



ARIZONA PSYCHIATRIC SOCIETY

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March 9, 2017

The Honorable Doug Ducey
Governor of the State of Arizona
1700 West Washington Street
Phoenix, AZ 85007

Mr. Thomas J. Betlach
Director AHCCCS
Office of Intergovernmental Relations
801 E. Jefferson Street, MD 4200
Phoenix, AZ 85034

RE: Arizona Medicaid Restriction of 15-day stays in Institutions for Mental Disease (IMD);
Arizona 1115 Request for Waiver of IMD Exclusion

Dear Governor Ducey and Mr. Betlach:

On behalf of the over 440 psychiatric physician members of the Arizona Psychiatric Society (APS), the purpose of this letter is to express the support of APS for the request for a waiver from The Centers for Medicare and Medicaid Services (CMS) from AHCCCS on the 15-day stay limitation.

One of the objectives of the Arizona Psychiatric Society is to promote the welfare of all those with mental illness, improve treatment, advance the standards of psychiatric services and facilities, and to promote the best interests of patients and those actually or potentially making use of mental health services.

The Arizona Health Care Cost Containment System (AHCCCS), Arizona Medicaid Agency, is submitting a Section 1115 Waiver Amendment to the Center of Medicare and Medicaid Services (CMS). The objective of the waiver is to maintain and enhance beneficiary access to behavioral health services in the facility most appropriate to their needs. Specifically, the intent of the waiver is to allow the Institution for Mental Disease (IMD) to provide reimbursable services to Medicaid recipients for stays in excess of 15 days.

For the past 15 years, Arizona utilized Institutions for Mental Disease (IMD) "in lieu of" hospital setting in order to provide access to psychiatric and substance use disorder treatment in a most cost effective fashion. However, Center for Medicare and Medicaid Services (CMS) issued a regulation limiting adult Medicaid beneficiaries stays in Institution for Mental Disease (IMD) to 15 days per month. If the stay exceeds the 15 days, the state Medicaid program loses the ability to receive matching funds for the stay, and the IMD program loses funds for all services rendered during that stay.

March 9, 2017

Page 2

Non-IMD capacity for inpatient treatment of patients with mental illness has not changed over the last 15 years and the number of people who need inpatient mental health treatment has not decreased.

The problem with limiting IMD stays to 15 days or less is that it will place Medicaid members at risk. Lack of appropriate facilities for these patients will clog hospital Emergency Departments and Medical-Surgical Inpatient services. Furthermore, patients who are not yet mentally stable and are released from IMD facilities prematurely may be imprisoned for petty crimes. Both of these environments are likely to further exacerbate symptoms of mental illness and in the long run will further increase the cost of treatment.

Arizona Psychiatric Society strongly supports the action to permit Arizona to allow Institutions for Mental Disease (IMD) to continue to provide psychiatric and substance use disorder services "in lieu of" hospital settings.

Respectfully,

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