



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

[Alabama](#)

[Arizona](#)

[California](#)

[Colorado](#)

[Illinois](#)

[Louisiana](#)

[Massachusetts](#)

[Ohio](#)

[Pennsylvania](#)

[Texas](#)

[Virginia](#)

[Washington](#)

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

Alabama

- **DMH to Downsize Staff:** Citing the loss of \$14 million in federal **American Recovery and Reinvestment Act** (ARRA), the **Alabama Department of Mental Health (DMH)** is laying off 582 employees. State officials say the staffing reduction represents 25 percent of the department's workforce ([Montgomery Advertiser, 8/19](#)).

Arizona

- **Update: Arizona Court of Appeals to Hear Medicaid Eligibility Suit:** On August 18, the public interest law groups challenging Arizona's FY2012 Medicaid eligibility freeze appealed their case to the **Arizona Court of Appeals**. The appeal comes after Maricopa County Superior Court Judge Mark Brain ruled the freeze legal on August 10. 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 groups allege that the freeze violates the state constitution because it effectively repeals the voter-approved measure. The appellate court will hear the case on September 14 ([AP via The Arizona Republic, 8/18](#); [Kaiser Health News, 8/19](#)).

California

- **Senate Office of Oversight and Outcomes Highlights Needed Changes in Housing Program for Individuals with SMIs:** On August 11, the **California Senate Office of Oversight and Outcomes** released a [report](#) highlighting changes needed to meet programmatic goals in the state's program to provide housing to chronically homeless individuals with severe mental illnesses (SMIs). Financed under the **Mental Health Services Act of 2004 (Proposition 63)**, the program was launched in 2007 to house 10,000 individuals; however, the report found that the program is on track to house only 2,500 individuals. Furthermore, to house 10,000 individuals, the report finds that state and county officials must maintain housing project investments and grant greater flexibility to participating rural counties, noting that the administrative burden of the program often prohibits rural county participation. As of April 2011, the report found that counties had spent \$146 million, or 37 percent of program funds, creating and maintaining 870 housing units for at least 15 years. The authors also found that an additional 610 units are pending at a cost of \$83.5 million. Under existing rules and at the program's current pace, the authors estimate that it would take \$2 billion and 50 years to house the state's entire population of chronically homeless individuals with SMIs ([California Watch, 8/16](#)).
- **San Mateo County Negotiating with California DMH for \$2 Million in Medicaid Funds:** San Mateo County officials are currently negotiating with the **California Department of Mental Health (DMH)** to receive Medicaid reimbursements for behavioral health services provided in FY2007 and FY2008. San Mateo officials have reached agreement on repayment for \$8 million in services but the county is still requesting an additional \$2 million for prescription drugs. County officials say they will reduce services to recoup their expenses if the state does not provide the funding ([The Daily Journal, 8/22](#)).

Colorado

- **CMH Finds Morgan County Provided More Behavioral Health Services in Q2 of 2011, Paid Less:** On August 16, Centennial Mental Health (CMH) officials presented data to Morgan County officials on behavioral health service utilization and the county's share of those costs. CMH officials noted that the number of individuals enrolled in mental health programs rose from 1,145 in the first quarter (Q1) of 2011 to 1,396 in the second quarter (Q2), while the number enrolled in substance abuse programs rose from 158 to 167 over the same period. However, CMH officials noted that Morgan County's cumulative behavioral health costs declined between Q1 and Q2, from \$18,000 to \$16,000. CMH officials attribute the decline to a higher proportion of insured patients ([The Fort Morgan Times, 8/17](#)).

Illinois

- **Governor Signs Behavioral Health Laws, Implements Parity and Expands Access to Care:** On August 18, **Governor Pat Quinn** (D) signed several laws to improve health care in Illinois. Effective immediately, **HB 1530** requires Illinois insurers offering behavioral health benefits in group or individual plans to do so at parity with physical health benefits. Governor Quinn also signed **HB 2084**, establishing the Mental Health Services Strategic Planning Task Force to develop a strategic plan to improve the state's services for individuals with mental illnesses and developmental disabilities. In addition, Governor Quinn signed **HB 2982**, creating Regional Integrated Behavioral Health Networks throughout Illinois to improve and ensure access to behavioral health services, particularly in rural communities. Finally, Governor Quinn signed **SB 1837**, requiring the Kane County Mental Health Court to assess its effectiveness and provide the state with a report on the program's effect on the state's correctional system. Launched in 2006, the court serves only non-violent offenders ([Illinois Government News Network, 8/18](#)).

Louisiana

- **Update: Louisiana DHH Rejects Challenges to CCN Contracts:** After reviewing complaints from **Aetna Inc.** and **Coventry Health Care Inc.**, the **Louisiana Department of Health and Hospitals** (DHH) has rejected the companies' challenge of its selection process for Medicaid coordinated care network (CCN) program participants. The companies alleged 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 ([The Wall Street Journal, 8/16](#)).

Massachusetts

- **Lynn Community Health Center Expansion Underway:** Lynn Community Health Center officials estimate that the center's \$18.8 million expansion will be finished by the end of 2011. Providing primary, behavioral health, and dental care services, the expansion will allow the center to serve an additional 6,000 patients annually ([The Boston Globe, 8/18](#)).

Ohio

- **Baptist Memorial Hospital Constructing Behavioral Health Facility:** Baptist Memorial Hospital-Golden Triangle officials say that construction on a \$10 million behavioral health facility will be complete in October. Slated to begin serving patients in January 2012, the facility will offer inpatient and outpatient services, including court-ordered care ([The Dispatch, 8/18](#)).
- **State Addressing Medicaid IT Error, Beneficiaries and Providers Affected:** The **Ohio Department of Job and Family Services** (DJFS) is working to correct a Medicaid error that has erroneously deemed some beneficiaries ineligible for Medicaid coverage and rendered some providers ineligible for program participation. On August 2, the department implemented a \$115 million computer system to manage Medicaid enrollment and billing. State officials are working to address the errors ([VoIP Routers News, 8/20](#)).

Pennsylvania

- **Behavioral Health of Somerset and Bedford Counties Receives \$10,000 for Support Programs:** In June, the United Way of Laurel Highlands awarded Behavioral Health of Somerset and Bedford Counties Inc. \$10,000 for mental health support groups in Somerset County. Running through April, the grant will fund two support groups, one serving individuals with mental illnesses and the other serving their families ([Daily American, 8/19](#)).

Texas

- **Parkland Hospital Submits Action Plan to Maintain Medicare and Medicaid Funding:** On August 19, Dallas County's public hospital, Parkland Hospital, submitted a corrective action plan to the **Centers for Medicare & Medicaid Services** (CMS) to maintain CMS funding. Following a CMS inspection in July and the death of a psychiatric patient, CMS sent a letter to the hospital on August 8 threatening to remove the hospital from Medicare and Medicaid on September 2 if hospital officials do not address deficiencies. CMS officials will review facility activity to ensure that hospital officials have addressed the problems ([NBC DFW, 8/19](#)).

Virginia

- **Update: State Allows Partial Enrollment at Pines Residential Treatment Facilities:** The **Virginia Department of Behavioral Health and Development Services** announced that it will allow limited enrollment at The Pines Residential Treatment Center's three facilities in Portsmouth and Norfolk, beginning September 1. In April, the state downgraded The Pines to a provisional license and froze enrollment at its facilities. However, under the limited enrollment, each facility may now admit three new patients per week. In addition, under the provisional license, the center has six months to meet state-imposed staff and patient safety concerns or lose its license. The Pines serves a combined 424 youth at its three facilities ([AP via The Daily Reflector, 8/22](#)).
- **OneCare of Southwest Virginia Report Suggests Prescription Drug Abuse Reduction Strategies:** In June, One Care of Southwest Virginia, Inc. has released a [report](#) offering recommendations to address prescription drug abuse. The coalition of health professionals, law enforcement officials, and

community leaders developed the report from a series of meetings held in 2010. The authors recommend expanding community-based substance abuse treatment, care coordination, and education. In addition, the report suggests improving offenders' access to treatment and expanding use of the state's prescription drug monitoring program (PMP) ([One Care of Southwest Virginia via Tri Cities, 8/17](#)).

Washington

- **Mason County Considers Sales Tax Increase to Finance Behavioral Health Services:** The Mason County Board of Commissioners has appointed an advisory committee to solicit public feedback on a proposed sales tax increase designed to finance behavioral health services. The proposed 0.1 percent increase would raise an estimated \$450,000 to \$600,000 annually. If the commissioners decide to pursue the increase, they may vote on it themselves or allow voters to decide via public referendum ([Kitsap Sun, 8/19](#)).