, to schedule an assessment with the Member and a qualified clinician, if one has not been completed within the past six months, within seven business days of receipt of the referral or request, or as expeditiously as the Member's health condition requires.
2. For urgent eligibility determination referrals for members admitted to a hospital for psychiatric reasons, the AdSS shall allow the hospital to complete the assessment if it meets the criteria needed to render a decision.
3. The AdSS shall ensure that the qualified clinicians complete the following during the assessment meeting with the Member:
 - a. Make a clinical judgment as to whether the Member is

- competent to participate in the assessment;
- b. Obtain written consent to conduct the assessment from the Member or Responsible Person unless the Member is under court order to undergo an evaluation as part of court-ordered treatment proceedings;
- c. Provide the Member or Responsible Person with the information required in A.A.C. R9-21-301(D)(2), a Member rights brochure, and the Member's notice of right to appeal required by A.A.C. R9-21-401(B);
- d. Obtain authorization for the release of information, if applicable, for any documentation that would assist in the determination of the Member's eligibility for SED or SMI designation;
- e. Conduct an assessment that is an accurate representation of the Member's current level of functioning if one has not been completed within the past six months;
- f. Complete the SED or SMI determination packet on the SMI Provider Submission Portal; and
- g. Upon completion, submit all information to the Determining Entity within one business day.

C. CRITERIA FOR SED ELIGIBILITY

1. The AdSS shall ensure the final determination of SED includes both a qualifying SED diagnosis and functional impairment because of the qualifying SED diagnosis.
2. The AdSS shall refer to the Medical Coding Page on the AHCCCS website for a list of qualifying diagnoses.
3. The AdSS shall ensure the functional criteria for SED, due to a qualifying SED diagnosis, includes dysfunction in at least one of the following four domains for most of the past six months or for most of the past three months with an expected continued duration of at least three months:
 - a. Seriously disruptive to family or community:
 - i. Pervasively or imminently dangerous to self or others' bodily safety;
 - ii. Regularly engages in assaultive behavior;
 - iii. Has been arrested, incarcerated, hospitalized or is at risk of confinement because of dangerous behavior;
 - iv. Persistently neglectful or abusive towards others;

- v. Severe disruption of daily life due to frequent thoughts of death, suicide or self-harm, often with behavioral intent or plan; or
 - vi. Affective disruption causes significant damage to the Member's education or personal relationships.
- b. Dysfunction in role performance:
- i. Frequently disruptive or in trouble at home or at school;
 - ii. Frequently suspended or expelled from school;
 - iii. Major disruption of role functioning;
 - iv. Requires structured or supervised school setting;
 - v. Performance significantly below expectation for cognitive or developmental level; or
 - vi. Unable to attend school or meet other developmentally appropriate responsibilities.
- c. Child and Adolescent Level of Care Utilization System (CALOCUS) recommended level of care 4, 5, or 6.
- d. Risk of deterioration:
- i. A qualifying diagnosis with probable chronic, relapsing, and remitting course;

- ii. Comorbidities including developmental or intellectual disability, substance use disorder, or personality disorder;
 - iii. Persistent or chronic factors such as social isolation, poverty, extreme chronic stressors; or
 - iv. Other, such as past psychiatric history, gains in functioning have not solidified or are a result of current compliance only, court-committed, or care is complicated and requires multiple providers.
4. The AdSS shall not allow the following reasons alone to be sufficient for denial of SED eligibility:
- a. An inability to obtain existing records or information; or
 - b. Lack of a face-to-face psychiatric or psychological evaluation.

D. CRITERIA FOR SMI ELIGIBILITY

- 1. The AdSS shall ensure the final determination of SMI includes both a qualifying SMI diagnosis and functional impairment because of the qualifying diagnosis.

2. The AdSS shall refer to the Medical Coding Page on the AHCCCS website for a list of qualifying diagnoses.

3. The AdSS shall ensure the functional criteria for SMI status, due to a qualifying SMI diagnosis, includes dysfunction in at least one of the following four domains for most of the past twelve months or for most of the past six months with an expected continued duration of at least six months:
 - a. Inability to live in an independent or family setting without supervision:
 - i. Neglect or disruption of ability to attend to basic needs;
 - ii. Needs assistance in caring for self;
 - iii. Unable to care for self in a safe or sanitary manner;
 - iv. Housing, food and clothing is provided or arranged for by others;
 - v. Unable to attend to the majority of basic needs of hygiene, grooming, nutrition, medical and dental care;
 - vi. Unwilling to seek prenatal care or care for serious medical or dental conditions;

- vii. Refuses treatment for life threatening illnesses because of behavioral health disorder; or
- viii. A risk of serious harm to self or others.
- b. Seriously disruptive to family or community:
 - i. Pervasively or imminently dangerous to self or others' bodily safety;
 - ii. Regularly engages in assaultive behavior;
 - iii. Has been arrested, incarcerated, hospitalized or at risk of confinement because of dangerous behavior;
 - iv. Persistently neglectful or abusive towards others;
 - v. Severe disruption of daily life due to frequent thoughts of death, suicide, or self-harm, often with behavioral intent or plan; or
 - vi. Affective disruption causes significant damage to the Member's education, livelihood, career, or personal relationships.
- c. Dysfunction in role performance:
 - i. Frequently disruptive or in trouble at work or at school;

- ii. Frequently terminated from work or suspended or expelled from school;
 - iii. Major disruption of role functioning;
 - iv. Requires structured or supervised work or school setting;
 - v. Performance significantly below expectation for cognitive/developmental level; or
 - vi. Unable to work, attend school, or meet other developmentally appropriate responsibilities.
- d. Risk of deterioration:
- i. A qualifying diagnosis with probable chronic, relapsing and remitting course;
 - ii. Comorbidities including developmental and intellectual disability, substance use and personality disorders;
 - iii. Persistent or chronic factors such as social isolation, poverty, extreme chronic stressors;
 - iv. Other, such as past psychiatric history, gains in functioning have not solidified or are a result of

current compliance only, court-committed, care is complicated and requires multiple providers.

4. The AdSS shall not allow the following reasons alone to be sufficient for denial of SMI eligibility:
 - a. An inability to obtain existing records or information; or
 - b. Lack of a face-to-face psychiatric or psychological evaluation.

E. MEMBERS WITH CO-OCCURRING SUBSTANCE USE

1. The AdSS shall ensure, for purposes of SED or SMI eligibility determination, presumption of functional impairment is as follows for Members with co-occurring substance use:
 - a. For psychotic diagnoses other than substance-induced psychosis (bipolar I disorder with psychotic features, delusional disorder, major depression, recurrent, severe, with psychotic features, schizophrenia, schizoaffective disorder, and any other diagnosis of persistent psychotic disorder) functional impairment is presumed to be due to the qualifying mental health diagnosis.

- b. For other qualifying psychiatric disorders, functional impairment is presumed to be due to the psychiatric diagnosis unless:
 - i. The severity, frequency, duration, or characteristics of symptoms contributing to the functional impairment cannot be attributed to the qualifying mental health diagnosis; or
 - ii. The assessor can demonstrate, based on a historical or prospective period of treatment, that the functional impairment is present only when the Member is actively using substances or experiencing symptoms of withdrawal from substances.
 - iii. In order to make such determinations, the assessor shall first look at a period of either 30 days or longer of abstinence, or 60 days or longer of reduced use that is less than the threshold expected to produce the resulting symptoms and disability, and establish that the symptoms and resulting disability were no longer present after the 30- or 60-day period and no

longer required mental health treatment to prevent recurrence of symptoms.

- c. A diagnosis of substance-induced psychosis can only be made if both of the following conditions are present:
 - i. There is no psychosis present before a period of substance use that is of sufficient type, duration, and intensity to cause psychotic symptoms, and
 - ii. The psychosis remits completely (not partially) after a period of abstinence of 30 days or less.
- d. Continuation of new onset psychotic symptoms after a 30-day period of abstinence requires a presumptive diagnosis of a persistent psychotic disorder.
- e. For persistent psychosis of undetermined onset, the absence of clear remission of psychosis during a period of abstinence of 30 days or less should be considered presumptive evidence of a persistent psychotic disorder for SED or SMI eligibility purposes.
- f. For Members who are not able to attain or maintain a period of abstinence from substance use, who continue to use substances or do not experience consecutive days of

abstinence, this is not a disqualifier to initiate the SED or SMI eligibility and determination process. Some Members will not meet the 30-day period of abstinence. This does not preclude them from the SED or SMI eligibility assessment and determination process.

F. PROCESS FOR COMPLETION OF FINAL SED OR SMI ELIGIBILITY DETERMINATION

1. The AdSS shall develop policies and procedures that describe the providers' requirements for submitting the evaluation packet and providing additional clinical information for the Determining Entity to make the final SED or SMI eligibility determination.
2. The AdSS shall ensure the evaluating agency responds to the Determining Entity within three business days of a request for additional information to make a final SED or SMI eligibility determination.

G. ISSUES PREVENTING TIMELY COMPLETION OF ELIGIBILITY DETERMINATION AND EXTENSION OF TIME

1. The AdSS shall allow an extension of up to 20 calendar days to initiate or complete the SED or SMI eligibility determination if the Responsible Person agrees to the extension and:

- a. There is substantial difficulty scheduling a meeting in which all necessary participants can attend;
 - b. The Member fails to keep an appointment for assessment, evaluation, or any other necessary meeting;
 - c. The Member is capable of, but temporarily refuses to cooperate in the preparation of the completion of an assessment or evaluation;
 - d. The Member or Designated Representative requests an extension of time;
 - e. Additional documentation has been requested but not received; or
 - f. There is insufficient functional or diagnostic information to determine SED or SMI eligibility within the required time periods.
2. The AdSS shall ensure “insufficient diagnostic information” means that the information available to the reviewer is suggestive of two or more equally likely working diagnoses, only one of which qualifies as SED or SMI, and an additional piece of existing historical information or a face-to-face psychiatric

evaluation is likely to support one diagnosis more than the other(s).

H. RE-ENROLLMENT OR TRANSFER

1. The AdSS shall adhere to the following:
 - a. If a Member's status is SED or SMI at disenrollment, while incarcerated, or transition to another health plan, the Member's status shall continue as SED or SMI.
 - b. A Member shall retain their SED or SMI status unless the Member's enrollment is active and a determination is made by a Determining Entity that the Member no longer meets the criteria.

I. REMOVAL OF SED OR SMI DESIGNATION

1. The AdSS shall indicate in policies and procedures made available to providers, the process for reviewing an SED or SMI designation, including:
 - a. A review of the eligibility determination may not be requested within the first six months from the date a Member has been designated as SED or SMI eligible.

- b. A review of the Member's SED or SMI designation from the Determining Entity may be requested:
 - i. As part of an instituted, periodic review of all Members designated to have an SED or SMI;
 - ii. When there has been a clinical assessment that supports the Member no longer meets the functional and or diagnostic criteria; or
 - iii. As requested by a Member who has been determined to meet SED or SMI eligibility criteria, or their Responsible Person or Designated Representative.
- c. Based on review of the request and clinical data provided, removal of the SED or SMI behavioral health category will occur if:
 - i. The individual is an enrolled member and has not received any behavioral health service within the past six months; or
 - ii. The Member is determined to no longer meet the diagnostic and or functional requirements for SED or SMI designation.

2. The AdSS shall ensure services are continued in the event of a timely filed appeal, and that services are appropriately transitioned.

SUPPLEMENTAL INFORMATION

The information contained in Sections J through M of this policy are AHCCCS requirements for the Determining Entity authorized by AHCCCS to make the final SED and SMI designation determinations.

J. DETERMINING ENTITY RESPONSIBILITY FOR COMPLETION OF FINAL ELIGIBILITY DETERMINATION

1. A licensed psychiatrist, psychologist or nurse practitioner designated by the Determining Entity will make a final determination as to whether the Member meets the eligibility requirements for SED or SMI status based on:
 - a. A face-to-face assessment or reviewing a face-to-face assessment by a qualified clinician; and
 - b. A review of current and historical information, if any, obtained orally or in writing by the assessor from collateral sources, and/or present or previous treating clinicians.
2. The following shall occur if the designated reviewing psychiatrist,

psychologist or nurse practitioner has not conducted a face-to-face assessment and has a disagreement with the current evaluating or treating qualified behavioral health professional or behavioral health technician that cannot be resolved by oral or written communication:

- a. Disagreement regarding diagnosis: Determination that the Member does not meet eligibility requirements for SMI status must be based on a face-to-face diagnostic evaluation conducted by a designated psychiatrist, psychologist, or nurse practitioner. The resolution of (specific reasons for) the disagreement must be documented in the Member's comprehensive clinical record.
- b. Disagreement regarding functional impairment: Determination that the Member does not meet eligibility requirements must be documented by the psychiatrist, psychologist or nurse practitioner in the Member's comprehensive clinical record to include the specific reasons for the disagreement and will include a clinical review with the qualified clinician.

3. If there is sufficient information to determine SED or SMI eligibility, the Member shall be provided written notice of the eligibility determination within three business days of the initial meeting with the qualified clinician.

K. DETERMINING ENTITY RESPONSIBILITY DUE TO ISSUES PREVENTING TIMELY COMPLETION OF ELIGIBILITY DETERMINATION AND EXTENSION OF TIME

1. The Determining Entity shall:
 - a. Document the reasons for the delay in the Member's eligibility determination record when there is an administrative or other emergency that will delay the determination of an SED or SMI status, and
 - b. Not use the delay as a waiting period before determining an SED or SMI status or as a reason for determining that the Member does not meet the criteria for SED or SMI eligibility (because the determination was not made within the time standards).
2. In situations in which the extension is due to insufficient information:
 - a. The Determining Entity shall request and obtain the

- additional documentation needed (e.g., current and/or past medical records) and/or perform or obtain any necessary psychiatric or psychological evaluations,
- b. The designated reviewing psychiatrist, psychologist or nurse practitioner must communicate with the Member's current treating clinician, if any, prior to the determination of an SED or SMI, if there is insufficient information to determine the Member's level of functioning, and
 - c. Eligibility shall be determined within three days of obtaining sufficient information, but no later than the end date of the extension.
3. If the evaluation or information cannot be obtained within the required time period because of the need for a period of observation or abstinence/reduction from substance use in order to establish a qualifying mental health diagnosis, the Member shall be notified by the Determining Entity that the determination may, with the agreement of the Member, be extended for up to 60 calendar days for an extended evaluation period. This is a 60-day period of abstinence or reduced use

from drug and/or alcohol use in order to help the reviewing psychologist make an informed decision regarding SED or SMI eligibility.

4. This extension may be considered a technical re-application to ensure compliance with the intent of A.A.C. R9-21-303; however, the Member does not need to reapply. Alternatively, the determination process may be suspended, and a new application initiated upon receipt of necessary information.
5. If the Member refuses to grant an extension, SED or SMI eligibility shall be determined based on the available information.
6. If SED or SMI eligibility is denied, the Member will be notified of their appeal rights and the option to reapply in accordance with this policy.

L. DETERMINING ENTITY RESPONSIBILITY FOR NOTIFICATION OF SED OR SMI ELIGIBILITY DETERMINATION

1. If the Member is determined to qualify for an SED or SMI designation, this shall be reported to the Member or Responsible Person by the Determining Entity, in writing, including notice of

the Member's right to appeal the decision on the form approved by AHCCCS.

2. If the eligibility determination results in a determination that the Member does not qualify for an SED or SMI designation, the Determining Entity shall provide written notice of the decision and include:

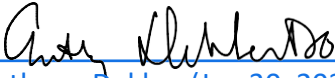
- a. The reason for denial of SED or SMI eligibility,
- b. The right to appeal, and
- c. The statement that Title XIX/XXI eligible individuals will continue to receive needed Title XIX/XXI covered services.

In such cases, the Member's behavioral health category assignment shall be assigned based on criteria in the AHCCCS Technical Interface Guidelines

M. DETERMINING ENTITY RESPONSIBILITY FOR REMOVAL OF SED OR SMI DESIGNATION

1. Upon removal of an SED or SMI designation, the Determining Entity is responsible for the following:
 - a. Inform the Member of changes that may occur as a result of the designation removal.

- b. Provide written notice of the determination and the Member's right to appeal within 30 calendar days from the date of the written notice of determination is issued.

Signature of Chief Medical Officer: 
[Anthony Dekker \(Jan 30, 2024 15:43 MST\)](#)
Anthony Dekker, D.O.