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Around the States: State and Local Behavioral Health Financing News

Arizona

- **Governor Announces Medicaid Medical Home Program for Individuals with SMIs in Maricopa County:** On August 2, **Governor Jan Brewer** (R) announced an agreement between Maricopa County's safety net health care system and Magellan Health Services to establish a patient-centered medical home program for Medicaid beneficiaries with serious mental illnesses (SMIs). Funded with a \$500,000 federal planning grant and authorized under the national health care reform law, the home will coordinate beneficiaries' health services to improve quality while reducing costs ([The Arizona Republic, 8/2](#); [Kaiser Health News, 8/2](#)).
- **Superior Court Hears Oral Arguments in Medicaid Eligibility Freeze Suit:** On August 3, a Maricopa Superior Court judge heard oral arguments in a case challenging the state's FY2012 Medicaid eligibility reduction. Authorized under Arizona's \$8.3 billion FY2012 budget and slated to save \$207 million, the state has implemented a federally approved Medicaid enrollment freeze for adults earning more than 75 percent of the federal poverty level (FPL). However, in 2000, Arizona voters approved a ballot measure (**Proposition 204**) that extended Medicaid coverage to all adults earning up to 100 percent of the FPL. The suit alleges that the freeze violates the state constitution because it effectively repeals the voter-approved measure. The court is expected to rule on the case by September. Meanwhile, the **Arizona Supreme Court** is considering a similar case filed by three public interest law groups ([The Arizona Republic, 8/4](#); [Kaiser Health News, 8/4](#)).
- **UPH Expanding Behavioral Health Services in Kino:** Construction is nearly complete on two behavioral health facilities and an expanded emergency department at the Kino Campus of University Physicians Healthcare (UPH) Hospital. Financed by Pima County, the expansion includes a behavioral health crisis unit and an additional behavioral health treatment facility that will provide individuals with a continuum of care for mental and physical health needs. Hospital officials say the expansion will divert individuals with mental illnesses from jails and other hospitals' emergency departments ([KOLD, 8/3](#)).

California

- **U.S. Supreme Court to Hear Medicaid Reimbursement Reduction Suit:** The **U.S. Supreme Court** has announced that it will hear oral arguments on October 3 in a lawsuit challenging California's 2008 Medicaid reimbursement cuts. In a set of cases consolidated under the name *Douglas v. Independent Living of Southern California*, private individuals and providers filed suit to challenge the 10 percent reduction, arguing that it negatively affects beneficiaries' access to care ([California Healthline, 8/4](#); [Kaiser Health News, 8/5](#)).
- **Ventura County Ends Proposition 36 Drug Court:** Citing a lack of funding, on July 22, Ventura County's **Substance Abuse and Crime Prevention Act of 2000 (Proposition 36)** drug court ceased operations. Enacted in July 2001, Prop. 36 requires counties to allow first and second-time non-violent drug offenders to have access to substance abuse treatment in lieu of jail time, providing five years of state funding for the program. Under the law, despite ending the official court, Ventura County must provide

offenders access to county assessments and offer treatment rather than jail time. However, without state funds, the inter-agency treatment and monitoring structure that operated under the county's drug court will no longer be available ([Thousand Oaks Acorn, 8/4](#)).

- **CMS Authorizes Reduced Premiums for High-Risk Pool:** Citing lower-than-expected program enrollment, **Centers for Medicare & Medicaid Services (CMS)** officials have agreed to allow California to reduce premiums in its high-risk insurance pool. CMS approved premium rate reductions averaging 18 percent and as high as 24 percent. Established under the national health care reform law to serve as a stopgap until the law's health coverage expansion and increased patient protections take effect in 2014, the pool is open to individuals who submit a physician's letter stating that they have a preexisting condition ([California Healthline, 8/4](#); [Kaiser Health News, 8/4](#)).
- **Update: City Supervisors Reject Measure to Close Healthy San Francisco Financing Loophole:** On August 2, the San Francisco Board of Supervisors rejected a measure to close a financing loophole in the city's Healthy San Francisco health coverage program, allowing employers to recoup some of their health care contributions. Established in 2006, Healthy San Francisco requires businesses with 20 or more employees to offer employee health coverage, pay into a fund for a public health coverage plan, or provide funding to employees' health reimbursement accounts (HRA). In 2010, approximately 860 of the 4,000 affected businesses provided \$62.5 million to employees' HRAs, which, in turn, paid \$12.4 million for employees' health services. However, San Francisco's law allows employers to remove unspent HRA funds at the end of each year, reclaiming \$50.1 million in unspent health care funding. The rejected legislation would have required employers to maintain funding year-to-year. Citing an interest in considering alternative legislation to address the loophole, the Board of Supervisors requested that the San Francisco City Attorney draft new legislation to do so ([San Francisco Chronicle, 8/3](#); [Kaiser Health News, 8/3](#)).

Connecticut

- **CMS Authorizes Reduced High-Risk Pool Premiums:** Citing lower-than-expected program enrollment, **Centers for Medicare & Medicaid Services (CMS)** officials have agreed to allow Connecticut to reduce premiums in its high-risk insurance pool, allowing the state to charge a standard monthly premium of \$381. Premiums in the pool were previously age-based, with some as high as \$893 per-month. The new rate takes effect September 1 ([The Connecticut Mirror, 8/2](#); [Kaiser Health News, 8/3](#)).

Georgia

- **Survey Finds Less than Half of Georgia Small Businesses Offer Health Coverage:** Examining businesses with 2 to 500 employees, the **Georgia Health Policy Center** and the **University of Georgia's J. Mack Robinson School of Business** released a [survey](#), finding that 47 percent offer employee health coverage. In addition, the survey found that only 38 percent of rural small companies offer employee health coverage. The survey is part of a larger research project that will ultimately inform a report to the **Georgia Legislature** on the establishment of a small business health insurance exchange, as required under the national health care reform law ([Georgia Health News, 8/5](#); [Kaiser Health News, 8/8](#)).

Iowa

- **Iowa Forms Prescription Drug Abuse Task Force:** On August 4, state officials announced the formation of a task force to address prescription drug abuse in Iowa. Comprised of 32 physicians, pharmacists, substance abuse treatment providers, and law enforcement officials, the task force will define the nature and scope of prescription drug abuse in Iowa and develop a strategy to address it. The task force will examine potential areas of action including education, secure drug disposal, and prescription drug monitoring and enforcement ([AP via The Republic, 8/5](#)).

Kansas

- **Update: DSRS will Not Ask District Court to Reduce Commitments to State Mental Health Facilities:** Top **Kansas Department of Social and Rehabilitation Services (DSRS)** officials have clarified that DSRS is not 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, a DSRS deputy recently announced intentions to make the request; however, **SRS Secretary Rob Siedlecki** clarified that the agency will not formally do so ([Kansas Health Institute, 8/2](#); [Kaiser Health News, 8/3](#)).

Minnesota

- **BHCAG Awards Clinics \$473,000 for Meeting Quality Benchmarks:** On August 1, the employer coalition Buyers Health Care Action Group (BHCAG) awarded 300 clinics a total of \$473,000 for meeting quality benchmarks. Designed to incentivize a transition from the fee-for-service (FFS) model and reward clinics that focus on patient outcomes, the awards went to clinics that met quality standards for treating patients with depression, diabetes, and vascular diseases. The award funds come from coalition members, the **Minnesota Department of Human Services**, the **University of Minnesota**, and Minnesota's Employee Group Insurance Plan ([Minneapolis Star Tribune, 8/1](#)).

New Jersey

- **Legislature Approves Bill to Make Veterans Mental Health Hotline Permanent:** On June 29, the **New Jersey Legislature** approved legislation (**S-1731**) to make the state's Vet-2-Vet support hotline a permanent state program. Established by the **New Jersey Department of Military and Veterans Affairs** and the **University of Medicine and Dentistry of New Jersey**, the program serves as a mental health peer support network. To date, the state has provided funding on a year-to-year basis. The new bill, which now goes before **Chris Christie (R)**, would make the hotline permanent ([AP via Daily Reporter, 8/7](#)).

North Carolina

- **Medicaid Panel Considers Public Input on Proposed Cuts, Projects Significant Enrollment Growth by 2013:** On August 5, the **North Carolina Medical Care Advisory Council** met to receive public input on state proposals to implement Medicaid cuts for optional services. The current state budget includes \$350 million in state Medicaid cuts, resulting in nearly \$1 billion in total cuts including federal funds. In addition, state officials anticipate an additional 100,000 enrollees by 2013 but expect a \$2 billion

funding reduction over the same period. The council will meet again in September to consider further public input ([WRAL, 8/5](#)).

Oklahoma

- **State Recovers \$20.6 Million in Improper Medicaid Spending:** State officials report that the **Oklahoma Attorney General's Medicaid Fraud Control Unit** recovered \$20.6 million through litigation efforts in FY2011. In FY2010, the unit recovered \$13.1 million ([The Oklahoman, 8/7](#)).

Pennsylvania

- **SAMHSA Awards Pennsylvania \$1.4 Million for Youth Suicide Prevention Programming:** The **Substance Abuse and Mental Health Services Administration (SAMHSA)** has awarded Pennsylvania a three-year \$1.4 million youth suicide prevention grant. Building on a 2008 grant that funded services in Lackawanna, Luzerne, and Schuylkill counties, the new grant will expand services into Allegheny, Berks, Bucks, Chester, Delaware, Montgomery, Philadelphia, and Westmoreland Counties. The grant will fund suicide prevention services for 14 to 24 year olds and promote early intervention ([Pennsylvania Department of Public Welfare via The Sacramento Bee, 8/3](#)).
- **Penn Foundation Begins \$10 Million Expansion of West Rockhill Behavioral Health Facility:** The Penn Foundation has begun construction on a \$10 million expansion of its West Rockhill behavioral health treatment facility. Slated for completion in December 2012, the expansion will allow the facility to serve more individuals and offer additional services. The organization currently serves approximately 10,000 individuals annually ([The Intelligencer, 8/8](#)).
- **Drexel University and University of Pittsburgh Examine Gaps in Mental Health Services for Offenders in Blair County:** **Drexel University** and the **University of Pittsburgh** have released a report examining mental health service gaps for individuals involved with the Blair County criminal justice system. Developed with input from local mental health and law enforcement officials, the report offers eight priorities to improve mental health services. The top priority is the implementation of a mental health court, which county officials are now developing and hope to begin by the end of 2011. The report also suggests prioritizing the housing needs of individuals with mental illnesses, implementing a community education program, and instituting programs to provide treatment and medication to those in need ([The Altoona Mirror, 8/4](#)).

South Dakota

- **Minnehaha County Opens Jail-Based Mental Health Crisis Center:** On August 4, Minnehaha County officials opened a behavioral health crisis center in the county jail. Designed to reduce costs and provide care in a less restrictive setting, the program will serve as a pilot for a potential countywide mobile crisis response unit. County officials have provided \$54,000 for first year of operations ([AP via The Republic, 8/7](#); [The Argus Leader, 8/5](#)).

Wisconsin

- **HCTrends Survey Finds Average Costs of Milwaukee Area Employer-Sponsored Health Plans Increases 8 to 10 Percent in 2011:** HCTrends has released a survey of employer-sponsored health plans in the

greater Milwaukee area. The survey determined that plan costs increased by an average of 8 to 10 percent in 2011, slightly less than the 11 to 13 percent increase in 2010. The survey also found that average total costs were as high as \$5,500 for individual coverage and \$15,000 for family coverage, excluding out-of-pocket (OOP) costs. Furthermore, the survey found 36 percent of respondents changed their plan offerings, with 43 percent increasing deductibles, copayments, or coinsurance; 30 percent increasing employee premium contributions; and 26 percent raising OOP maximums ([Milwaukee Journal Sentinel, 8/4](#); [Kaiser Health News, 8/5](#)).