

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

## **Financing Focus: July 18, 2016**

<b>National News</b>	<b>2</b>
• HHS and ONDCP outline actions to address opioid misuse and abuse	2
• Report: Some states have made significant progress addressing opioid abuse	2
• Court rules against ACA restrictions on fixed-indemnity health insurance plans	2
• SAMHSA releases new behavioral health quality measurement tools	3
• CMS announces new ACA open enrollment outreach initiatives	3
• CMS awards \$32 million for child Medicaid and CHIP enrollment initiatives	3
• Proposed Medicare physician fee schedule update includes behavioral health coordination	3
• HHS offers \$20 million to support clinicians’ transition to MACRA	3
• CMS offers \$22 million for ACA insurance compliance activities	4
<b>State News</b>	<b>4</b>
• Kentucky proposes reforming Medicaid expansion; Ohio submits expansion reform waiver	4
• Alaska Medicaid reforms include behavioral health services	4
• California allocates \$2 billion to house homeless individuals with mental health conditions	5
• Connecticut to study substance use disorder insurance coverage	5
• Florida: Court approves settlement increasing Medicaid funding for child services	5
• Indiana endorses opioid prescribing guidelines	5
• Massachusetts unveils proposal to renew and amend Medicaid waiver	5
• New York approves measures to expand prevention and treatment of opioid misuse	6
• North Carolina approves naloxone standing order	6
• Ohio implements Medicaid coverage of chemical dependency counseling	6
• Oklahoma authorizes additional involuntary behavioral health treatment services	7
• Tennessee: CMS approves two-month Medicaid waiver extension	7
<b>Financing Reports</b>	<b>7</b>

*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.*

*Subscribe to the free Financing Focus at: <https://public.govdelivery.com/accounts/USSAMHSA/subscriber/new>*

*Past Issues Posted at: <http://www.samhsa.gov/health-financing/enrollment-initiatives-research>*

## National News

- **HHS and ONDCP outline actions to address opioid misuse and abuse.** Building on a March 2016 announcement, on July 6, the **U.S. Department of Health and Human Services (HHS)** and the **Office of National Drug Control Policy (ONDCP)** outlined several new and ongoing initiatives to address opioid misuse and abuse. The **Substance Abuse and Mental Health Services Administration (SAMHSA)** finalized a [rule](#) increasing the maximum number of clients for whom physicians may prescribe **buprenorphine** to treat opioid use disorders—up from 100 to 275. In addition, effective immediately, the **Indian Health Service** and the **U.S. Department of Veterans Affairs** will require clinicians to check their state’s **Prescription Drug Monitoring Program (PDMP)** prior to prescribing or dispensing prescription opioids. HHS also announced plans to conduct more than a dozen new studies on opioids and released a [request for information](#) on current opioid prescriber education and training programs. The **Centers for Medicare & Medicaid Services (CMS)** [proposed](#) removing consumer assessments of pain management services from Medicare hospital reimbursement formulas, and the **U.S. Department of Defense** will conduct an evaluation of its PDMP. Additionally, the **U.S. Department of Agriculture** awarded \$1.4 million in **Distance Learning and Telemedicine** grants to address opioid misuse in rural areas of Kentucky, Tennessee, and Virginia; the **U.S. Department of Housing and Urban Development** partnered with HHS to identify best practices to support **medication-assisted treatment (MAT)** services through **Homelessness Assistance Grants**; and the **U.S. Drug Enforcement Administration** announced the 12th National Prescription Drug Take-Back Day ([HHS, 7/6](#); [ONDCP, 7/6](#); [AP via Washington Post, 7/6](#)).
- **Report: Some states have made significant progress addressing opioid abuse.** A new **National Safety Council (NSC)** [report](#) evaluates state progress on addressing opioid misuse and abuse along six key indicators: mandating **prescriber education**, issuing **opioid prescribing guidelines**, eliminating **pill mills**, improving **PDMPs**, increasing **access to naloxone**, and expanding **access to treatment**. According to the report, which was released in June, Kentucky, New Mexico, Tennessee, and Vermont have made significant progress on at least five indicators. Nineteen states made significant progress on three or four indicators, and 24 states and the District of Columbia made significant progress on one or two indicators. Michigan, Missouri, and Nebraska did not make significant progress on any indicators ([NSC, Addiction Professional, 6/28](#)).
- **Court rules against ACA restrictions on fixed-indemnity health insurance plans.** On July 1, the **U.S. Court of Appeals for the District of Columbia** [ruled](#) that **HHS** may not enforce **Affordable Care Act (ACA)** restrictions on the sale of fixed-indemnity health insurance plans. HHS contended that fixed-indemnity plans, which offer set cash benefits for covered conditions, do not meet ACA **minimum essential coverage (MEC)** requirements. Under the ACA, non-grandfathered health insurance plans must cover at least 60 percent of enrollees’ average medical expenses to qualify as MEC. However, the

court ruled that the ACA did not alter existing law exempting fixed-indemnity plans from Federal insurance standards; therefore, the plans also are exempt from ACA restrictions ([New York Times, 7/5](#); [Fierce Healthcare, 7/6](#)).

- **SAMHSA releases new behavioral health quality measurement tools.** On June 21, **SAMHSA** released new [quality measurement tools](#) to help states and behavioral health clinics “better assess and document their performance and effectiveness in providing treatment.” Developed in partnership with **CMS** and the **HHS Office of the Assistant Secretary for Planning and Evaluation**, the tools contain a resource manual, technical specifications, and templates for data reporting ([SAMHSA, 6/21](#)).
- **CMS announces new ACA open enrollment outreach initiatives.** To increase participation in the 2016 **ACA open enrollment period**, on June 21, **CMS** announced new consumer outreach plans that will use **Internal Revenue Service** data and other resources. For the first time, **CMS** will send notification letters with enrollment information to individuals who have previously paid the **ACA’s individual mandate penalty**. In addition, **CMS** will improve email outreach to young adults, develop new guidance for young adults transitioning from parental insurance, and partner with numerous non-governmental organizations to further improve young adult outreach ([CMS, 6/21](#); [Kaiser Health News, 6/21](#)).
- **CMS awards \$32 million for child Medicaid and CHIP enrollment initiatives.** Through the **Connecting Kids to Coverage** campaign, on June 13, **CMS** awarded \$32 million to support initiatives by 38 organizations in 27 states to enroll eligible children in **Medicaid** and the **Children’s Health Insurance Program (CHIP)**. Authorized under the [Medicare Access and CHIP Reauthorization Act of 2015](#) (**MACRA**), the funding will support strategies to increase enrollment “in areas where access to health coverage has been lagging” ([HHS, 6/13](#)).
- **Proposed Medicare physician fee schedule update includes behavioral health coordination.** On July 7, **CMS** [proposed](#) a rule to update the **Medicare Physician Fee Schedule** for 2017. According to **CMS**, the schedule update includes numerous proposals for primary care physicians to better focus on care management and coordination, including for behavioral health services. Under the proposed rule, Medicare would reimburse primary care physicians who provide specific behavioral health services through a collaborative care model that includes behavioral health specialists ([CMS, 7/7](#)).
- **HHS offers \$20 million to support clinicians’ transition to MACRA.** To facilitate clinician participation in **MACRA** payment reforms, on June 20, **HHS** announced plans to award \$20 million in training and technical assistance (T/TA) grants. Authorized under **MACRA**, as part of the **Quality Payment Program**, awardees will provide T/TA to individual and small group practices with 15 or fewer clinicians. According to **HHS**, awards will be announced in November and an additional \$20 million will be awarded annually over the next four years. Separately, as required under **MACRA**, **CMS** finalized a [rule](#) allowing “organizations approved as qualified entities to confidentially share or sell

analyses of Medicare and private sector claims data to providers, employers, and other groups who can use the data to support improved care.” According to CMS, the rule will support efforts to make informed health care delivery and quality decisions. To further support MACRA implementation, on July 6, CMS proposed a [rule](#) that would update certain hospital and ambulatory surgical center payment rates and reform the **Medicare Electronic Health Record Incentive Program** for hospitals and ambulatory centers. CMS released a [fact sheet](#) on the proposed rule ([HHS, 6/20](#); [CMS, 7/1](#); [CMS, 7/6](#)).

- **CMS offers \$22 million for ACA insurance compliance activities.** To improve insurer compliance with ACA provisions, on June 15, CMS announced plans to award up to \$22 million for state insurance regulators. Authorized under the ACA, the funding will support state efforts to improve insurer compliance with essential health benefits, preventive services, parity, appeals, and medical loss ratios. According to CMS, the funding is available from unobligated rate review grant funds from prior years ([CMS, 6/15](#)).

## State News

- **Kentucky proposes reforming Medicaid expansion; Ohio submits expansion reform waiver.** On June 22, **Kentucky Governor Matt Bevin** (R) unveiled a draft [Medicaid Section 1115 Demonstration Waiver](#) to implement various reforms to the state’s **ACA Medicaid expansion**. Among other provisions, the waiver would implement monthly premiums of \$1 to \$15 for most expansion enrollees, locking enrollees out of the program for six months if they fail to contribute. Additionally, the waiver would implement work or community service requirements and eliminate dental and vision coverage for most enrollees. CMS must approve the waiver before it is implemented, and advocates note that the agency has never approved similar waiver provisions in other states. Meanwhile, on June 15, **Ohio** submitted a [Medicaid Section 1115 Demonstration Waiver](#) to reform its **ACA Medicaid expansion**. Among other provisions, Ohio’s waiver would require most individuals receiving expansion coverage to enroll in a **health savings account** and contribute at least two percent of their income, or \$99 annually. Individuals who do not contribute would lose their coverage until all contributions are paid ([Louisville Courier-Journal, 6/22](#); [Louisville Courier-Journal, 6/29](#); [Columbus Dispatch, 7/2](#)).
- **Alaska Medicaid reforms include behavioral health services.** On June 21, **Alaska Governor Bill Walker** (I) signed a bill ([SB74](#)) implementing numerous reforms to the state’s Medicaid program. The bill directs the **Alaska Department of Health and Social Services** (ADHSS) and the **Alaska Mental Health Trust Authority** to coordinate the integration of behavioral health and primary care services. The bill also directs ADHSS to expand the use of behavioral health telemedicine services, reduce the out-of-pocket cost of behavioral health services for certain enrollees, and develop processes to ensure that individuals treated by hospital emergency departments receive appointments with primary care or behavioral health providers within 96 hours ([Office of Alaska Governor Walker, 6/21](#)).

- **California allocates \$2 billion to house homeless individuals with mental health conditions.** To provide housing and services to homeless individuals with mental health conditions, on July 1, **California Governor Jerry Brown (D)** signed a bill ([AB1618](#)) allocating counties \$2 billion in new funding. Under the bill, the **California Department of Housing and Community Development (CDHCD)** will issue bonds backed by future **Mental Health Services Act** revenue—a one percent tax on annual income over \$1 million—to fund the newly-created **No Place Like Home** initiative. The initiative will fund county-level efforts to provide **supportive housing** and other services to individuals with mental health conditions who are homeless or in danger of becoming homeless ([San Francisco Chronicle, 7/1](#)).
- **Connecticut to study substance use disorder insurance coverage.** On June 3, **Connecticut Governor Dannel Malloy (D)** signed a bill ([HB5620](#)) directing the **Connecticut Insurance Department (CID)** to study the extent and availability of insurance coverage for **substance use disorders (SUDs)**. Under the bill, CID will submit a report by January 31, 2017, that identifies any impediments to coverage and any requirements imposed on consumers, including cost sharing requirements ([Shelton Herald, 6/10](#)).
- **Florida: Court approves settlement increasing Medicaid funding for child services.** On June 28, the **U.S. District Court for the Southern District of Florida** approved a [settlement agreement](#) between children’s advocates, the **Florida Agency for Health Care Administration (FAHCA)**, the **Florida Department of Children and Families**, and the **Florida Department of Health**. Originally announced in April, under the settlement, FAHCA will increase Medicaid reimbursement rates for most pediatricians and pediatric specialists to rates similar to Medicare reimbursements. The plaintiffs had argued that Florida funded youth Medicaid services at levels significantly below those required under Federal law, and the court ruled in favor of the plaintiffs in [December 2014](#). The court will monitor implementation of the settlement ([AP via NBC2, 6/29](#); [Health News Florida, 6/29](#); [Miami Herald, 4/5](#)).
- **Indiana endorses opioid prescribing guidelines.** On June 21, the **Indiana Governor’s Task Force on Drug Enforcement, Treatment, and Prevention** endorsed new [opioid prescribing guidelines](#) for hospital emergency departments. Developed by the **Indiana Hospital Association**, the **Indiana State Medical Association**, and other medical professionals, the guidelines are voluntary and are intended to reduce inappropriate or unnecessary opioid prescriptions ([Office of Indiana Governor Pence, 6/21](#)).
- **Massachusetts unveils proposal to renew and amend Medicaid waiver.** On June 15, **Massachusetts** unveiled its [proposed request](#) to renew and amend the state’s **Medicaid Section 1115 Demonstration Waiver** through July 1, 2022. The proposed request would continue the existing waiver’s delivery system and payment reforms, including transitioning the state’s Medicaid program from fee-for-service to managed care, while implementing new reforms such as permitting **accountable care organizations**.

Additionally, the waiver would expand **SUD** treatment and recovery services for individuals with opioid addictions, including **MAT** services. The renewal also would continue the integration of physical and behavioral health services. Although **CMS** approved most of the state's existing waiver through June 30, 2019, the waiver's **Safety Net Care Pool** provision was approved only through July 1, 2017. The proposed request would renew the entire waiver. The **Massachusetts Department of Health and Human Services** offers [additional information](#) on the proposed request and sought public comment through July 17 ([Health Management Associates, 6/22](#)).

- **New York approves measures to expand prevention and treatment of opioid misuse.** On June 22, **New York Governor Andrew Cuomo** (D) signed a series of bills ([S8137](#), [S8138](#), and [S8139](#)) enacting provisions to prevent, treat, and address the consequences of opioid misuse. For private insurers, the bills prohibit **prior authorization** requirements for **inpatient** and **MAT** treatment services, require the use of state-approved criteria to determine the appropriate level of care for SUD treatment, and mandate coverage for **naloxone**. Additionally, the bills increase access to emergency treatment services, require hospitals to provide follow-up services to discharged individuals with a SUD, allow additional licensed professionals to administer naloxone, and expand SUD wraparound services to include more supportive programs. The bills also implement **7-day limits** on opioid prescriptions for acute pain, require all opioid prescribers to undergo at least three hours of **continuing medical education** on addiction and pain management every three years, require pharmacists to provide educational information to patients on the dangers of addiction, and require the **New York State Department of Health** to report county-level data on opioid overdoses. Governor Cuomo also noted that the state's FY2017 budget includes \$200 million in additional SUD treatment funding ([Office of New York Governor Cuomo, 6/22](#); [NBC News, 6/22](#); [AP, 6/22](#)).
- **North Carolina approves naloxone standing order.** To expand access to naloxone, on June 20, **North Carolina Governor Pat McCrory** (R) signed a bill ([SB734](#)) implementing a "standing prescription order statewide for **naloxone**." Effective immediately, the bill authorizes pharmacists to dispense naloxone without a prescription to any individuals whom they determine to be at risk of experiencing or encountering an opioid overdose. The **North Carolina Governor's Task Force on Mental Health and Substance Use** previously recommended implementing the standing order ([Office of North Carolina Governor McCrory, 6/20](#)).
- **Ohio implements Medicaid coverage of chemical dependency counseling.** On June 21, **Ohio Governor John Kasich** (R) signed an executive order ([2016-02K](#)) authorizing **licensed independent chemical dependency counselors** to receive Medicaid reimbursements. According to Governor Kasich, **CMS** previously approved an amendment to the [Ohio Medicaid State Plan](#) allowing Medicaid to reimburse the counselors starting July 1; however, because of delays in the stakeholder feedback process, the **Ohio Department of Medicaid** (ODM) was not yet able to complete the

rulemaking process. The executive order will stand for 120 days or until ODM finalizes rules ([Office of Ohio Governor Kasich, 6/21](#); [Columbus Dispatch, 6/21](#)).

- **Oklahoma authorizes additional involuntary behavioral health treatment services.** On June 20, **Oklahoma Governor Mary Fallin** (R) held a signing ceremony for a bill ([HB1697](#)) amending the state's **involuntary commitment** laws to create an **assisted outpatient treatment** (AOT) option. Under the bill, family members, licensed mental health professionals, and certain criminal justice and law enforcement personnel may petition for individuals currently receiving services from a **community mental health center** or being discharged from the custody of the **Oklahoma Department of Corrections** to receive a court order for AOT services. In response to the petition, judges may commit individuals to AOT if court-ordered assessments recommend it as the least restrictive appropriate treatment option ([Oklahoma News9, 6/20](#); [Oklahoma Fox25, 6/20](#)).
- **Tennessee: CMS approves two-month Medicaid waiver extension.** On June 30, CMS [approved](#) a two-month temporary extension of **Tennessee's Medicaid Section 1115 Demonstration Waiver** to run through August 3. The extension will provide additional time to negotiate final renewal terms. According to CMS, the final waiver must be consistent with the principle that uncompensated care pools do not pay for costs that would be covered under an **ACA Medicaid expansion**. The **Tennessee Legislature** rejected **Tennessee Governor Bill Haslam's** (R) Medicaid expansion alternative in the 2015 and 2016 legislative sessions ([The Tennessean, 6/30](#)).

## Financing Reports

- [“Analysis of 2017 premium changes and insurer participation in the Affordable Care Act's health insurance marketplaces.”](#) Kaiser Family Foundation (KFF). Cox, C., et al. June 15, 2016.
- [“Behavioral health integration in primary care: A review and implications for payment reform.”](#) Mathematica Policy Research. Zivin, K., et al. June 17, 2016.
- [“Health insurance for addiction and mental health care: A guide to the Federal parity law.”](#) Legal Action Center. June 29, 2016.
- [“Impact of the Affordable Care Act coverage expansion on rural and urban populations”](#) HHS Office of the Assistant Secretary for Planning and Evaluation (ASPE). June 10, 2016
- [“Impacts of the Affordable Care Act's Medicaid expansion on insurance coverage and access to care.”](#) HHS ASPE. June 20, 2016 ([HHS, 6/21](#)).
- **Marketplace plans in six cities offered variable coverage of alcohol and opioid addiction treatment services.** [“Coverage of substance-use disorder treatments in marketplace plans in six cities.”](#) Urban Institute and Robert Wood Johnson Foundation (RWJF). Peters, R., & Wengle, E. June 2016 ([Fierce Healthcare, 6/28](#)).

- **Medicaid expansions expanded access to behavioral health services.** “[Medicaid expansion producing state savings and connecting vulnerable groups to care.](#)” Center on Budget and Policy Priorities. Cross-Call, J. June 15, 2016.
- “[Project Ecosystem: A global map of mental health research funding.](#)” RAND Corporation. Pollitt, A., et al. June 2016.
- **Psychiatric bed capacity decreased 17 percent from 2010 to 2016.** “[Going, going, gone: Trends and consequences of eliminating state psychiatric beds, 2016.](#)” Treatment Advocacy Center. Fuller, D., et al. June 2016 ([Washington Post, 7/1](#)).
- “[Promising practices to integrate physical and mental health care for Medi-Cal members.](#)” Center for Health Care Strategies (CHCS). Hamblin, A., et al. June 2016.
- **Repealing the ACA would increase the uninsured rate by 81 percent, report estimates.** “[The cost of ACA repeal.](#)” Urban Institute and RWJF. Buettgens, M., et al. June 13, 2016 ([Healthcare Finance News, 6/15](#)).
- “[State estimates of major depressive episode among adolescents: 2013 and 2014.](#)” SAMHSA Center for Behavioral Health Statistics and Quality. Lipari, R., et al. July 7, 2016 ([SAMHSA, 7/7](#)).
- **Studied “dual-eligible” Medicare-Medicaid plans promoted physical and behavioral health coordination.** “[ACAP Medicare-Medicaid plans and the financial alignment demonstrations: innovations and lessons.](#)” CHCS on behalf of the Association for Community Affiliated Plans. Philip, A., et al. June 2016.
- “[The widespread slowdown in health spending growth: Implications for future spending projections and the cost of the Affordable Care Act: An update.](#)” Urban Institute and RWJF. McMorrow, S., & Holahan, J. June 2016.