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Around the States: State and Local Behavioral Health Financing News

Arizona

- **Update: Public Interest Groups File Brief Requesting Injunction on Medicaid Eligibility Freeze:** On June 16, the three public interest law groups challenging Arizona's FY2012 Medicaid eligibility freeze filed a brief with the **Arizona Supreme Court** requesting an injunction on the freeze until the court hears their case. Citing potential irreparable harm to affected individuals, the plaintiffs' brief also requests an expedited hearing. Currently scheduled for a hearing on September 20, the case challenges the Medicaid enrollment freeze for adults earning over 75 percent of the federal poverty level (FPL), approved as part of Arizona's FY2012 budget. Contingent upon **U.S. Department of Health and Human Services** (HHS) approval, the freeze is scheduled to take effect July 1, and state officials estimate it will save \$207 million. The suit alleges that the freeze violates the state constitution because it effectively repeals a voter-approved measure (**Proposition 204**) expanding coverage to all adults earning up to 100 percent of the FPL ([The Arizona Republic, 6/16](#); [Kaiser Health News, 6/17](#)).

Colorado

- **RE-1 Valley School District Receives \$7,000 Suicide Prevention Grant:** The **Colorado School Safety Resource Center**, in conjunction with the **Colorado Department of Human Services' Division of Behavioral Health**, has awarded a \$7,000 School Safety and Substance Abuse Prevention grant to RE-1 Valley School District to support suicide prevention efforts. The grant will fund staff training for the district's Student Care and Recovery Team ([Journal-Advocate, 6/18](#)).

Florida

- **Update: Legislature Postpones Medicaid Cuts:** Although the **Florida Agency for Health Care Administration** (AHCA) set June 20 as the deadline for hospitals to provide voluntary contributions to address a \$45 million shortfall, the AHCA has failed to obtain the requisite legislative approval to enforce the deadline. Originally, AHCA officials told hospitals that if they had not raised the funds by June 20, Florida would reduce Medicaid hospital reimbursement rates until June 30, retroactive to January 1. However, an intergovernmental transfer like the one the AHCA requested on May 24 requires approval from the **Florida Legislative Budget Commission** and legislators did not place the measure on the commission's agenda for the week of June 20. State officials opposed to the proposal say AHCA has additional funds that can cover the shortfall. Hospital officials said the cut would result in the loss of \$123 million, including federal funds ([The News-Press, 6/19](#)).

Iowa

- **State Delays Medicaid Reimbursements to Balance DHW Budget:** On June 20, the **Iowa Department of Health and Welfare** (DHW) delayed \$13 million in Medicaid hospital reimbursements until July. Under state law, all departments must finish the fiscal year with a balanced budget. DHW officials say the delay will allow them to meet that requirement ([KTVB, 6/20](#)).

Louisiana

- **Update: Senate Approves \$25 Billion Budget with Increased Health Funding:** On June 19, the **Louisiana Senate** approved a \$25 billion FY2012 budget that allocates \$200 million that the **Louisiana House** originally cut from **Governor Bobby Jindal's** (R) budget proposal, including state health funds. The increased health funding will maintain outpatient mental health services and finance the implementation of a plan to use coordinated care to reduce Medicaid costs. Under the budget, the program will begin coordinating care for approximately 800,000 Medicaid beneficiaries in January, providing health coverage through private insurers and offering financial incentives for preventive and primary care. The budget now goes back to the **Louisiana House** ([The Times-Picayune, 6/15](#); [The Times-Picayune, 6/19](#)).

Maine

- **Update: Legislature Approves \$6 Billion Budget Avoiding Substance Abuse Funding Cuts:** On June 16, the **Maine Senate** approved a two-year \$6 billion budget that would allocate nearly all \$18 million from Maine's state tobacco settlement fund for its originally intended purpose. Approved by the **Maine House** the previous day, the budget avoids the closure of 10 residential substance abuse treatment facilities and the reduction of funding for tobacco prevention services that would have occurred under **Governor Paul LePage's** (R) proposed budget. Governor LePage proposed reallocating the settlement funds to support the state's Medicaid program. The budget now goes before the governor ([The Herald Gazette, 6/16](#)).

Minnesota

- **Update: Governor Proposes Government Shutdown, Health Reimbursements Affected:** Because state officials have yet to reach a budget compromise, on June 15, **Governor Mark Dayton** (D) proposed a government shutdown that would affect health services. Governor Dayton vetoed the **Minnesota Legislature**-approved budget on May 24. Under a shutdown, state health programs would not reimburse providers or accept new beneficiaries. A judge will decide whether to approve the shutdown on June 23 ([Star Tribune, 6/16](#); [Kaiser Health News, 6/16](#)).

North Carolina

- **Update: Legislature Overrides Budget Veto, Reduces Community Mental Health Service Funding:** On June 15, the **North Carolina Legislature** overrode **Governor Beverly Perdue's** (D) veto of a two-year budget that will spend \$19.7 billion in the next fiscal year and reduce funding for community mental health services by \$27.2 million. Governor Perdue vetoed the budget on June 12. Taking effect July 1, the budget will save \$46.4 million through Medicaid provider reimbursement rate changes, including a 2 percent reduction for most providers. Additionally, the budget will save \$62.9 million by eliminating automatic inflationary increases in Medicaid reimbursement rates. Finally, the budget will achieve \$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 ([AP via Forbes, 6/16](#)).

Ohio

- **Senate Approves \$55.7 Billion Budget With Medicaid Changes:** On June 8, the **Ohio Senate** approved a two-year budget that would spend \$55.7 billion in the next fiscal year, including \$18.8 billion on Medicaid. A \$1 billion increase in Medicaid funding, the budget includes Medicaid reforms proposed by **Governor Jon Kasich** (R), including expanded use of managed care for high-cost beneficiaries and improved care integration for individuals with severe mental illnesses. A legislative conference committee will now address differences between the Senate and **Ohio House** budgets ([Dayton Daily News, 6/19](#); [AP via Business Week, 6/16](#); [Kaiser Health News, 6/15](#)).
- **Nationwide Children's Hospital Opening Youth Mental Health Crisis Unit:** Using \$210,000 from the Franklin County Alcohol, Drug and Mental Health Board, Nationwide Children's Hospital is opening a youth mental health crisis unit. Serving Franklin County residents, the unit will provide mental health services, family support, and assistance transitioning to community-based care ([The Columbus Dispatch, 6/20](#)).

Oregon

- **Update: Senate Approves OHA Budget Saving \$239 Million through Coordinated Care:** On June 14, the **Oregon Senate** approved an \$11.9 billion budget for the **Oregon Health Authority** (OHA) that would spend \$1.7 billion in state general funds. A 10.7 percent increase over current spending levels, the budget would achieve \$239 million in savings through the increased use of coordinated care. The budget now goes before the **Oregon House** ([The Lund Report, 6/15](#)).

Pennsylvania

- **Montgomery County Community College Receives \$100,000 for Mental Illness Support Program:** The New York-based van Amerigen Foundation recently awarded the Montgomery County Community College \$100,000 to expand a program supporting students with mental illnesses. Started in 2006, the Partnership on Work Enrichment and Readiness (POWER) program provides college orientation, academic support services, and workforce training for students with mental illnesses. The grant will fund the development of the POWER for Transitional Age Youth (TAY) program, which will focus on students between the ages of 17 and 28 ([Plymouth-Whitemarsh Patch, 6/14](#)).

South Carolina

- **Update: State Closes DHHS Deficit:** On June 14, the **South Carolina Budget and Control Board** approved \$22 million in supplemental state funding for the **South Carolina Department of Health and Human Services** (DHHS). The allocation is the final step in addressing a \$228 million current-year Medicaid deficit. State officials now anticipate that the Medicaid program will finish the year with a small surplus ([AP via Ventura County Star, 6/14](#)).

Texas

- **Update: House Approves Bill Authorizing Interstate Health Compact:** On June 16, the **Texas House** approved legislation (**HB 5**) authorizing the state to establish a compact with other states to set rules governing the financing and provision of health care. The bill originally stalled during the **Texas**

Legislature's regular session but legislators revived it during the current special session. Designed to challenge of the national health care reform law, such a compact would require approval from the U.S. Congress. Under the bill, Texas would request federal block grant funding for Medicaid and Medicare and would oversee both programs within the state. The bill now goes before the **Texas Senate** ([The Texas Tribune, 6/15](#); [Kaiser Health News, 6/16](#)).

Virginia

- **Chesapeake Regional Medical Center to Close Geriatric Psychiatric Unit:** On July 15, the Chesapeake Regional Medical Center will close its 24-bed geriatric psychiatric unit. Hospital officials say the closure comes following the loss of \$1.5 million due to Medicare reimbursement changes since 2008 ([The Virginian-Pilot, 6/19](#)).
- **Arlington Public Schools Beginning Education Program for First-Time Alcohol and Marijuana Offenses:** On June 15, Arlington County officials announced a new program to serve as an alternative to criminal repercussions for alcohol or marijuana violations. Under the "Second Chances" program, first-time student offenders caught using alcohol or marijuana will participate in a three-day education program with their parents. The Arlington County Board provided \$130,000 for the program, while the non-profit Century Council provided \$50,000, and Arlington's READY Coalition provided \$20,000 for program evaluation. Program officials anticipate up to 200 students will participate when the program begins this fall ([WTOP, 6/15](#); [Arlington Public Schools, 6/15](#)).

Washington

- **Update: Governor Signs \$32 Billion Budget Reducing Medicaid Reimbursement Rates:** On June 15, **Governor Chris Gregoire** (D) signed a two-year \$32 billion budget that reduces Medicaid provider reimbursement rates and allocates state drug settlement funding to mental health programs. Approved by the **Washington Legislature** on May 25, the budget also saves \$130 million through reduced enrollment in the state's Basic Health Plan. Additionally, the budget allocates \$1.57 million for mental health services from Washington's share of a \$520 million federal settlement with **AstraZeneca Pharmaceuticals LP**, which ended the **U.S. Department of Justice's** (DOJ) investigation into the alleged illegal marketing of its antipsychotic drug, Seroquel. The allocations from the suit include \$700,000 for a **University of Washington** program supporting evidence-based youth mental health services, \$570,000 to support a prescriber access line for child mental health consultations, and \$300,000 to improve mental health drug prescribing practices ([The Herald, 6/16](#)).

Wisconsin

- **Update: Legislature Approves \$66 Billion Budget Reducing Medicaid Spending:** On June 15, the **Wisconsin Senate** approved a two-year \$66 billion budget for the biennium beginning July 1. The budget would reduce Medicaid spending by \$500 million over two years. In addition, the budget would convert the Wisconsin Resource Center into a 45-bed mental health facility to serve female state inmates, as required by a **U.S. Department of Justice** (DOJ) settlement. The budget now goes before **Governor Scott Walker** (R) ([Reuters, 6/17](#); [Wisconsin Public Radio, 6/16](#)).