June 4, 2013

Mr. Richard Clark, PhD
Chief Executive Officer
Magellan Health Services of AZ, Inc.
4801 East Washington Street, Suite 100
Phoenix, Arizona 85034

Dear Mr. Clark:

RE: FY 2013 NON-TITLE XIX SMI ALLOCATION SPENDING PLAN APPROVAL

In January 2012, Governor Brewer released a proposed budget that included $38.7 million for community-based, recovery-oriented behavioral health services for individuals with Serious Mental Illness (SMI) who are not Title XIX/XXI eligible. The Governor was successful in securing these funds and the FY13 budget was approved. In May, 2012, the legislature appropriated the funding to the Arizona Department of Health Services (ADHS). In collaboration with the Tribal and Regional Behavioral Health Authorities (T/RBHAs), providers, members, family members and advocates, the Arizona Department of Health Services, Division of Behavioral Health Services (ADHS/DBHS) gathered input and recommendations for the most efficient and effective use of these funds based upon the needs of individuals within their communities. Thereafter, ADHS reviewed Magellan Health Services of Arizona’s (hereinafter Magellan) spending plan proposal; and distributed the funds to T/ RBHAS to initiate program development with providers and peer-run organizations to deliver services. The T/RBHA plans represent a significant paradigm shift, from the delivery of more traditional services, to a service delivery model that positions peer and family support as a central component of recovery.

ADHS initiated bi-weekly technical assistance meetings; working in partnership with Magellan to ensure the funded activities remained consistent with the model as envisioned. Through those meetings, ADHS has become aware of the critical need to build capacity in support of the paradigm shift. Accordingly, ADHS/DBHS has approved the funding for the expansion of the following services to support individuals with SMI:

Enhanced Peer Support and Outreach ........................................ $179,049.00 approved
Peer Training and Family Support Development............................ $603,068.00 approved
Additional Respite Services and Specialized Training....................... $156,397.00 approved
Expanded Outreach and Education and Training............................ $1,049,717.00 approved
Peer Navigation and Coordination of Care Development.................. $108,792.00 approved

FY 2013 NON-TITLE XIX SMI ALLOCATION SPENDING PLAN APPROVAL

Health and Wellness for all Arizonans
Additional Crisis Services can be funded as a critical service component and is to be used as an engagement and outreach opportunity to help identify Non-Title XIX SMI members.

Pursuant to A.R.S. 35-190, State General Funds must be expended (based on dates of service) by June 30, 2013.

Thank you for your ongoing commitment to the funding principles and the needs of Non-Title XIX members in our service delivery system. We look forward to our continued work to provide community-based, recovery-oriented behavioral health services for individuals with serious mental illness.

Regards,

[Signature]

Pat Benchik
Assistant Deputy Director

Cc: Cory Nelson, Deputy Director
    BHSContractCompliance