

SAMHSA's Weekly Financing News Pulse: State and Local Edition

[Arizona](#)

[California](#)

[Connecticut](#)

[Florida](#)

[Idaho](#)

[Indiana](#)

[Kentucky](#)

[Louisiana](#)

[Massachusetts](#)

[New Jersey](#)

[New Mexico](#)

[New York](#)

[Ohio](#)

[Washington](#)

[West Virginia](#)

To Subscribe to SAMHSA's Weekly Financing News Pulse, please go to the following link and choose "Health Care Financing":

https://service.govdelivery.com/service/multi_subscribe.html?code=USSAMHSA&origin=http://www.samhsa.gov/enetwork/success.aspx

For questions or comments, please contact Rasheda Parks (Rasheda.Parks@samhsa.hhs.gov).

SAMHSA's Financing News Pulse is a news consolidation service, designed to provide readers with streamlined access to information published by local, regional, and national media. While the News Pulse attempts to verify our content, the editors of each publication cited in the summaries are ultimately responsible for the accuracy of the information they publish. We encourage readers to inform the News Pulse of any errors so we can note them in future editions; however, we also suggest that they contact the media source directly.

Around the States: State and Local Behavioral Health Financing News

Arizona

- **Update: Superior Court Judge Upholds Medicaid Enrollment Freeze:** Ruling in a case filed by public interest law groups, on August 10, Maricopa County Superior Court Judge Mark Brain determined that Arizona's FY2012 Medicaid eligibility freeze is legal. 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 alleged that the freeze violates the state constitution because it effectively repeals the voter-approved measure; however, Judge Brain ruled that the **Arizona Legislature** is not required to fund Proposition 204. The plaintiffs say they plan to appeal the case ([AP via Bloomberg, 8/10](#); [The Arizona Republic, 8/11](#)).

California

- **Governor Vetoes Veterans Behavioral Health Court Bill:** Citing a lack of funding, on August 5, **Governor Jerry Brown** (D) vetoed a bill (**AB 201**) that would have established court guidelines and encouraged the creation of more veterans behavioral health treatment courts. In California, such courts allow both violent and non-violent veteran offenders to obtain behavioral health treatment in lieu of jail time. The FY2011 budget reduces state judicial branch funding by \$350 million ([Join Together, 8/10](#); [Stars and Stripes, 8/9](#)).
- **Los Angeles County Opens \$10.8 Million Mental Health Facility:** On August 10, Los Angeles County opened a \$10.8 million mental health urgent care center in Sylmar. Financed with \$6.65 million in county funds and \$4.15 million in **Mental Health Services Act of 2004 (Proposition 63)** funding, county officials say the new facility will reduce crowding at area mental health facilities ([Los Angeles Times, 8/10](#)).

Connecticut

- **Audit Finds OHCA Failed to Collect \$47,000 in Hospital Assessments:** State auditors have released a [report](#) finding that, during FY2008 and FY2009, the **Connecticut Office of Health Care Access (OHCA)** failed to collect approximately \$47,000 in hospital assessments and related fees. In addition, the auditors found that OHCA inadequately addressed consumer complaints that hospitals' charges differed from prices listed with OHCA. State law requires hospitals to report service prices to OHCA and levies a \$500 fine for discrepancies between actual charges and listed rates ([Connecticut Mirror, 8/11](#); [Kaiser Health News, 8/12](#)).

Florida

- **BCBS to Terminate Behavioral Health Provider Contracts:** By November 30, **Blue Cross and Blue Shield of Florida (BCBS)** will terminate its behavioral health provider contracts, turning behavioral health management over to the Kansas-based New Directions Behavioral Health. Providers who wish to continue treating affected patients will have 15 days to sign new contracts with New Directions, which

will reimburse them 25 to 55 percent less for the same services. The new contracts will also bar providers from referring patients to out-of-network providers ([Health News Florida, 8/10](#); [Kaiser Health News, 8/11](#)).

- **Update: CMS Temporarily Extends Managed Care Pilot During Negotiations:** The Centers for Medicare & Medicaid Services (CMS) has provided the **Florida Agency for Health Care Administration (AHCA)** with another temporary 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 August 14, CMS has extended the pilot through August 31 while deliberations continue on a three-year extension ([The Miami Herald, 8/12](#)).

Idaho

- **AG Announces \$2.5 Million Medicaid Drug Pricing Settlement:** On August 11, **Idaho Attorney General Lawrence Wasden (R)** announced that **AstraZeneca PLC** agreed to a \$2.5 million settlement with the state over allegedly inflated average wholesale prices that the company reported to the state's Medicaid program. State officials contend that the artificially inflated prices caused the state to overpay for drugs purchased through Medicaid. AstraZeneca admitted no wrongdoing in the settlement ([Bloomberg, 8/11](#)).
- **Update: State Reduces Payment for Medicaid Billing Management:** Citing problems implementing a Medicaid payment processing system in 2010, state officials have decided to pay **Molina Medicaid Solutions** \$3 million less than planned for work the company performed between May 2010 and March 2011. Under the modified payment plan, Molina will receive \$12 million. Molina began managing Idaho's Medicaid billing in June 2010 and initially experienced problems processing payments in a timely manner ([AP via KHQ, 8/14](#)).

Indiana

- **Floyd County Preparing Veterans Behavioral Health Court:** Floyd County Superior Court officials are currently preparing a veterans behavioral health treatment court. Serving non-violent offenders, officials hope to open the treatment court in the first quarter of 2012; however, state officials have yet to provide final approval for the program ([News and Tribune, 8/14](#)).

Kentucky

- **Update: Medicaid Advisory Council Recommends Delaying Managed Care Expansion:** On August 12, the **Kentucky Advisory Council for Medical Assistance** proposed that the state delay by 90 days the implementation of a Medicaid managed care expansion. Scheduled to begin October 1, the expansion is designed to reduce Medicaid costs by \$375 million over three years. The council advises the state on matters pertaining to Medicaid, and is comprised of health professionals representing health care providers and facilities that receive Medicaid funding. Council officials say the delay is necessary to provide additional time to implement changes under the expansion ([Lexington Herald-Leader, 8/13](#)).

Louisiana

- **Update: Managed Care Companies Challenge DHH over CCN Contracts: Aetna Inc. and Coventry Health Care Inc.** have challenged the process that the **Department of Health and Hospitals (DHH)** uses to select organizations to manage care for Medicaid beneficiaries under Louisiana's coordinated care network (CCN) program. The companies allege that DHH officials did not follow department rules for selecting participating organizations, particularly claiming that the state compared companies' proposals rather than analyzing them individually. Authorized under the FY2012 budget, the \$2.2 billion 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. DHH officials are reviewing the challenge ([The Times-Picayune, 8/8](#); [Kaiser Health News, 8/9](#)).

Massachusetts

- **AIM Study Finds Safety-Net Utilization Increased After State Health Reform Law:** The *Archives of Internal Medicine* (AIM) has published a [study](#) finding that demand for services at Massachusetts' safety-net health care providers continued to rise after implementation of the state's 2006 health care reform law. From 2005 to 2009, the authors found that the number of patients receiving care at community health centers rose 31 percent, while the share of uninsured patients at the centers declined from 36 to 20 percent over that same period. In addition, between 2006 and 2009, the study found that non-emergency ambulatory visits to safety-net hospitals grew twice as quickly as did those to non-safety-net hospitals. The authors note that patients at safety-net facilities primarily reported using them because they were convenient and affordable. The authors conclude that patients do not view safety-net facilities as providers of last resort and often prefer their services, highlighting the need for continued support of safety-net providers ([Los Angeles Times, 8/8](#); [Kaiser Health News, 8/9](#)).
- **State Recovers \$69 Million in Improper Medicaid Payments in FY2011:** State officials report that the **Massachusetts Attorney General's Medicaid Fraud Division** recovered \$69 million in improper Medicaid payments during FY2011. The office's previous single year recovery record was \$14 million for FY2009 ([AP via The Boston Herald, 8/11](#)).

New Jersey

- **State to Change Process for Allocating Federal Substance Abuse Prevention Funding:** To meet new federal funding standards, New Jersey is redirecting federal substance abuse prevention funding from 21 county-based resource centers to 17 new regional coalitions. Available for open bidding, the regional prevention coalition contracts will focus on strategies to prevent substance abuse by changing social norms and culture. State officials say the change is necessary to maintain eligibility for the **Substance Abuse and Mental Health Services Administration's (SAMHSA) Substance Abuse Prevention and Treatment Block Grants**, from which New Jersey receives \$5.3 million. In a related development, the Passaic County Council on Alcohol and Drug Abuse Prevention closed on July 1, citing notice of the state funding change, a failed merger, and declining in grant funding ([The Record, 8/10](#); [The Record, 8/10](#)).

New Mexico

- **HSD Requests \$100 Million in Additional Medicaid Funding:** The **New Mexico Human Services Department** (HSD) has written a letter to the **New Mexico Legislature** requesting up to \$100 million in additional appropriations to address a Medicaid deficit. HSD officials attribute the deficit to underreported Medicaid spending and program overbilling. State legislators will now consider the request ([KRQE, 8/10](#)).

New York

- **State Begins High School Educator Suicide Prevention Training Program:** On August 15, the **New York State Office of Mental Health** (NYSOMH) began a three-year program to train high school educators in suicide prevention. Using software provided by Kognito Interactive, the program is available to educators at all public and private high schools to help recognize at-risk youth and refer them to the appropriate support services ([Kognito Interactive via PR Newswire, 8/15](#)).

Ohio

- **Update: State Supreme Court Approves Proposed Ballot Measure Challenging Health Reform:** On August 12, the **Ohio Supreme Court** ruled that a proposed constitutional amendment to prohibit enforcement of the national health care reform law's individual insurance mandate may appear on the November 8 ballot. If approved by voters, the proposed amendment would prohibit any law from forcing state residents, employers, or health care providers to participate in a health care system. A challenge to the national health care reform law's individual insurance mandate, even if enacted, the amendment would be largely symbolic because federal law would supersede it ([Reuters, 8/12](#); [Kaiser Health News, 8/15](#)).

Washington

- **Governor Requests Proposals to Cut State Agency Spending, Health Care Affected:** On August 8, **Governor Chris Gregoire's** (D) **Administration** sent letters to state agency heads, requesting that officials prepare proposals to reduce spending at each agency by 5 and 10 percent. Designed to save up to \$1.6 billion, the cuts would reduce funding at the **Washington Department of Social and Health Services** (DSHS) and the **Washington State Health Care Authority** by up to \$573 million and \$445 million, respectively ([KAPS, 8/15](#); [Herald Net, 8/8](#)).

West Virginia

- **Report Proposes Strategies to Curtail West Virginia Prescription Drug Abuse:** On August 11, state and federal officials unveiled a [report](#) examining the state of prescription drug abuse in West Virginia and offering recommendations to curtail it. Informed by a February summit of policymakers, health care professionals, and law enforcement officials, the report offers best practices to reduce the prevalence of prescription drug abuse in West Virginia, including increased participation in the state's prescription drug monitoring program (PMP). The report also recommends that providers encourage patients taking controlled substances to agree to pill counting, drug testing, and other practices to ensure proper medication regimen adherence. The authors also suggest increasing prevention and intervention



programming and propose establishing five county-based pilot programs to do so this fall ([AP via Charleston Daily Mail, 8/11](#)).