

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

REVISION DATE: 2/7/2024

REVIEW DATE: 9/19/2023

EFFECTIVE DATE: July 14, 2021

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

PURPOSE

This policy applies to the Division of Developmental Disabilities (Division) and establishes requirements for eligibility determinations for individuals with Serious Emotional Disturbance (SED) and Serious Mental Illness (SMI).

Further, this policy describes requirements for Division oversight and monitoring of duties delegated to Administrative Services Subcontractors (AdSS) as specified in contract and AdSS Medical Policy 320-P.

DEFINITIONS

1. "Business Day" means a Monday, Tuesday, Wednesday, Thursday or Friday, excluding State and Federal Holidays.
2. "Determining Entity" means an entity designated by Arizona Health Care Cost Containment System (AHCCCS) and authorized to make SED and SMI eligibility determinations, or a Tribal Regional Behavioral

Health Authority (TRBHA) authorized to make the final determination of SED or SMI eligibility.

3. “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.
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 child'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 Division shall ensure all Members from birth to 18 years of age are evaluated for SED eligibility by a qualified clinician and have an SED eligibility determination made by the Determining Entity if the Responsible Person or Designated Representative makes such a request.

2. The Division shall ensure all Members age 17.5 or older are evaluated for SMI eligibility by a qualified clinician, as defined in A.A.C. R9-21-101(B), and have an SMI eligibility determination made by the Determining Entity if:
 - a. The Member or Designated Representative makes the 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 Division shall require the SED and SMI eligibility evaluation records contain all documentation considered during the review, including current and historical treatment records, and may be maintained in either hardcopy or electronic format.
4. The Division shall provide assistance and guidance on SED and SMI eligibility evaluation record location and maintenance, if needed.
5. The Division shall use computation of time during the SED and SMI determination process 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 SMI determination, but the final SMI determination must be

completed no later than day three.

- 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 THE INITIAL SED OR SMI ASSESSMENT

1. The Division shall require behavioral health providers, upon receipt of a request, referral, or identification of the need for an SED or SMI determination, to schedule an assessment with the Member and a qualified clinician if one has not been completed within the past six months.
 - a. Assessments are to be scheduled as expeditiously as the Member's health condition requires, but no later than seven business days after receipt of the request or referral.
 - b. For urgent eligibility determination referrals for Members admitted to a hospital for psychiatric reasons, the Determining Entity is able to accept an assessment completed by the hospital if it meets the criteria needed to

render a decision.

2. During the assessment meeting with the Member, the qualified clinician shall:
 - a. Make a clinical judgment as to whether the Member is competent to participate in an evaluation;
 - b. Obtain written consent to conduct the assessment from the Member, or if applicable the Member's Responsible Person, unless the Member has been ordered to undergo evaluation as part of court-ordered treatment proceedings;
 - c. Provide to the Member, and if applicable the Member's Responsible Person, 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 AHCCCS 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 Division shall require the final determination of SED to include both a qualifying SED diagnosis and functional impairment because of the qualifying diagnosis.
2. The Division shall refer to the Medical Coding Page on the AHCCCS website for a list of qualifying diagnoses.
3. To meet the functional criteria for SED status, the Division shall require, as a result of a qualifying diagnosis, 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 disorders;
 - 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, care is complicated and requires multiple providers.

- 4. The Division 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 Division shall require the final determination of SMI to include a qualifying SMI diagnosis and functional impairment because of the qualifying diagnosis.
2. The Division shall refer to the Medical Coding Page on the AHCCCS website for a list of qualifying diagnoses.
3. To meet the functional criteria for SMI status, the Division shall require, as a result of a qualifying SMI diagnosis, dysfunction in at least one of the following four domains for most of the past 12 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 necessary medical/dental 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/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;
 - vi. Unable to work, attend school, or meet other developmentally appropriate responsibilities; or
- 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, personality disorders;
 - 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 Division 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 Division shall require the presumption of functional impairment as follows for Members with co-occurring substance use when assessing for SED or SMI eligibility:
- 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; and
 - iii. 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 determination process.

- g. For Members who do not meet the 30-day period of abstinence, this does not preclude them from the SED or SMI eligibility determination process.

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

1. The Division shall require the evaluating agency to respond to a Determining Entity's request for additional information to make a final SED or SMI eligibility determination within three business days of receipt of the request.
2. The Division shall allow an extension of no more than 20 calendar days to initiate or complete the SED or SMI eligibility determination if the individual agrees to the extension and:
 - a. There is substantial difficulty scheduling a meeting in which all necessary participants can attend;
 - b. The individual fails to keep an appointment for assessment, evaluation, or any other necessary meeting;
 - c. The individual is capable of, but temporarily refuses to cooperate in the preparation of the completion of an

- assessment or evaluation;
- d. The individual, or if applicable the individual's Responsible Person, 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.
3. The Division shall ensure that "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).

G. NOTIFICATION OF SED OR SMI ELIGIBILITY DETERMINATION

- 1. The Division Behavioral Health Administration shall review notifications of SED or SMI determination results received from the Determining Entity or AHCCCS Division of Fee-For-Service

Management (DFSM).

2. The Division Behavioral Health Administration shall notify the assigned Support Coordinator of the SED or SMI determination results.
3. The Division shall ensure the Member's record is updated to reflect the status of the Member's SED or SMI eligibility.

H. RE-ENROLLMENT OR TRANSFER

1. The Division shall require the following:
 - a. If the Member's status is SED or SMI at disenrollment, while incarcerated, or transition to another Contractor, 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 criteria.
 - c. The SMI determination process is initiated for adolescents as specified in Division Medical Policy 520.

I. REMOVAL OF SED OR SMI DESIGNATION

1. The Division shall ensure behavioral health providers are aware

of the following process for review of SED or SMI designations:

- a. A review of the eligibility determination may not be requested within the first six months from the date the Member has been designated as SED or SMI eligible.
- b. A behavioral health provider may request a review of a Member's SED or SMI designation from the Determining Entity:
 - i. As part of an instituted, periodic review of all Members with an SED or SMI designation;
 - ii. If there has been a clinical assessment that supports the Member no longer meets the functional or diagnostic criteria; or
 - iii. As requested by the 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.

d. In the event of the removal of the designation, the following shall occur:

i. The Determining Entity will inform the Member of changes that may result with the removal of the SED or SMI designation, and

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

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

J. DIVISION OVERSIGHT AND MONITORING OF ADMINISTRATIVE SERVICES SUBCONTRACTORS

1. The Division shall provide oversight and monitoring of compliance by Administrative Services Subcontractors serving

Members enrolled in a Division subcontracted health plan with respect to any contractual delegation of duties as specified in AdSS Medical Policy 320-P using the following methods:

- a. Meet with the AdSS at least quarterly to provide ongoing evaluation, including data analysis, recommendations to refine processes, and address quality of care concerns.
- b. Conduct an Operational Review of each AdSS on an annual basis that includes review of policy compliance.
- c. Review data submitted by the AdSS demonstrating ongoing compliance monitoring of their network and provider agencies.

SUPPLEMENTAL INFORMATION

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

K. DETERMINING ENTITY RESPONSIBILITY FOR COMPLETION OF FINAL ELIGIBILITY DETERMINATION

1. A licensed psychiatrist, psychologist, or nurse practitioner designated by the Determining Entity shall 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 shall 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 shall be documented in the Member's comprehensive clinical record.

- b. Disagreement regarding functional impairment:

Determination that the Member does not meet eligibility requirements shall 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 Determining Entity shall provide the Member with notice, in writing, of the eligibility determination within three business days of the initial meeting with the qualified clinician.
4. The Determining Entity shall provide notification of the eligibility determination result to AHCCCS via the AHCCCS Behavioral Health Web Portal and to the provider who completed the Assessment/evaluation through an agreed upon medium. For Division THP members, the Determining Entity shall also provide notification to AHCCCS DFSM.
5. Once an SED or SMI eligibility determination decision is made and submitted to AHCCCS, AHCCCS will update the member's

behavioral health category to SED or SMI respectively and will provide the eligibility determination documentation to the MCO of enrollment, as applicable, via the AHCCCS Secured File Transfer Protocol (SFTP) server.

L. 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 shall 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 shall be notified of their appeal rights and the option to reapply in accordance with this policy.

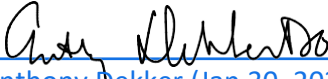
M. DETERMINING ENTITY RESPONSIBILITY FOR NOTIFICATION OF SED OR SMI ELIGIBILITY DETERMINATION

1. If the Member is determined to qualify for an SED or SMI designation, this shall be reported to the Member, Responsible Person, or Designated Representative 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 Members 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.

Signature of Chief Medical Officer: 
[Anthony Dekker \(Jan 30, 2024 14:17 MST\)](#)
Anthony Dekker, D.O.