

# Arizona Health Care Cost Containment System

## Review of Selected Behavioral Health Services

### 30-Month Followup of Report 22-111

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The September 2022 Arizona Health Care Cost Containment System (AHCCCS)—Review of Selected Behavioral Health Services performance audit is the second of 3 audit reports we issued as part of AHCCCS’ sunset review. The first audit found that AHCCCS terminated health insurance coverage for some Native American children contrary to regulations and failed to timely disenroll members from healthcare coverage who were no longer eligible, resulting in unnecessary spending. The third audit found that AHCCCS contracts with health plans to provide healthcare services to members in the State but had not timely investigated fraud or abuse incidents and reviewed health plans, correctly made all eligibility determinations, ensured health plans oversee providers in 2 key areas, and established all Housing Program and Administrator oversight processes.<sup>1</sup>

Our September 2022 AHCCCS performance audit found that AHCCCS reported providing behavioral health services to more than 583,000 members in fiscal year 2021 and had contracted for assessments of its behavioral health performance and various services but did not ensure all peer specialists met qualification and supervision requirements, potentially jeopardizing the quality of services provided to members. We made **1** recommendation to AHCCCS.

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<sup>1</sup> For more information on the 2 additional audit reports we issued as part of AHCCCS’ sunset review, including any applicable followup reports, see [Report 22-103](#) and [Report 22-112](#).

# AHCCCS's status in implementing 1 recommendation

Implementation status	Number of recommendations
 In process	1 recommendation

We will conduct a 42-month followup with AHCCCS in spring 2026 on the status of the recommendation that has not yet been implemented.

## Recommendations to AHCCCS

### Finding 1: AHCCCS did not ensure all peer specialists met qualification requirements, and some of these and other peer specialists were not supervised, potentially jeopardizing the quality of peer support services provided to members

1. AHCCCS should ensure that peer specialists meet qualification requirements and are supervised as required by developing and implementing monitoring processes, such as assessing compliance with these requirements during its 3-year reviews of contracted health plans.

► Status: **Implementation in process.**

AHCCCS has established various qualification requirements for peer specialists that are consistent with guidance from the Centers for Medicare and Medicaid Services (CMS), including that they have a lived experience of mental health conditions or substance abuse, a willingness to share this experience, and general minimum supervision requirements for each practitioner type in its State Plan with CMS.<sup>2</sup> AHCCCS has directed its contracted health plans to oversee the provision of peer support services provided by peer specialists, including that peer specialists meet qualification requirements and are appropriately supervised.<sup>3</sup>

Through its 3-year operational reviews of its contracted health plans, AHCCCS has established a process for reviewing contracted health plan's oversight of peer specialist providers to help ensure that these providers have developed and complied with policies and procedures establishing qualification and supervision requirements for peer specialists.<sup>4</sup> This process requires contracted health plans to obtain and provide

<sup>2</sup> The Arizona State Plan is an agreement between Arizona and the federal government that describes how Arizona will administer its Medicaid program.

<sup>3</sup> AHCCCS contracts with private health plans to oversee network providers who employ individual peer specialists to provide peer support services.

<sup>4</sup> In addition to its 3-year reviews, AHCCCS requires its contracted health plans to collect and submit to AHCCCS on a quarterly basis information related to each peer specialist's continuing education, supervision hours, and peer specialist credentials. AHCCCS reported it reviews this information for completeness and will contact the contracted health plan to ask about incomplete information but does not otherwise review or verify the provided information.

to AHCCCS these policies and procedures for a random sample of peer specialist providers selected by AHCCCS.

Additionally, this process requires AHCCCS to determine if these policies and procedures include:

- Peer specialist minimum qualification and other credentialing requirements.
- Requirements for documenting both clinical and administrative supervision of peer specialists in accordance with supervision requirements based on peer specialist type.
- Requirements for a minimum of 4 hours of continuing education and ongoing learning.

Further, the process requires AHCCCS to assess whether the contracted health plan has a process for overseeing providers who employ peer specialists.

Our review of a 3-year operational review of a contracted health plan that AHCCCS completed in March 2024 found that AHCCCS followed its process for reviewing peer specialist provider policies and procedures and contracted health plan oversight of its peer specialist providers.<sup>5</sup> Additionally, the contracted health plan provided AHCCCS with a summary of findings to demonstrate its oversight process, including assessing peer specialist compliance with provider policies and procedures, for 1 provider it reviewed. Specifically, the contracted health plan found that 11 of 12 peer specialists reviewed did not meet the provider's clinical and administrative supervision requirements. In its summary of findings, the contracted health plan requested the provider address the noncompliance and provided corrective action steps to the provider for doing so.

Although the contracted health plans can demonstrate their oversight of peer specialist providers by reviewing individual peer specialist compliance with their provider's policies and procedures, as indicated in the example above, the contracted health plan provided documentation of only reviewing individual peer specialist compliance with policies and procedures for 1 provider. By not conducting and providing documentation of this review for a sample of providers, the contracted health plans and AHCCCS may not identify additional peer specialists who have not complied with qualification and supervision requirements. Additionally, AHCCCS reported that for the example above, it did not review or otherwise follow up with the contracted health plan or the provider to ensure that corrective actions were taken, which would similarly impact AHCCCS' ability to ensure that peer specialists who work with AHCCCS members meet qualification and supervision requirements. We will further assess AHCCCS' process for ensuring peer specialists meet all requirements during our next followup.

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<sup>5</sup> We judgmentally selected this 3-year operational review from 4 3-year operational reviews AHCCCS conducted of contracted health plans in calendar year 2024.