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Around the States: State and Local Behavioral Health Financing News

Connecticut

- **Walgreens to Pay \$140,000 to Settle Allegations of Overcharging Public Health Programs:** Walgreen Co. has agreed to pay Connecticut and the federal government \$140,000 to settle allegations that the company charged public health programs multiple times for dually eligible beneficiaries. Federal officials claim that Walgreens filed duplicate charges for individuals dually eligible for Medicare and either Medicaid or ConnPACE, a state prescription drug program for individuals 65 and older. The alleged charges occurred between June 1, 2006 and August 31, 2008 ([Hartford Courant, 7/27](#)).

Florida

- **Update: CMS Awards Temporary Extension of Managed Care Pilot:** The Centers for Medicare & Medicaid Services (CMS) has awarded the Florida Agency for Health Care Administration (AHCA) a two-week extension of the state's five-county Medicaid managed care pilot program to allow continued negotiation over a long-term extension. Originally slated to expire July 31, CMS has extended the pilot until August 14 while deliberations continue on a three-year extension of the program. Federal officials say the talks currently center on the program's \$1 billion per year Low Income Pool, a program that provides additional funding to providers serving large populations of uninsured and low-income patients. Federal officials are considering ending all funding for such pools beginning December 2013 ([Sunshine State News, 8/1](#)).

Georgia

- **Phoebe Putney Memorial Hospital Anticipates \$48 Million in Uncompensated Care:** On July 20, Phoebe Putney Memorial Hospital's finance committee and board of directors approved an FY2012 budget that provides \$134.6 million for community benefits. Despite increasing the community benefit budget by \$3 million, hospital officials anticipate a \$1 million increase in uncompensated care, reaching \$48 million in FY2012 ([Albany Herald, 7/27](#)).

Iowa

- **Magellan Health Services Begins Coordinated Care Program for Individuals with SMIs:** Magellan Health Services, Inc. has begun a program to coordinate health services for Iowans with serious mental illnesses (SMIs). Designed to integrate behavioral and physical health services to reduce costs and improve care, program officials say the model is unique because it will task behavioral health providers rather than primary care providers with leading care coordination efforts ([Magellan Health Services via Market Watch, 7/26](#)).

Kansas

- **DSRS Asks District Court Judges to Reduce Commitments to State Mental Health Facilities:** Kansas Department of Social and Rehabilitation Services (DSRS) officials say they are asking district court judges to reduce the number of individuals committed to the state's three mental health hospitals. Citing declining inpatient mental health offerings at non-state mental health hospitals, Kansas officials report that the state facilities are frequently over capacity ([Kansas Public Radio, 8/1](#)).

Louisiana

- **Update: DHH Selects Five Organizations to Manage Medicaid Care under CCN Program:** On July 25, the **Louisiana Department of Health and Hospitals (DHH)** selected five organizations to manage care for Medicaid beneficiaries under its coordinated care network (CCN) program. Authorized under the FY2012 budget, the program will provide health coverage through private insurers and offer financial incentives for preventive and primary care. Slated to begin in January, state officials estimate the program will serve over 800,000 beneficiaries and save \$135 million in its first year of operation. **Louisiana Healthcare Connections, Amerihealth Mercy of Louisiana, Inc., and AmeriGROUP Louisiana, Inc.** will serve as prepaid CCNs, operating under a full-risk capitated model that requires them to handle all payments and prior authorizations. **UnitedHealthcare of Louisiana, Inc.** and **Community Health Solutions of America, LLC** will operate as shared savings CCNs, using an enhanced primary care case management model and reimbursing providers on a fee-for-service (FFS) basis ([American Medical News, 7/29](#)).

Massachusetts

- **DHCFP Finds Employer-Sponsored Coverage Rate Remains Higher than Before 2006 Health Reform:** The **Massachusetts Division of Health Care Finance and Policy (DHCFP)** has released a [survey](#) finding that the proportion of employers offering health coverage remains higher than before the state's 2006 health care reform law. The survey determined that 77 percent of employers offered coverage in 2010, up one percent from 2009 and 7 percent since the year before Massachusetts' law was enacted. Under the 2006 law, employers with 11 or more employees must offer health coverage or pay a \$295 fine for each employee that is not covered ([Business Insurance, 7/27](#)).

Michigan

- **Salvation Army Converts Romulus Facility into Women's Substance Abuse Treatment Center:** On August 1, **Salvation Army** officials began accepting individuals to the newly-converted Salvation Army Romulus Adult Rehabilitation Center, which is now a women's residential substance abuse treatment center. Army officials also plan to expand the 50-bed center to serve up to 80 women. Funded through thrift store revenue, the facility will serve women from Livingston, Macomb, Oakland, Washtenaw, and Wayne Counties ([Crain's Detroit Business, 7/28](#)).

New Hampshire

- **10 Hospitals File Suit Against State over Medicaid Reimbursement Reductions:** On July 25, 10 New Hampshire hospitals filed suit against the state in **U.S. District Court**, challenging the Medicaid reimbursement rate reductions enacted under New Hampshire's biennial budget that began July 1. The hospitals argue that the rates are insufficient and jeopardize low-income individuals' access to care ([Eagle-Tribune, 7/28](#)).

New Jersey

- **State Recovers \$116 Million in Improper Medicaid Payments:** The **New Jersey Office of the State Comptroller** announced that the state has recovered \$116 million in improper Medicaid payments

during FY2011. In addition, state officials say the office prevented an additional \$210 million in improper payments through proactive monitoring ([The Star-Ledger, 6/27](#)).

New Mexico

- **OptumHealth Provides Grant Assistance for Mental Health Organizations, Secures Funding:** Using free grant writing services, **OptumHealth** has helped four New Mexico-based non-profit mental health organizations obtain grant funding to support existing programming and service expansions. Five Sandoval Indian Pueblos, Inc. received \$25,000 for a youth substance abuse prevention program, Southwest Horse Power received \$15,000 for a mental health treatment program incorporating horses, and the Interfaith-Leadership for the Empowerment of All People received \$5,000 to fund mental health services and support programming. In addition, OptumHealth assisted Valencia Counseling Services in obtaining \$11,000 ([OptumHealth via Market Watch, 7/28](#)).

North Carolina

- **DOJ Orders State to Move Individuals With Mental Illnesses into Community Housing:** On July 28, **U.S. Department of Justice (DOJ)** officials sent a letter to **North Carolina Attorney General Roy Cooper (D)** ordering the state to move thousands of individuals with mental illnesses out of adult-care centers. The DOJ letter states that the centers are institutional settings that segregate patients from the community in violation of the **Americans with Disabilities Act (ADA)**. The DOJ action follows a complaint by **Disability Rights North Carolina** ([AP via Winston-Salem Journal, 7/30](#)).
- **Strategic Behavioral Health Begins Construction on Youth Behavioral Health Facility:** On July 18, the Tennessee-based Strategic Behavioral Health (SBH) began construction on a residential youth behavioral health treatment facility in Garner, North Carolina. The \$10 million 92-bed facility will offer treatment and support services to youth and their families. SBH officials expect to complete construction in the summer of 2012 ([Garner News, 7/28](#)).
- **Pitt County Mental Health Association Closes:** After exhausting its operating funds, the non-profit Pitt County Mental Health Association closed on July 30. An educational and informational agency, the association's closure will not affect service provision ([The Daily Reflector, 7/28](#)).

Ohio

- **Update: Secretary of State Verifies Signatures for Ballot Measure Barring Implementation of Individual Mandate:** On July 26, **Ohio Secretary of State Jon Husted** verified the signatures on a petition to place a measure on the ballot amending the Ohio constitution to prohibit enforcement of the national health care reform law's individual insurance mandate. Now slated for the November 8 ballot, the proposed amendment would prohibit any law from forcing state residents, employers, or health care providers to participate in a health care system ([The Columbus Dispatch, 7/31](#); [Kaiser Health News, 7/27](#)).

Texas

- **Update: Governor Signs Budget Reducing Medicaid Reimbursement Rates:** On July 26, **Governor Rick Perry (R)** signed a \$172 billion budget for the next biennium, approved by **Texas Legislature** in May. Cutting spending by \$15 billion from current levels, the budget reduces current Medicaid

reimbursement rates to save \$800 million. In addition, the budget does not include the projected \$4.8 billion necessary to satisfy the anticipated Medicaid cost growth ([AP via WTAW, 7/27](#)).

- **Midland County Officials Appeal Funding Loss for Prisoner Substance Abuse Treatment Center:** Midland County officials are appealing a recent state decision to eliminate \$1.2 million in funding for the 50-bed Court Residential Treatment Center, which provided substance abuse treatment to incarcerated individuals. The center is one of eight slated to close after losing state funding, resulting in a 343-bed reduction statewide ([Midland Reporter-Telegram, 7/25](#)).

Wisconsin

- **Aspirus Wausau Hospital Closes Behavioral Health Unit:** On August 1, Aspirus Wausau Hospital closed its 11-bed behavioral health unit, attributing the closure to a declining patient load. The hospital will now send patients to the 16-bed behavioral health unit at North Central Health Care. Citing a long working relationship between the two hospitals, Aspirus officials assert that the change will not affect patient care ([Wausau Daily Herald, 7/26](#)).