

NOTICE REGARDING AGREEMENT AFFECTING THE CLASS
ARNOLD v. ADHS
CV0000-432355

I. PURPOSE

This notice is to inform you of a proposed settlement in the *Arnold v. ADHS* case. As a class member you are entitled to notice and an opportunity to comment on or object to the proposed settlement. The Court has scheduled a hearing for, February 27, 2014 at 9:00 a.m. to determine whether the settlement is fair and reasonable.

II. BACKGROUND

On May 17, 2012, the Parties agreed to an interim two year agreement that expires on June 30, 2014 (the “2012 Agreement”). The 2012 Agreement required the development of specific community based services for Class Members. The 2012 Agreement was approved and made an order of the court. Governor Brewer approved a budget increase of \$38.7 million to fund these services.

Pursuant to the 2012 Agreement, the Arizona Department of Health Services (“ADHS”) adopted nationally recognized standards for community based services endorsed by the Substance Abuse and Mental Health Services Administration (“SAMHSA”) and incorporated those standards into the next Maricopa County Regional Behavioral Health Authority (“RBHA”) contract for services to the class.

The 2012 Agreement required an independent process to assess the service capacity for supported employment, supported housing, ACT services and peers supports. This was completed in 2013.

The Parties agreed to meet beginning July 2013 to negotiate further court orders and to discuss the criteria for the termination of the litigation.

During the 2013 legislative session, Governor Brewer proposed the Arizona Legislature adopted a program to restore, and increase eligibility for, Arizona’s childless adult Medicaid population (collectively “Restored Medicaid Program”). Beginning in 2014, the Restored Medicaid Program will provide increased funding for necessary services to the Class Members. In addition, Class Members who do not qualify under the Restored Medicaid Program will be eligible for subsidized health insurance funded by the Affordable Care Act, further increasing the system’s ability to meet their mental health needs. These two factors and Governor Brewer’s strong commitment to provide services to persons with serious mental illness have allowed the parties to reach an agreement on the termination of this litigation.

III. PROVISIONS OF THE AGREEMENT

A. Service Development

During Fiscal Years 2015 and 2016 (July 1, 2014 – June 30, 2016), ADHS will develop the following additional service capacity:

- Supported Housing services for 1200 class members
- Supported Employment services for 750 class members
- 8 Assertive Community Treatment (“ACT”) teams, some of which may be specialized teams
- Consumer Operated services for 1500 class members

In Fiscal Year 2017 (July 1, 2016 – June 30, 2017), ADHS will develop the following additional services unless the service capacity assessment indicates the services are not needed:

- Supported Housing services for 300 class members
- Supported Employment services for 500 class members
- 5 ACT teams, some of which may be specialized teams

B. Process for Assessing Service Capacity Needs

ADHS will use an independent entity to conduct an annual service capacity assessment to determine whether there are adequate community based services to meet the Class Members needs with a focus on Supported Employment, Supported Housing, ACT and Consumer Operated services. ADHS will use the information from this independent assessment to develop its annual budget and the Governor will use this information to develop the Governor’s annual budget to the Arizona Legislature in accordance with A.R.S. § 35-111.

C. Service Standards

ADHS will require through its contract that all providers of ACT, Supported Housing, Supported Employment, and Consumer Operated services comply with the SAMHSA standards for these services. In 2014, ADHS will use consultants from SAMHSA and the National Association of State Mental Health Program Directors to evaluate providers based on these standards and to train ADHS and Regional Behavioral Health Authority staff to evaluate providers based on these standards on an ongoing basis.

D. Arizona State Hospital

ADHS will not use the Arizona State Hospital (“ASH”) for acute admissions but may continue to use ASH for Class Members who need long-term inpatient treatment, but only to the extent the community living arrangements and services are not appropriate to meet the needs of individual Class Members and will further ensure that the census does not exceed fifty-five class members.

E. Supervisory Care Homes

ADHS will continue to offer community living arrangements to class members in supervisory care homes.

F. Jail Diversion

Maricopa County will further develop programs designed to divert Class Members from incarceration when appropriate.

G. Termination of the Litigation and Continued Court Jurisdiction to Enforce the Stipulation

The case will be dismissed pursuant to Ariz. R. Civ P. 41(a) in 2014 by agreement of Plaintiffs, the Governor, ADHS, and the County. The joint motion will authorize the Court to retain ongoing jurisdiction to enforce this Stipulation.

After dismissal, Plaintiffs may bring an action to enforce this Stipulation for failure to substantially comply with its terms.

IV. APPROVAL PROCESS

On January 13, 2014 the Court made a preliminary finding that the proposed Stipulation is fair, adequate and reasonable and has scheduled a hearing for February 27, 2014 at 9:00 a.m. at 125 W. Washington St., Phoenix. You are welcome to attend.

This settlement is subject to the Court’s final approval. Any Class Member who wants to object or comment must file a written objection or comment with Plaintiffs’ counsel Anne Ronan at Arizona Center for Law in the Public Interest, 202 E. McDowell Rd. Suite 153, Phoenix Arizona 85004 by February 14, 2014. A copy of the Stipulation is on the Center’s website <http://aclpi.org> as well as ADHS’s website. <http://www.azdhs.gov/>

If you have any questions you may contact Ms. Ronan at (602) 258-8850.