

**Division of Developmental Disabilities**

# **POLICY NOTIFICATION**

**Early Notification Transmittal Date: Dec 8, 2025**

**Public Comment Transmittal Date: Jan 8, 2026**

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## **NOTIFICATION**

***DDD is proposing a new policy:***

### **Division Medical Manual, Policy 550 Serious Emotional Disturbance Identification**

#### **Description of new policy:**

AHCCCS developed a new policy AMPM 550 because the SED process changed. A Division policy was developed to align with the AMPM 550.

- Developed a Purpose Statement
- Included several definitions used throughout the policy
- Developed a section for General REquirements
- Developed a section for Criteria for SED Identification
- Developed a section for Individuals with Co-Occurring Substance Use
- Developed a section for Process for Completion of Formal SED Identification
- Developed a section for Removal of SED Identification
- Developed a section for Non Title XIX/XXI Care Coordination Requirements
- Developed a section for Supplemental Information
- General formatting to align with Policy Standards

## **PUBLIC COMMENT TIMELINE**

Dates: Public comment will be open for 30 days beginning January 8, 2026 and closing February 7, 2026, 11:59 pm, Arizona time.

**Instructions:** (Complete instructions are located on the Division's [webpage](#))

- Comments may be submitted online by clicking [here](#).



## **Division of Developmental Disabilities**

- Do not include any information that is confidential, covered under HIPAA, or inappropriate for public disclosure.

If access to the online form is not available or if you have questions, please email the DDD Policy Unit at [DDDpolicy@azdes.gov](mailto:DDDpolicy@azdes.gov).

## **550 SERIOUS EMOTIONAL DISTURBANCE IDENTIFICATION**

EFFECTIVE DATE: **XX/XX/XXXX**

REFERENCES: A.R.S. 36-550, A.A.C. R9-21-101(B); AMPM 500; Division Medical Policy 320-P

### **PURPOSE**

This policy establishes requirements for the formal identification of Members who meet Serious Emotional Disturbance (SED) criteria and the coordination process to ensure access to care.

### **DEFINITIONS**

1. "Behavioral Health" means mental health and substance use collectively.
2. "Member" means the same as "Client", a person receiving developmental disabilities services from the Division, as defined in A.R.S. § 36-551.
3. "Responsible Person" means an adult with a developmental disability who is a Member or an applicant for whom no guardian has been appointed, the parent or guardian of a minor with a developmental disability, or the guardian of an adult with a developmental disability.

4. "Service Provider" means an agency or individual operating under a contract or service agreement with the Department to provide services to Division Members.

## **POLICY**

### **A. GENERAL REQUIREMENTS**

1. The Division shall require the AdSS ensure that Behavioral Health Service Providers serving Members under the age of 18 are familiar with the SED identification process and perform regular screening and assessment as required in:
  - a. AMPM Chapters 400,
  - b. AMPM Chapter 500, and
  - c. AMPM Policy 320-O.
2. The Division shall require the AdSS ensure that Behavioral Health Service Providers who serve all Members 6-18 years of age with Behavioral Health conditions utilize the Child and Adolescent Level of Care Utilization System (CALOCUS) and are trained in its use as a component of the SED identification process as referenced in AMPM 580.

3. The Division shall require the AdSS to ensure all Members up to 18 years of age be evaluated for SED eligibility by a qualified clinician, if the Responsible Person makes such a request, and the Member has or is believed to have a qualifying diagnosis pending assessment or evaluation.
4. The Division shall require the AdSS to ensure that Behavioral Health Service Providers refer to the SED Diagnosis List published on the AHCCCS Medical Coding Page of the AHCCCS website for a list of qualifying diagnoses.
5. The Division shall require the AdSS to ensure that Behavioral Health Service Providers include in the Member's medical record all documentation that was considered during the review of SED identification, including current or historical treatment records, and in accordance with AMPM Policy 940.
6. The Division shall require the AdSS to ensure that Behavioral Health Service Providers maintain the Member's medical record in either hardcopy or electronic format.

**B. CRITERIA FOR SERIOUS EMOTIONAL DISTURBANCE IDENTIFICATION**

1. The Division shall require the AdSS ensure that Behavioral Health Service Providers use SED identification criteria which includes both:
  - a. A qualifying SED diagnosis, and
  - b. A functional impairment as a result of the qualifying diagnosis.
  
2. The Division shall require the AdSS ensure Behavioral Health Service Providers use the following guidelines when determining if the Member meets the functional impairment criteria for SED, in at least one of the following domains, for most of the past three months with an expected continued duration of at least three months:
  - a. Serious disruption to family or community which can include any of the following:
    - i. Pervasive or imminent danger to self or others' bodily safety;
    - ii. Regular engagement in assaultive behavior;
    - iii. Arrest, incarceration, hospitalization or at risk of confinement because of dangerous behavior;

- iv. Persistent neglect or abuse 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 that causes significant damage to the Member's education or personal relationships and puts the Member at risk of displacement.
- b. Dysfunction in role performance which can include any of the following:
- i. Frequent disruption or in trouble at home or at school;
  - ii. Frequent suspension or expulsion from school;
  - iii. Major disruption of role functioning;
  - iv. Requirement of structured or supervised school setting;
  - v. Performance significantly below expectation for cognitive or developmental level; or

- vi. Inability to attend school or meet other developmentally appropriate responsibilities or milestones.
- c. Risk of deterioration which can include any of the following:
  - i. A qualifying diagnosis with probable chronic, relapsing, and remitting course;
  - ii. Co-morbidities;
  - iii. Persistent or chronic factors such as social isolation, poverty, extreme chronic stressors;
  - iv. Past psychiatric history;
  - v. Gains in functioning have not solidified or are a result of current compliance only;
  - vi. Court-ordered; or
  - vii. Care is complicated and requires multiple Providers.
- 3. The Division shall require the AdSS ensure Behavioral Health Service Providers complete a CALOCUS for each Member and a CALOCUS level of care of 2, 3, 4, 5, or 6 is required to meet the SED identification requirement.

**C. INDIVIDUALS WITH CO-OCCURRING SUBSTANCE USE**

1. The Division shall require the AdSS ensure that Behavioral Health Service Providers utilize the following criteria for Members with co-occurring substance use for purposes of SED identification:
  - a. For psychotic diagnoses other than substance-induced psychosis, 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 by:

- a) Looking 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
- b) Establishing that the symptoms and resulting disability were no longer present after the 30 or 60 day period or 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 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 identification purposes; and
- 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 identification process.

**D. PROCESS FOR COMPLETION OF FORMAL SED IDENTIFICATION**

1. The Division shall require the AdSS ensure Behavioral Health Service Providers confirm Members have an AHCCCS ID to input information into the DUGless Portal.
2. The Division shall require the AdSS ensure Behavioral Health Service Providers coordinate with the ACC-RBHA Contractor or

TRBHA to ensure the Member's eligibility records are created in instances where an AHCCCS ID is not found or an enrollment is not active.

3. The Division shall require the AdSS ensure Behavioral Health Service Providers coordinate with the identified ACC-RBHA Contractor or TRBHA to receive the AHCCCS ID number and open enrollment for the Provider to input the information into the DUGless Portal to complete the process of SED identification.
4. The Division shall require the AdSS ensure Behavioral Health Service Providers meet the following requirements for the completion of SED Identification DUGless Portal entry:
  - a. If a Member under the age of 18 is identified by the Behavioral Health Provider as meeting criteria for SED, the Behavioral Health Provider shall submit the following three elements into the DUGless Portal:
    - i. The SED qualifying diagnosis from the SED qualifying diagnoses list published on the AHCCCS Medical Coding Page of the AHCCCS website;

- ii. For a Member over the age of six who is not a FFS Member, enter a CALOCUS score with date completed;
- iii. For a Member under the age of six who is not a FFS Member, enter 99 as a CALOCUS score is not validated for this age category;
- iv. For FFS Members, enter 99 as the CALOCUS tool is recommended but not required; and
- v. SED identification selection of “yes” or “no” option with the “yes” option indicating that the Member under age 18 is identified SED and the “no” option is in the removal of the SED identification process as described below.
  - b. The Behavioral Health Provider shall communicate the SED qualifying diagnosis and CALOCUS score, if applicable, resulting in the SED identification to the Member and Responsible Person and document this communication in the medical record;

- c. The Behavioral Health Provider is required to reassess the Member and update the CALOCUS at least every six months or more often as clinically indicated and shall submit updated results into the DUGless Portal as described above at the time of re-assessment;
- d. Behavioral Health Service Providers shall complete a DUGless Portal entry for Members up to the age of 18 for SED identification even when the Member has completed an SMI determination at age 17.5 years to ensure SED identification through age 18.

**E. REMOVAL OF SED IDENTIFICATION**

- 1. The Division shall require the AdSS ensure Behavioral Health Service Providers remove the SED identification when the Behavioral Health Provider's comprehensive assessment determines that the Member no longer meets the diagnostic or functional limitation criteria for SED identification.
- 2. The Division shall require the AdSS ensure Behavioral Health Service Providers complete the following in the event removal of SED identification is warranted:

- a. Revise the Member's following information in the DUGless Portal:
  - i. For a Member over the age of six who is not a FFS Member, enter a CALOCUS score with date completed;
  - ii. For a Member under the age of six who is not a FFS Member, enter 99 as a CALOCUS score is not validated for this age category;
  - iii. For FFS Members, enter 99 as the CALOCUS tool is recommended but not required; and
  - iv. SED identification entered as "no" option with the "no" option indicating that the Members under the age of 18 is no longer identified as SED.
- b. Communicate the assessed diagnostic change or functional limitation changes and CALOCUS score, if applicable, resulting in the removal of the SED identification to the Member and Responsible Person and document this communication in the medical record.

3. The Division shall require the AdSS ensure Behavioral Health Service Providers transition services appropriately as outlined in AMPM Policy 520.
4. The Division shall require the AdSS ensure Behavioral Health Service Providers remove the Member's SED Behavioral Health category if a Member under the age of 18 has discontinued or not engaged in Behavioral Health services for the previous six months, as applicable.
5. The Division shall require the AdSS ensure Behavioral Health Service Providers verify that the Member under the age of 18 has not accessed Behavioral Health services the previous six months and provide verification to the AHCCCS Technical Coordination Unit (TCU) to request the change of Behavioral Health category if the Member or Responsible Person requests removal of the SED Behavioral Health category.
6. The Division shall require the AdSS ensure Behavioral Health Service Providers note the specific cases listed above in (5) in the Member's record and utilize secure encrypted communication methods for further verification and resolution with AHCCCS.

**F. NON-TITLE XIX/XXI CARE COORDINATION REQUIREMENTS**

1. The Division shall require the AdSS ensure all Behavioral Health Service Providers are trained to connect Members under the age of 18 who are identified as meeting SED criteria to Non-Title XIX/XXI funded services within their Geographic Service Area (GSA).
2. The Division shall require the AdSS ensure Behavioral Health Service Providers open a non-titled enrollment within the ACC-RBHA network who are able to provide the identified service for the Member.
3. The Division shall require Tribal Health Program (THP) FFS Service Providers assist Members in accessing services utilizing NonTitle funding sources through referral and care coordination activities in partnership with the ACC-RBHA or TRBHA responsible for the administration of Non-Title XIX/XXI funding.
4. The Division shall require Service Providers to contact the Tribal ALTCS program of enrollment to determine whether a Member qualifies for a Non-Title XIX/XXI service.

DDD POLICY DRAFT

**SUPPLEMENTAL INFORMATION**

For information on NonTitle XIX/XXI funding and service coverage for Members under the age of 18 who meet SED criteria see AMPM Policy 320-T1 and AMPM Policy 320-T2.

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Signature of Signature of Chief Medical Officer

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Name

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Date