

SAMHSA’s Center for Financing Reform & Innovations (CFRI)

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The Center for Financing Reform and Innovations (CFRI) provides information, analysis, products, and technical assistance to address changes in the organization and financing of behavioral health care, and to guide Federal officials, States, Territories, Tribes, communities, and private payers on the most effective and efficient use of available resources to meet the prevention, treatment, and recovery support needs of the American public.

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National News

- **SAMHSA announces \$314 million for behavioral health treatment and recovery services.** Through multiple grant programs, **SAMHSA** announced plans to award up to \$314 million for behavioral health treatment and recovery services. In addition to supporting evidence-based programs that promote integrated treatment and recovery services, the grants will increase access to behavioral health services across the country, including for underserved populations and individuals with special needs. Under the grants, awardees are expected to forge networks among an array of medical settings, treatment facilities, and community services to ensure that individuals get the full range of services that they need. SAMHSA will offer funding through 14 programs, with awards dependent on the availability of funding ([SAMHSA, 10/3](#); [SAMHSA, 10/8](#)).
- **HHS and SAMHSA award \$139.7 million for behavioral health services.** On September 22, the **U.S. Department of Health and Human Services (HHS)** awarded \$98.7 million under **President Obama’s “Now is the Time”** mental health initiative, which aims to expand access to and awareness of mental health services for youth and young adults. Under the initiative, HHS awarded \$48 million to support teachers, schools, and communities in recognizing and responding to youth mental health issues; \$34 million to train over 4,000 new mental health providers; and \$16.7 million in **Healthy Transitions** grants to improve access, treatment, and support services for youth and young adults. SAMHSA expects that grantees’ primary goal will be to expand access to services for children, youth, and their families. Meanwhile, also under “Now is the Time” and other programs, SAMHSA awarded \$41 million to expand behavioral health workforce capacity through additional training for behavioral health specialists and general health care providers ([HHS, 9/22](#); [SAMHSA, 10/9](#)).
- **ONDCP awards \$84 million for youth substance use prevention.** On October 8, the **Office of National Drug Control Policy (ONDCP)** awarded 680 local communities a total of \$84 million in **Drug-Free Communities (DFC) Support Program** grants. Administered in partnership with **SAMHSA**, the DFC program offers five-year grants of up to \$650,000 to community coalitions that facilitate community-level participation in youth drug use prevention efforts ([ONDCP, 10/10](#)).
- **HHS awards \$507 million to expand health care services.** Authorized under the ACA, on September 12, **HHS** awarded \$295 million to 1,195 health centers across all 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, and the Pacific Basin. According to HHS, the funds will help health centers hire 4,750 new staff; expand hours; offer additional services, such as behavioral health services; and serve an additional 1.5 million individuals. Meanwhile, HHS also awarded \$212 million in **FY 2014 Funding Awards for Chronic Disease Prevention and Health Promotion** to all 50 states and the District of Columbia. Funded in part by the ACA, the awards support and enhance state and local programs aimed at preventing and reducing tobacco use, heart disease, stroke, diabetes, obesity and other chronic diseases and conditions ([HHS, 9/12](#); [HHS, 9/25](#)).
- **HHS announces \$60 million for navigators in federally-facilitated Health Insurance Marketplaces.** On September 8, **HHS Secretary Sylvia M. Burwell** announced \$60 million in

Health Insurance Marketplace Navigator grants to 90 nonprofit organizations in the 34 states with federally-facilitated Marketplaces. Under the grants, navigators must maintain a physical presence in the Marketplace service area, comply with HHS-mandated security and privacy standards, and submit weekly progress reports to HHS. Responding to consumer and navigator feedback, HHS also incorporated new courses into the required navigator training, including a course on assisting college-age enrollees ([HHS, 9/8](#); [Kaiser Health News, 9/8](#)).

- **SAMHSA's 2013 NSDUH finds overall drug use remains steady, adolescent use declined.** On September 16, **SAMHSA** released [findings](#) from the from the **2013 National Survey on Drug Use and Health** (NSDUH). Among other findings, the NSDUH found that past-30-day illicit substance use among adolescents fell from 9.5 percent in 2012 to 8.8 percent in 2013, while use among all individuals age 12 and older remained stable at 9.4 percent. In addition, past-30-day non-medical use of prescription drugs among adolescents fell from 2.8 percent to 2.2 percent, a statistically significant change. The report also found that only 11 percent of the 22.7 million individuals in need of substance use disorder treatment services received such services in a specialized treatment setting. Meanwhile, in conjunction with the **National Institute of Mental Health**, part of NIH, SAMHSA also released the [CBHSQ Data Review: Past Year Mental Disorders among Adults in the United States](#). Among other findings, the CBHSQ Data Review estimates that 22.5 percent of American adults (51.2 million individuals) had at least one mental disorder in the past year ([SAMHSA, 9/16](#); [SAMHSA, 10/6](#)).
- **SAMHSA releases FY2015-2018 Strategic Plan.** Continuing its mission to increase the awareness and understanding of mental and substance use disorders, promote emotional health and wellness, address the prevention of substance abuse and mental illness, increase access to effective treatment, and support recovery, **SAMHSA** released the final version of its FY2015-2018 Strategic Plan. The plan, [Leading Change 2.0: Advancing the Behavioral Health of the Nation](#), identifies six strategic initiatives and their links to SAMHSA's policy, programmatic, and financial planning: (1) prevention of substance abuse and mental illness, (2) health care and health systems integration, (3) trauma and justice, (4) recovery support, (5) health information technology, and (6) workforce development. According to **SAMHSA Administrator Pamela S. Hyde**, "These strategic initiatives encompass all types of approaches and services, all populations, and all parts of the substance abuse and mental health fields" ([SAMHSA, 10/1](#)).
- **SAMHSA awards \$936,000 for National Disaster Distress Helpline.** On September 18, **SAMHSA** awarded **Link2Health Solutions** a \$936,000 cooperative agreement to sponsor the **National Disaster Distress Helpline**. Available 24 hours a day, 7 days a week, the helpline provides crisis counseling to individuals affected by a natural or human-caused disaster or tragedy. The helpline may be accessed at (800)-985-5990 or <http://disasterdistress.samhsa.gov>, while deaf or hearing-impaired individuals may send a text message at TalkWithUs to 66746 ([SAMHSA, 9/18](#)).
- **SAMHSA announces suicide prevention app for mobile devices.** To help providers integrate suicide prevention strategies into their practice and reduce the risk of suicide among their patients, **SAMSHA** announced plans to launch a suicide prevention app for mobile devices. Called **Suicide Safe**, the app will allow behavioral health and primary care providers to explore

suicide prevention resources, including assessment tools, interactive sample cases, patient education materials, and the **SAMHSA Behavioral Health Treatment Services Locator**. The app will be available in January 2015 ([SAMHSA, 9/22](#)).

State News

- **Arizona: Court approves mental health class-action settlement.** The Maricopa County Superior Court gave final approval to the *Arnold v. Sarn* [settlement](#), formally dismissing the suit on September 22. Filed in 1981, *Arnold v. Sarn* held that the **Arizona Department of Health Services** (ADHS), Arizona State Hospital, and Maricopa County broke state law by failing to create a comprehensive system of community-based mental health care for individuals with serious mental illness (SMI). Under the settlement, which was announced in January and has been in effect for nine months, Arizona will provide \$37.8 million annually to fund community-based treatment services, crisis intervention services, respite services for family members, supportive housing, and employment programs. In addition, each year, Arizona will direct an estimated \$30 million to \$40 million in savings from the state's **Medicaid expansion** to support the settlement's services and programs ([Arizona Republic, 9/22](#); [Office of Arizona Governor Brewer, 1/8](#); [Arizona Central, 1/9](#)).
- **California: Kaiser Permanente accepts \$4 million mental health fine.** On September 9, health insurer **Kaiser Permanente** accepted a \$4 million fine from the **California Department of Managed Health Care** (CDMHC) for failing to correct various violations of state mental health laws. CDMHC issued the fine as a result of allegations that Kaiser Permanente maintained duplicate records with contradictory information regarding waitlist length for mental health services, provided inaccurate educational materials discouraging patients from seeking medically necessary mental health services, and likely violated federal and state parity requirements. According to the *Sacramento Bee*, Kaiser Permanente accepted the fine after being informed that documents related to an appeal would become public record ([California report, 9/9](#)).
- **California: Los Angeles County launches mental health court pilot program.** To divert low-level offenders from the criminal justice system into treatment, **Los Angeles County** officials announced the creation of a \$756,000 mental health court pilot program. According to the *Los Angeles Times*, the program will initially be located in Van Nuys and is expected to serve up to 50 individuals concurrently; however, officials plan to spread the program across the county, eventually serving up to 1,000 individuals at a time. Under the program, eligible defendants will undergo multiple mental health assessments before being assigned a case worker from **San Fernando Valley Community Mental Health Center**, being placed in transitional housing, and receiving mental health treatment services. Individuals who complete the program and any court-ordered probation will be cleared of their pending criminal charges and not assessed any fees or fines ([Los Angeles Times, 9/17](#)).
- **Colorado awards \$3.5 million for Health Insurance Marketplace IT.** On September 30, Colorado's **Health Insurance Marketplace** awarded **Oracle** a \$3.5 million contract for **information technology** (IT) services to support the Marketplace's consumer portal. According to *Health News Colorado*, **CGI** is the primary IT contractor for the Marketplace; however,

Marketplace officials did not provide specifics regarding the scope of Oracle's contract ([Health News Colorado, 9/30](#)).

- **Connecticut draft report proposes overhaul for children's mental health services.** Responding to a December 2012 legislative order, the **Connecticut Department of Children and Families** (CDCF) unveiled the [first draft](#) of a report detailing strategies to improve children's mental health services. The report concludes that "children's mental health services are fragmented, inefficient, and difficult to access," noting that up to 20 percent of Connecticut's children have mental health needs that would benefit from additional treatment. To address this need, the report proposes a complete overhaul of the state's child-serving mental health service system, including streamlining eligibility, enrollment, and documentation requirements for public programs; developing new incentives for private insurers to improve mental health coverage; expanding care coordination programs; creating a mental health data collection network; and increasing funding for school-based mental health services ([Connecticut Mirror, 9/5](#)).
- **Illinois provides \$1 million to support mental health crisis center.** On September 12, **Illinois Governor Patrick Quinn** (D) announced that the **Illinois Department of Human Services** (IDHS) will provide \$1 million to support operations at **Riverside HealthCare's** new mental health crisis center in Kankakee County. Opened in September, the eight-bed center provides voluntary residential services to adults with mental health conditions who do not meet the standard for inpatient care ([IDHS, 9/12](#)).
- **Virginia expands Medicaid for individuals with a serious mental illness.** In response to the **Virginia Legislature's** decision to reject an **ACA Medicaid Expansion**, **Virginia Governor Terry McAuliffe** (D) unveiled a [plan](#) to unilaterally expand healthcare coverage to up to 200,000 new enrollees through several separate initiatives. Among other initiatives, the plan directs the **Virginia Department of Medical Assistance Services** (VDMAS) to submit a **Medicaid Section 1115 Research and Demonstration waiver** that would temporarily expand Medicaid coverage to individuals with a **serious mental illness** (SMI) who have incomes up to 100 percent of the federal poverty level (FPL). According to the *Washington Post*, the waiver will end after FY2015 without approval from the Virginia Legislature. Meanwhile, under another initiative, the plan will establish a **Task Force to Combat Prescription Drug and Heroin Abuse** that will coordinate state efforts to reduce drug-related deaths ([Office of Virginia Governor McAuliffe, 9/8](#); [Washington Post, 9/8](#); [New York Times 9/8](#)).
- **Washington: Supreme Court grants stay of "psychiatric boarding" decision.** On September 6, the **Washington Supreme Court** granted a temporary stay of its [decision](#) banning "psychiatric boarding," the state's policy of keeping inpatient mental health patients at hospital emergency rooms and other non-mental-health facilities while awaiting a treatment bed. To give the state time to comply with the court order to ban the practice, **Washington Governor Jay Inslee** (D) and **Washington Attorney General Bob Ferguson** (D) submitted a [motion](#) asking the Supreme Court to stay its decision for 120 days. Governor Inslee also allocated \$30 million to end the practice by establishing 145 additional treatment beds throughout the state and

expanding mental health evaluation services. Under the stay, the decision will take effect December 26, 2014 ([Modern Healthcare, 9/6](#)).

- **U.S. Virgin Islands proposes \$1.4 million expansion of mental health services.** Following a three-year audit, **U.S. Virgin Islands Governor John P. de Jongh** (D) announced that **CMS** will provide the territory \$19.9 million in retroactive Medicaid reimbursements for unsubmitted and improperly filed claims. On September 16, Governor de Jongh sent proposed legislation to the **U.S. Virgin Islands Legislature** that would allocate the one-time funding to numerous health care initiatives. Among other initiatives, Governor de Jongh proposed allocating \$1 million to restore the acute inpatient psychiatric unit at Luis Hospital and \$400,000 to establish a pilot treatment program for adults with mental health conditions ([Virgin Islands Daily News, 9/16](#)).

Financing Reports

- [“A first look at children’s health insurance coverage under the ACA in 2014”](#) Urban Institute. Kenney, G. et al. September 9, 2014.
- **ACA rate review saved consumers \$1 billion in 2013.** [“Rate review annual report”](#) HHS. September 2014 ([HHS, 9/19](#)).
- **ACA to reduce hospitals’ uncompensated care costs by \$5.7 billion in 2014.** [“Impact of insurance expansion on hospital uncompensated care costs in 2014”](#) HHS Office of the Assistant Secretary for Planning and Evaluation (ASPE). DeLeire, T. et al. September 2014 ([HHS, 9/24](#); [Washington Post, 9/24](#)).
- [“An examination of New York state's integrated primary and mental health care services for adults with serious mental illness”](#) RAND. Scharf, D. et al. September 18, 2014.
- **CMS FY2013 administrative expenditure data contains discrepancies, report finds.** [“Patient Protection and Affordable Care Act: Procedures for reporting certain financial management information should be improved”](#) GAO. September 2014 ([Fierce Health Payer, 9/24](#)).
- [“Connecting consumers to coverage: Lessons learned from assisters for successful outreach and enrollment”](#) Kaiser Family Foundation (KFF). Tolbert, J. et al. September 19, 2014.
- [“Designing care management entities for youth with complex behavioral health needs”](#) Mathematica Policy Research. Anglin, G. et al. September 30, 2014.
- [“Implementation of the Affordable Care Act: Cross-cutting issues six-state case study on network adequacy”](#) RWJF. Corlette, S. et al. September 2014.
- [“Integrating care for people with behavioral health needs”](#) Mathematica Policy Research. Brown, J. September 11, 2014.
- **Marketplaces will have 25 percent more insurers in 2015.** [“Health insurance issuer participation and new entrants in the Health Insurance Marketplace in 2015”](#) HHS ASPE. Gunja, M. & Gee, E. September 23, 2014 ([HHS, 9/23](#)).
- **Massachusetts should refund the federal government \$106 million in incorrect Medicaid reimbursements, GAO finds.** [“Massachusetts did not always make correct Medicaid claim adjustments”](#) HHS Office of the Inspector General (OIG). September 2014 ([AP via WWLP, 10/1](#)).

- [“Medicaid demonstrations: HHS's approval process for Arkansas's Medicaid expansion waiver raises cost concerns”](#) U.S. Government Accountability Office (GAO). August 2014.
- **Medicaid standards for managed care vary across states.** [“State standards for access to care in Medicaid managed care”](#) HHS OIG. September 2014 ([Fierce Health Payer, 9/29](#)).
- **Most Medicare ACOs generated savings in FY2013.** [“Medicare Shared Savings Program performance year 1 results”](#) & [“Medicare pioneer ACO model performance year 1 and performance year 2 financial results”](#) CMS. September & October 2014 ([CMS, 9/16](#); [HHS, 9/16](#)).
- **Nebraska’s per enrollee Medicaid expenditures “substantially higher” than neighboring states.** [“Medicaid reform should be a priority for Nebraska”](#) Platte Institute for Economic Research. September 17, 2014 ([Lincoln Journal Star, 9/9](#)).
- [“Quality measurement approaches of state Medicaid accountable care organization programs”](#) Center for Health Care Strategies. September 2014.
- [“The ACA and essential health benefits: Overview of the new coverage standards in the individual and small group markets”](#) Center for Healthcare Research & Transformation. September 19, 2014.
- [“The impact of recent CHIP eligibility expansions on children’s insurance coverage, 2008–12”](#) *Health Affairs* published online before print. Goldstein, I. et al. September 2014.
- [“Understanding how states access the ACA enhanced Medicaid match rates”](#) KFF. Rudowitz, R. September 29, 2014.