

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

## **Financing Focus: December 14, 2015**

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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

- **U.S. health care spending grows more slowly than before the ACA.** On December 2, the **Centers for Medicare & Medicaid Services (CMS)** released the [National Health Expenditures Accounts](#) report, which estimates total **U.S. health care spending** for 2014. According to the report, health care spending grew by 5.3 percent in 2014, which is slower than in most years prior to the passage of the **Affordable Care Act (ACA)**. However, health care spending grew far faster in 2014 than it did in 2013, when spending grew only 2.9 percent. According to CMS, the change is due primarily to increased health insurance enrollment under the ACA and rising prescription drug costs. The report also found that individuals' out-of-pocket health care costs increased by 1.3 percent in 2014, compared to 2.1 percent in 2013. Additionally, Medicaid spending increased by 11.0 percent in 2014, to \$495.8 billion; however, per capita Medicaid spending decreased by 2.0 percent ([CMS, 12/2](#)).
- **ACA expands access to behavioral health services.** On November 17, the **Substance Abuse and Mental Health Services Administration (SAMHSA)** released a [report](#) on the effects of the **ACA's Medicaid expansion** on behavioral health. According to the report, state Medicaid expansions increased access to behavioral health services for 2.7 million eligible individuals in need of treatment. However, the report notes that an additional 2.6 million eligible individuals in need of treatment would gain access to behavioral health services if the remaining states expanded Medicaid. The report also notes that SAMHSA supports numerous programs that provide services to individuals residing in states that are not participating in the Medicaid expansion ([SAMHSA, 11/17](#)).
- **CMS proposes 2017 Marketplace standards.** On November 20, **CMS** proposed a [rule](#) that would implement additional benefit and payment standards for the 2017 **Affordable Care Act Marketplace** open enrollment period, which is slated to run from November 1, 2016 to January 31, 2017. Building on previous rules, the proposed rule would authorize states to establish additional network adequacy standards for plans offered through federally facilitated Marketplaces. The proposed rule also would expand the duties of Marketplace **navigators** in providing post-enrollment assistance and improve Marketplace premium stabilization programs. Additionally, the proposed rule would attempt to enhance transparency by allowing insurers to offer standardized plan options. CMS released a [fact sheet](#) on the proposed rule ([CMS, 11/20](#); [Washington Post, 11/20](#)).
- **CMS finalizes increased funding for Medicaid eligibility and enrollment.** On December 4, **CMS** finalized a [rule](#) indefinitely extending the enhanced federal funding available to states that are improving their **Medicaid** and **Children's Health Insurance Program (CHIP)** eligibility and enrollment systems. Under the rule, CMS will continue to offer a 90 percent **Federal Medical Assistance Percentage (FMAP)** for states to build new Medicaid eligibility and enrollment systems and a 75 percent FMAP for Medicaid system maintenance and operations costs. Authorized under the ACA, the enhanced

funding was previously scheduled to expire on December 31, 2015. CMS released a [fact sheet](#) on the final rule.

- **CMS offers \$32 million to help enroll children in health coverage.** On November 16, CMS announced plans to award \$32 million over two years to support efforts to enroll eligible children in **Medicaid** and **CHIP** coverage. Authorized under the **Medicare Access and CHIP Reauthorization Act of 2015** (MACRA), the funds will support identification, outreach, and application assistance efforts by states, tribes, localities, and other organizations ([CMS, 11/16](#)).
- **SAMHSA offers up to \$49.1 million to improve behavioral health services.** On November 23, SAMHSA announced plans to award up to \$30 million over five years to establish a **National Center for Child Traumatic Stress**. As part of the **National Child Traumatic Stress Initiative**, the center will support the initiative's national network of grantees through training, technical assistance, and education efforts. Separately, SAMHSA announced plans to award \$10.8 million in **Grants to Expand Care Coordination Targeted Capacity Expansion through the Use of Technology Assisted Care in Targeted Areas of Need** (TCE-TAC) and \$2.3 million in **Statewide Consumer Network** (SCN) grants to expand mental health services provided by consumer-run and –controlled organizations for individuals with **serious mental illness**. Finally, SAMHSA announced plans to award up to \$6 million in **Statewide Family Network Program** grants to improve states' capacity to serve youth with **serious emotional disturbances** ([SAMHSA, 11/23a](#); [SAMHSA, 11/20a](#); [SAMHSA, 11/20b](#); [SAMHSA, 12/1](#)).
- **SAMHSA to award up to \$6.5 million for behavioral health training.** On November 23, SAMHSA announced plans to award up to \$3.5 million in **Screening, Brief Intervention and Referral to Treatment Health Professions Student Training** (SBIRT-HPST) grants and up to \$3 million for a **Cooperative Agreement for the Provider's Clinical Support System for Medication Assisted Treatment** (PCSS-MAT) grant. The SBIRT-HPST program provides SBIRT training to students in health care and social service professions, while the PCSS-MAT program provides training and information about MAT for health care providers ([SAMHSA, 11/23b](#); [SAMHSA, 11/23c](#)).
- **FDA approves naloxone nasal spray.** On November 18, the **U.S. Food and Drug Administration** (FDA) approved the naloxone nasal spray **Narcan**. Narcan is the first FDA-approved nasal-spray-version of naloxone, which is an opioid overdose reversal medication. Previously, naloxone only was available in injectable form ([FDA, 11/18](#)).

## State News

- **Kentucky governor-elect announces plans to end state-based Marketplace.** In November, **Kentucky Governor-Elect Matt Bevin** (R) announced plans to transition the state's **Affordable Care Act Marketplace** from its state-based Marketplace, **Kynect**, to **Healthcare.gov**. According to Governor-Elect Bevin, the transition will ensure that the

Marketplace does not require state funding in the event that premium taxes do not cover the operating costs. The transition will not affect the current Marketplace open enrollment period because the ACA requires states to provide 12 months notice before transitioning to Healthcare.gov. **Governor-Elect Bevin** also announced plans to submit a waiver that would alter the state's **Medicaid expansion** to include several cost-sharing provisions. According to the *Lexington Herald-Leader*, because **Kentucky Governor Steve Beshear** (D) unilaterally implemented both Kynect and the state's Medicaid expansion through executive order, Governor-Elect Bevin may make unilateral changes without approval from the **Kentucky Legislature** ([Kaiser Health News, 12/2](#); [Lexington Herald-Leader, 11/4](#)).

- **Louisiana completes Medicaid behavioral health managed care integration.** On December 1, the **Louisiana Department of Health and Hospitals (LDHH)** integrated Medicaid's behavioral and physical health services, ending Louisiana's behavioral health carve-out. According to LDHH, most Medicaid enrollees will now access behavioral health benefits through the state's existing **managed care organizations (MCOs)**. However, to ease the integration process, MCOs will accept reimbursement claims through February 29, 2016 from behavioral health providers that were included in the previous behavioral health network but are currently not "in network" under the new plans ([LDHH, 11/30](#)).
- **Louisiana governor-elect plans for Medicaid expansion.** On November 22, **Louisiana Governor-Elect John Bel Edwards** (D) announced plans to **expand Medicaid** after he takes office on January 11, 2016. According to Governor-Elect Edwards, he will implement the ACA expansion via executive order after the details of the state's financing plans are resolved. In June, the **Louisiana Legislature** approved a concurrent resolution ([HCR75](#)) authorizing Louisiana hospitals to pay part of the state's share of the expansion costs ([New Orleans Times-Picayune, 11/22](#)).
- **Maryland opioid task force releases final recommendations.** On December 1, the **Maryland Heroin and Opioid Emergency Task Force** released its [final recommendations](#) to address **opioid misuse and abuse**. The task force recommended 33 initiatives, including expanding access to buprenorphine and recovery support services, requiring providers to use the state's **Prescription Drug Monitoring Program**, improving opioid overdose education and prevention campaigns, establishing new substance abuse treatment options for incarcerated individuals, and increasing the penalties for distributing heroin or fentanyl. **Maryland Governor Larry Hogan** (R) announced plans to act on the recommendations ([Washington Post, 12/1](#)).
- **New Hampshire reviews insurers' substance use disorder claims.** On November 25, the **New Hampshire Insurance Department (NHID)** launched a "targeted examination" of claims for substance use disorder treatment services. According to an NHID spokesperson, the review will focus on insurers' preauthorization, claim denials, utilization review practices, and network adequacy. NHID will order insurers to correct

any violations and pay any associated penalties. In addition, the department also may force insurers to cease operating in the state in the case of severe violations ([NHID, 11/25](#); [New Hampshire Union Leader, 11/25](#)).

- **New Hampshire Legislature establishes opioid task force.** On November 18, the **New Hampshire Legislature** established an opioid task force that will develop recommendations to address **opioid misuse and abuse**. The task force will focus on recommendations to improve the state's **prescription drug monitoring program**, expand drug courts, increase prescriber education standards, expand prescription drug enforcement programs, improve insurance authorization processes, and align fentanyl distribution penalties with heroin distribution penalties. According to state legislators, the task force will submit a final report on January 6, 2016, and the Legislature plans to approve bills to implement the recommendations in January ([New Hampshire Public Radio, 11/18](#); [New Hampshire Union Leader, 11/23](#)).
- **New York City unveils \$853 million behavioral health reform plan.** On November 23, **New York City Mayor Bill de Blasio** (D) unveiled [ThriveNYC](#), a four-year plan to expand and improve New York City's behavioral health services. The plan features 54 initiatives that will create 15,000 housing units for homeless individuals, provide mental health first aid training to 250,000 individuals, and hire behavioral health specialists to provide an additional 400,000 clinical hours per year. The plan includes \$548 million for 31 previously announced initiatives and \$305 million for 23 new initiatives. According to Mayor de Blasio, the housing units will consist of 7,500 existing and 7,500 new units that will be constructed over 15 years. Housing construction is expected to require \$2.6 billion in capital funds, which are budgeted separately from ThriveNYC ([Office of New York City Mayor de Blasio, 11/23](#); [Office of New York City Mayor de Blasio, 11/18](#); [Capital New York, 11/23](#)).
- **Ohio awards \$3 million to improve behavioral health in the criminal justice system.** On November 19, the **Ohio Department of Mental Health and Addiction Services** (ODMHAS) awarded \$3 million in **Criminal Justice-Behavioral Health Linkages** grants to 23 projects across 38 counties. Under the program, grantees will improve behavioral health services for criminal-justice-involved individuals and expand treatment referral systems for individuals reentering the community. According to ODMHAS, the grants are funded by savings that were generated from the 2013 merger of the state's mental health and substance abuse agencies. ODMHAS provided [additional information](#) about the grantees and their projects ([Columbus Dispatch, 11/21](#)).
- **Texas Legislature establishes behavioral health select committee.** On November 9, **Texas House of Representatives Speaker Joe Straus** (R) established the **House Select Committee on Mental Health** to review the state's behavioral health systems of care, including substance abuse treatment, for adults and children. According to Speaker Straus, the select committee will develop recommendations to improve identification of those in need of services, expand care coordination, increase access to care in

underserved areas, enhance early detection of mental health conditions, and improve outcomes and outcomes measurement ([Office of Texas House Speaker Straus, 11/9](#); [Texas Tribune, 11/9](#)).

- **Wyoming governor proposes Medicaid expansion.** On December 1, **Wyoming Governor Matt Mead** (R) [proposed](#) his \$3.5 billion budget for the FY2017-2018 biennium, which would **expand Medicaid** as authorized under the ACA. According to Governor Mead, the expansion would save the state \$33.7 million over the two-year period by reducing the cost of uncompensated care and expanding access to preventative services. The proposed budget would use those savings to increase state health care funding by \$23.7 million, including \$11.4 million to fund involuntary hospitalization services for individuals with **serious mental illness**. The **Wyoming Legislature** has rejected previous Medicaid expansion proposals ([Casper Star-Tribune, 12/1](#); [Casper Star-Tribune, 12/6](#)).

## Financing Reports

- **ACA medical loss ratio provisions saved consumers \$2.4 billion from 2011 through 2014.** “[Consumers get rebates, more premium value and stability protection in 2014](#)” CMS. November 2015 ([CMS, 11/19](#)).
- **CHIP plans with Early and Periodic Screening, Diagnostic and Treatment benefits are more comprehensive than Marketplace plans, CMS finds.** “[Certification of comparability of pediatric coverage offered by qualified health plans](#)” CMS. November 25, 2015.
- “[Improving behavioral health access & integration using telehealth & teleconsultation: A health care system for the 21st century](#)” National Academy for State Health Policy. Townley, C. & Yalowich, R. November 10, 2015.
- **Insurers in AL, CA, FL, MD, and MN provide extensive coverage of antidepressants but lack cost-transparency.** “[Marketplace antidepressant coverage and transparency](#)” Urban Institute on behalf of the Robert Wood Johnson Foundation. Blumberg, L. et al. November 10, 2015.
- **Lowest-cost silver-level Marketplace premiums increased an average of 4.3 percent in 20 states.** “[2016 premium increases in the ACA marketplaces: Not nearly as dramatic as you’ve been led to believe](#)” Urban Institute on behalf of RWJF. Holahan, J. et al. November 2015 ([Fierce Health Payer, 11/25](#)).
- “[More than 10 million uninsured could obtain marketplace coverage through special enrollment periods](#)” Urban Institute on behalf of RWJF. Buettgens, M. et al. November 2015.
- “[National Drug Control Strategy 2015](#)” Office of National Drug Control Policy. November 17, 2015.

- **New York City loses over \$14 billion annually from the economic costs of behavioral health conditions.** [“Report: Understanding New York City’s mental health challenge”](#) New York City Office of the Mayor. November 12, 2015 ([Crain’s New York Business, 11/12](#)).
- [“Potential savings from actively shopping for marketplace coverage in 2016”](#) Kaiser Family Foundation (KFF). Cox, C. et al. November 18, 2015.
- [“The prescription opioid epidemic: An evidence based approach”](#) John Hopkins Bloomberg School of Public Health. November 2015 ([Washington Post, 11/16](#)).