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## Around the States: State and Local Behavioral Health Financing News

### Alabama

- **Legislature Places Health Reform Opt Out Amendment on Ballot:** On June 9, the **Alabama Senate** approved legislation (**HB 60**) authorizing a November 2012 ballot measure that would enact a constitutional amendment allowing Alabamans to opt out of the national health care reform law. Approved by the **Alabama House** in April, the bill will allow voters to decide whether to amend the state constitution to say that “a law or rule shall not compel, directly or indirectly, any person, employer, or health care provider to participate in any health care system.” The bill goes directly to the ballot because it does not require gubernatorial authorization ([The Birmingham News, 6/9](#); [Kaiser Health News, 6/10](#)).

### California

- **Imperial County Supervisors Extend Behavioral Health Contracts:** The Imperial County Supervisors have extended to two behavioral health contracts to expand behavioral health services. One contract with Spectrum Advertising will provide \$64,000 through June 2012 for a campaign to reduce the stigma associated with mental illness. The other contract, a \$330,000 amendment to a contract with CHARLEE Family Care, will finance the expansion of mental health services provided by CHARLEE. The county will provide 10 percent of the funding and Medicaid will provide the remaining 90 percent ([KXO, 6/7](#)).

### Connecticut

- **Update: Senate Approves Sustinet Bill, Public Option not Guaranteed:** On June 6, the **Connecticut Senate** approved legislation (**HB 6308**) to establish an advisory board designed to provide state policymakers with recommendations for improving state health policy and financing. Outlined in a July 2009 law, the Sustinet health program is designed to expand access to health care while slowing cost growth. Under the current bill, Sustinet is not committed to offer state residents a public health plan but may ultimately do so. The **Sustinet Health Partnership Board of Directors** originally recommended establishing a public health plan as part of Sustinet. The bill now goes before **Governor Dannel Malloy** (D) ([The Connecticut Mirror, 6/6](#); [Kaiser Health News, 6/7](#)).

### Florida

- **Sarasota County Commissioners Enact Pain Management Clinic Regulations to Address Substance Abuse:** On June 7, the Sarasota County Commissioners approved new regulations governing pain management clinics, enforcing stricter controls than Florida's newly enacted prescription drug abuse reduction law. While the state law requires pharmacies to update the state's prescription drug monitoring program (PDMP) after filling prescriptions for controlled substances, the county's regulations require physicians at pain management clinic to check the database before prescribing controlled substances. Sarasota County's regulations also stipulate that pain management clinics may not be cash-only operations. New county zoning rules also require that the clinics not share property with pharmacies ([Herald-Tribune, 6/9](#)).

## Iowa

- **House Approves Budget Including Mental Health Reform Plan:** On June 8, the **Iowa House** approved a \$6 billion FY2012 budget (**HF 697**), including a plan to reform the current \$1.3 billion mental health system under which counties are responsible for most mental health services. The budget would require a seven-month study of state mental health system issues, after which state officials would provide the legislature with policy recommendations to reduce costs and enhance effectiveness. The budget now goes before the **Iowa Senate** ([Des Moines Register, 6/9](#)).

## Louisiana

- **Orleans Parish Mental Health Court Restarts Using Federal Funding:** After closing following Hurricane Katrina, in May, the Orleans Parish mental health court reopened using a \$100,000 federal grant. Originally launched over 10 years ago, the court served 160 clients at its peak. The court provides offenders with mental health treatment and wraparound services in lieu of jail time. Court officials have also applied for a \$400,000 federal grant to improve screening and treatment referrals for potential clients ([The Times-Picayune, 6/13](#)).

## Maine

- **Committee Approves \$6.1 Billion Budget Avoiding Substance Abuse Funding Cuts:** On June 9, the **Maine Legislature Appropriations Committee** approved a two-year \$6.1 billion budget that would allocate nearly all \$18 million from Maine's state tobacco settlement fund for its originally intended purpose. **Governor Paul LePage's** (R) budget proposed reallocating the funds to support the state's Medicaid program. Lawmakers opposed to the cuts said they would have resulted in the closure of 10 residential substance abuse treatment facilities and reduced funding for tobacco prevention services. The budget now goes before both houses of the legislature ([Kennebec Journal, 6/11](#); [MPBN, 6/10](#)).

## Minnesota

- **State Finds Health Spending Totaled \$36 Billion in 2009:** The **Minnesota Department of Health's** (DPH) **Health Economics Program** has released a [report](#) finding that cumulative (federal, state, local, and private) health care spending in Minnesota totaled \$36 billion in 2009, an increase of 3.8 percent over 2008. In addition, the authors project an average 7.6 percent annual growth rate for total health spending until 2019. Commissioned as part of the state's 2008 health reform law, the study estimated that total health spending would reach \$78 billion within 10 years had Minnesota not enacted health reform ([Grand Rapids Herald-Review, 6/10](#)).

## Missouri

- **Update: Governor Signs \$23 Billion Budget, Reduces Medicaid Funding:** On June 10, **Governor Jay Nixon** (D) signed the \$23 billion FY2012 budget approved by the **Missouri Legislature** on May 5. The budget provides \$8.4 billion for Medicaid, including \$95.8 million to address anticipated program growth. However, as part of \$172 million in line-item vetoes necessary to finance disaster recovery efforts, Governor Nixon reduced Medicaid funding by \$13.9 million. The budget also includes \$13.8 million to continue funding for the Missouri Rx Plan, a prescription drug program serving approximately 212,000 low-income seniors and individuals with disabilities. The program covers half of beneficiaries'

deductibles and copayments for prescription drugs. In addition, the budget includes \$60 million in federal funding for health care technology initiatives ([St. Louis Post-Dispatch, 6/11](#); [St. Louis Public Radio, 6/10](#)).

### New York

- **Long Island School Opening Substance Abuse Treatment Clinic:** William Floyd High School in Long Island will open an in-school substance abuse treatment clinic this August. The first of its kind statewide, school officials say the clinic is necessary to address an exponential increase in substance abuse problems. Daytop Treatment Services will operate the clinic ([Reuters, 6/8](#); [Join Together, 6/9](#)).

### North Carolina

- **Update: Governor Vetoes \$19.7 Billion Budget That Would Reduce Community Mental Health Funding:** On June 12, **Governor Beverly Perdue** (D) vetoed a two-year budget that would have spent \$19.7 billion next fiscal year and reduced funding for community mental health services by \$27.2 million. Approved by the **North Carolina Legislature** on June 4, the budget would have saved \$46.4 million through Medicaid provider reimbursement rate changes, including a 2 percent reduction to most providers. Additionally, the budget would have saved \$62.9 million by eliminating automatic inflationary increases in Medicaid reimbursement rates. Finally, the budget would have achieved \$90 million in additional Medicaid savings through the expanded use of managed care, \$15 million through the increased use of generic drugs, and \$10.8 million through changes to pharmacy services. The legislature now has an opportunity to override Governor Perdue's veto ([The Charlotte Observer Newspaper, 6/13](#); [WRAL, 6/12](#)).

### Oklahoma

- **Think Tank Projects State Medicaid Costs will Represent Half of State Budget by 2023:** On May 18, the Oklahoma Council of Public Affairs released a [projection](#) estimating that state Medicaid costs under the national health care reform law will grow to \$6.5 billion by 2023, constituting over half of the state budget. The conservative think tank also estimates that the percentage of residents covered through Medicaid will grow from 23 percent to 36 percent over that period. In addition, the authors estimate that 100,000 individuals who are already Medicaid eligible will enroll in the program after 2104. However, while the coverage expansion for newly eligible individuals is initially fully federally funded, the state will receive only the standard federal matching rate for enrolling individuals who were Medicaid eligible prior to the expansion ([Tulsa World, 6/9](#)).

### Oregon

- **Budget Committee Considering \$11.9 Billion OHA Budget:** A subcommittee of the **Oregon Legislature Budget Committee** is currently considering an \$11.9 billion budget for the **Oregon Health Authority** (OHA) that would spend \$1.7 billion in state general funds. The budget would achieve \$239 million in savings through the increased use of coordinated care ([Statesman Journal, 6/9](#)).

## Texas

- **Update: House Approves Medicaid Waiver Bill:** On June 10, the **Texas House** approved legislation (**HB 13**) that would require the state to seek a federal Medicaid waiver to save approximately \$700 million through Texas' Medicaid program. Under the bill, Texas would apply for a **Centers for Medicare & Medicaid Services (CMS)** waiver to allow the state to expand state-subsidized private health coverage, implement Medicaid copayments, and make additional programmatic changes to improve cost efficiency. The bill now goes before the **Texas Senate** and will take effect immediately, if approved by a two-thirds majority ([The Texas Tribune, 6/10](#); [Kaiser Health News, 6/13](#)).
- **Update: House Approves Health Financing and Service Delivery Reform:** On June 9, the **Texas House** approved legislation (**SB 7**) designed to reform health care financing and service delivery in Texas. An amalgamation of three previous bills that expired during the legislature's regular session (**SB 7**, **SB 8**, and **SB 23**), the legislation would save \$290 million through expanded use of managed care and \$51 million through restrictions on prescription drugs. In addition, the bill would authorize reduced Medicaid and Children's Health Insurance Program (CHIP) reimbursements for cases of preventable readmissions and complications, and save \$15.9 million by transferring children from the Texas State Kids Insurance Program (SKIP) to CHIP. The bill would also establish a copayment for unnecessary emergency room visits under Medicaid and CHIP and offer incentives to providers that reduce waste and improve the quality of care. Finally, the bill would rename and alter the **Texas Health Care Policy Council**, which studies ways to improve health care in Texas. Under the bill, the council would become the **Texas Institute of Health Care Quality and Efficiency** and would develop a plan to improve care through performance-based payments and innovative health care models. The measure now goes before a legislative conference committee ([The Texas Tribune, 6/8](#); [Kaiser Health News, 6/9](#)).