

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

## Financing Focus: September 26, 2016

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

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## National News

- **SAMHSA unveils key findings from the 2015 NSDUH.** On September 8, the **Substance Abuse and Mental Health Services Administration** (SAMHSA) released its annual [Key Substance Use and Mental Health Indicators in the United States](#), using data from the **2015 National Survey on Drug Use and Health** (NSDUH). For 2015, the report found that 17.9 percent of adults (43.4 million) experienced some form of mental illness and 4.0 percent (9.8 million) had a **serious mental illness** (SMI). In addition, roughly 34.2 million adults received mental health services in 2015, including 6.4 million adults with SMI. SAMHSA found that some forms of substance use continued to decrease from 2002 rates, including tobacco use and underage alcohol use. However, approximately 21.7 million individuals aged 12 years and older were in need of substance use treatment and only 2.3 million received treatment at a specialty facility. SAMHSA also released a [report](#) on **prescription drug use** using the 2015 NSDUH data. That report found that 7.1 percent of individuals aged 12 years and older (18.9 million) misused prescription drugs in 2015 and 1.0 percent of individuals aged 12 years and older (2.7 million) had a prescription drug use disorder. Also using 2015 NSDUH data, another SAMHSA [report](#) found that 4.0 percent of adults (9.8 million) had **serious thoughts of suicide**, 1.1 percent (2.7 million) made suicide plans, and 0.6 percent (1.4 million) had a nonfatal suicide attempt ([SAMHSA, 9/8](#); [SAMHSA, 9/15](#)).
- **SAMHSA releases guide to support behavioral health parity implementation.** To help ensure that coverage of behavioral health services meets federal mental health parity requirements, **SAMHSA** released its [Approaches in Implementing the Mental Health Parity and Addiction Equity Act: Best Practices from the States](#) guide. Developed with support from stakeholders in seven states with robust parity implementation efforts (CA, CT, MA, MD, NY, OR, and RI), the guide identifies the primary components of successful parity implementation and monitoring: (1) open communication, (2) standardized materials, (3) ready-to-use tools, (4) assessments of insurer market conduct and network adequacy, and (5) collaboration between all stakeholders ([SAMHSA, 8/9](#)).
- **HHS awards \$53 million to address opioid and other drug use.** Across six different grant programs, the **U.S. Department of Health and Human Services** (HHS) awarded \$53 million to expand access to opioid treatment and overdose prevention as well as broader substance misuse prevention services. The grants will support access to **medication assisted treatment**, expand opioid overdose prevention training, improve community awareness activities, enhance **prescription drug monitoring programs** (PDMPs), and disseminate opioid overdose surveillance data. HHS awarded funds to 44 states, four tribal nations, and the District of Columbia. In a separate federal move, the **U.S. Food and Drug Administration** (FDA) announced that opioid analgesics, opioid-containing cough products, and benzodiazepines now must include boxed warnings and medication guides about the health risks of simultaneous use of these products ([HHS, 8/31](#); [FDA, 8/31](#)).

- **ONDCP awards \$102.9 million for prevention and anti-trafficking activities.** On September 2, the **Office of National Drug Control Policy** (ONDCP) awarded \$85.9 million in **Drug Free Communities** grants to support community prevention efforts targeting youth opioid misuse—as well as youth use of marijuana, tobacco, and alcohol. ONDCP also awarded \$17 million to the **High Intensity Drug Trafficking Areas** (HIDTA) to improve efforts to prevent opioid trafficking. According to ONDCP, the HIDTA funding will expand the **HIDTA Heroin Response Strategy** to the Atlanta/Carolinas, Michigan, and Ohio HIDTAs ([ONDCP, 9/2](#); [ONDCP, 8/17](#)).
- **HHS awards \$187 million to improve care and IT at health centers.** On August 18, **HHS** awarded \$100 million in **Health Center Quality Improvement** grants to 1,304 health centers across all 50 states, the District of Columbia, the five U.S. territories, and the three Freely Associated States. The program aims to expand health center quality improvement systems and improve primary care services. Additionally, on September 15, HHS awarded \$87 million in **Delivery System Health Information Investment** grants to 1,310 health centers across all 50 states, the District of Columbia, Puerto Rico, the Virgin Islands, and the Pacific Basin. Under that program, grantees will invest in information technology (IT) enhancements to help implement value-based models of care and improve care coordination and integration. The **Affordable Care Act** (ACA) authorized funding for both awards ([HHS, 8/18](#); [HHS, 9/15](#)).
- **SAMHSA awards \$54 million to address SMI.** On September 9, **SAMHSA** awarded \$54 million in **Assisted Outpatient Treatment** (AOT) grants to help individuals with **SMI**. The grants will support the implementation and evaluation of new AOT services and the identification of “evidence-based practices to reduce the incidence and duration of psychiatric hospitalization, homelessness, incarcerations, and interactions with the criminal justice system” ([SAMHSA, 9/9](#)).
- **White House announces prescription opioid and heroin epidemic awareness week.** On September 16, **President Obama** [declared](#) September 18 through September 24, 2016, as **Prescription Opioid and Heroin Epidemic Awareness Week** to highlight how this issue affects Americans. Recent activities noted in the White House’s announcement letters sent to educators include the role of schools in substance use disorder (SUD) prevention and treatment, efforts by the **U.S. Department of Agriculture** to support distance learning and telemedicine projects in rural communities, a letter sent by the **Surgeon General** to 2.3 million health care professionals about opioid misuse and abuse, and increased enforcement efforts by the **U.S. Department of Justice** ([The White House, 9/19](#)).
- **CMS awards \$63 million to support Marketplace enrollment, proposes new standards.** To support consumer enrollment in **Affordable Care Act Marketplace** coverage, the **Centers for Medicare & Medicaid Services** (CMS) awarded \$63 million in **Navigator Grant** awards to 98 navigator organizations in the 34 states with federally-facilitated Marketplaces. Authorized under the **ACA**, navigators help consumers

understand their health insurance options. Meanwhile, CMS also proposed a [rule](#) that would implement the agency's **Notice of Benefit and Payment Parameters** for the 2018 plan year. Among other provisions, that rule would reform Marketplace risk adjustment programs to improve risk pooling, implement additional tools for consumers to compare Marketplace plans, and broaden the availability of standardized Marketplace plans. CMS also announced plans to further evaluate the effect of new **Marketplace Special Enrollment** verification requirements and released a [notice](#) with additional information on current and planned efforts to prevent the misuse or abuse of special enrollment periods. CMS also released a [request for information](#) on individuals being inappropriately directed to Marketplace coverage rather than to Medicare or Medicaid ([CMS, 9/6](#); [CMS, 8/29](#); [CMS, 8/18](#)).

- **HRSA awards \$26 million to improve rural health care services, including behavioral health.** On August 11, the **Health Resources and Services Administration** (HRSA) awarded \$26 million through five grant programs to improve access to health care services in rural settings. HRSA awarded \$10 million in **Delta States Rural Development Network grants** to address chronic physical and behavioral health conditions in eight Delta Region states. HRSA's Federal Office of Rural Health Policy also awarded \$16 million for four grant programs, including \$900,000 for the **Flex Rural Veterans Health Access Program** to expand access to behavioral health services for veterans living in rural areas ([HHS, 8/11a](#); [HHS, 8/11b](#)).
- **DOD expands TRICARE behavioral health coverage.** To expand access to services, on September 2, the **U.S. Department of Defense** (DOD) finalized a [rule](#) expanding **TRICARE** behavioral health benefits and implementing parity requirements. Among other provisions, the rule implements TRICARE coverage for intensive outpatient and opioid treatment services, eliminates benefit limitations on behavioral health treatment, and streamlines requirements for behavioral health providers to become authorized TRICARE providers. TRICARE is a DOD health insurance program that covers civilian health care services for active duty, reservist, and retired military personnel ([Becker's Hospital Review, 9/6](#)).

## State News

- **Colorado & Minnesota: Denver and Minneapolis police launch mental health pilot programs.** To better provide services for individuals experiencing mental health crisis, the **Denver Police Department** (DPD) and the **Minneapolis Police Department** (MPD) separately launched programs partnering law enforcement with mental health professionals. According to *The Denver Post*, the DPD will collaborate with the **Mental Health Center of Denver** and **Denver Human Services** to respond to emergency calls and conduct foot patrols through areas with vulnerable populations. The program is an expansion of a pilot program launched in April. Meanwhile, according to *The Star Tribune*, MPD is providing 40-hour **Crisis Intervention Training** to law enforcement

officers and plans to have mental health professionals accompany officers during normal shifts and emergency responses in 2017 ([Denver Post, 9/2](#); [Star Tribune, 9/6](#)).

- **Delaware authorizes statewide expansion of syringe exchange pilot program.** On August 11, **Delaware Governor Jack Markell** (D) signed a bill ([SB259](#)) authorizing the **Delaware Department of Health and Social Services** to expand the **Delaware Syringe Exchange Program** to the entire state. The program currently operates in the City of Wilmington. According to Governor Markell, the bill does not allocate state funding, so Delaware must seek federal funding to implement the expansion ([Office of Delaware Governor Markell, 8/11](#)).
- **Illinois unveils draft Medicaid waiver to expand and integrate behavioral health services.** Seeking public comment, on August 12, **Illinois** unveiled a draft [Medicaid Section 1115 Demonstration Waiver](#) to implement additional behavioral health services and advance physical and **behavioral health integration**. Among other provisions, the draft waiver proposes redesigning the SUD service continuum and implementing supportive housing services, supportive employment services, additional services for criminal-justice-involved individuals re-entering the community, additional services for infants and children in need of mental health interventions, and additional services for children and youth with “significant mental health needs.” The draft waiver also proposes numerous initiatives to promote physical and behavioral health integration as well as the adoption of value-based reimbursement systems. Illinois released an [overview](#) of the draft waiver ([Herald and Review, 9/8](#)).
- **Kentucky submits waiver to reform Medicaid expansion.** On August 24, **Kentucky** submitted a [Medicaid Section 1115 Demonstration Waiver](#) to implement several reforms to the state’s **ACA Medicaid expansion**. For most expansion enrollees, the proposed waiver would implement monthly premiums and other cost-sharing provisions as well as work or community service requirements. In addition, expansion enrollees with incomes above 100 percent of the Federal Poverty Level (FPL) who fail to pay their share of the cost-sharing requirements would be locked out of Medicaid coverage for six months. The waiver would not affect expansion enrollees who are deemed “medically frail” or individuals who are eligible for non-expansion Medicaid coverage. Kentucky released an [overview](#) of the proposed waiver ([Lexington Herald-Leader, 8/24](#)).
- **Maine launches substance use services pilot program for at-risk families.** To support families affected by parental substance use, on August 10, the **Maine Department of Health and Human Services** (MDHHS) launched the **Maine Enhanced Parenting Project** (MEPP) pilot program. According to MDHHS, MEPP co-locates existing parenting education and outpatient SUD treatment services for parents with children under age six. MDHHS estimates that the program will provide **Matrix Intensive Outpatient Program** and **Positive Parenting Program** services to 250 individuals annually through six locations across the state ([MDHHS, 8/10](#)).

- **Maryland awards \$3 million to address heroin use, alters methadone reimbursements.** Following recommendations from the **Maryland Heroin & Opioid Emergency Task Force**, **Maryland Governor Larry Hogan** (R) announced \$3 million in state grants for law enforcement and criminal justice agencies. Governor Hogan awarded \$930,000 to fund regional coordinators who will facilitate the analysis and sharing of heroin data for law enforcement agencies. The governor also announced \$2.1 million to support the ongoing **Safe Streets Initiative**, which, among other goals, seeks to connect criminal-justice-involved individuals with an SUD to treatment, recovery, physical health care, education, and other services. Meanwhile, to improve opioid treatment services, the **Maryland Department of Health and Mental Hygiene** (MDHMH) announced plans to unbundle Medicaid reimbursements for methadone maintenance and drug counseling services beginning in March 2017. According to MDHMH, unbundling the reimbursements will enable the Department to ensure that individuals receive the clinically appropriate level of counseling. MDHMH offers [additional information](#) on the reimbursement change ([Office of Maryland Governor Hogan, 8/8](#); [Baltimore Sun, 8/8](#); [Baltimore Sun, 9/6](#)).
- **Massachusetts reaches settlement with CVS on opioid dispensing procedures.** On September 1, **Massachusetts Attorney General Maura Healey** (D) announced a settlement with **CVS Pharmacy** over allegations that CVS did not provide adequate access to the state’s **PDMP** and that certain pharmacies did not “monitor drug use patterns or use sound professional judgment when dispensing controlled substances.” Under the settlement, CVS will update its policies and procedures for dispensing opioids, including requiring pharmacy staff to check the state’s PDMP and expanding the availability of training and guidance materials. CVS also agreed to pay Massachusetts \$795,000. According to Attorney General Healey, \$500,000 of the CVS payment will be used to address opioid dependence ([Office of Massachusetts Attorney General Healey, 9/1](#); [Boston Globe, 9/2](#)).
- **Minnesota launches Medicaid behavioral health home service program.** On August 12, the **Minnesota Department of Human Services** (MDHS) announced the certification of 13 behavioral health home service providers. According to MDHS, certified providers must offer comprehensive case management, care coordination, transitional care, and other services to individuals with **SMI** or an emotional disturbance. Minnesota’s Medicaid program began coverage of behavioral health home services effective July 1, and MDHS has created [guidance](#) on the program’s payment methodology and other details. MDHS also plans to certify eight additional providers. According to one certified provider, approximately half of the 8,000 individuals receiving their existing services will qualify for behavioral health home services ([MDHS, 8/12](#); [Northlands News Center, 8/12](#)).
- **New Hampshire proposes Medicaid expansion reforms.** On August 10, **New Hampshire** submitted a [Medicaid Section 1115 Demonstration Waiver](#) to implement

additional cost-sharing and work requirements for individuals receiving coverage under the state's **ACA Medicaid expansion**. Among other provisions, the proposed waiver would require "childless, able-bodied newly eligible" enrollees to work at least 30 hours per week or participate in certain job training programs. The waiver also would require newly eligible enrollees make co-payments for non-emergency visits to hospital emergency departments and impose additional cost-sharing provisions for newly eligible enrollees with incomes above 100 percent of the FPL ([Politico, 8/15](#)).

- **New York reaches behavioral health parity settlement with HealthNow, New York.** To resolve allegations that the insurer violated federal and state parity requirements, on August 22, **New York Attorney General Eric Schneiderman** (D) announced a [settlement](#) with **HealthNow, New York**. According to Attorney General Schneiderman, HealthNow wrongfully denied \$1.6 million in behavioral health claims for individuals with eating disorders and implemented claims processing requirements for behavioral health services that were not required for physical health claims. Under the agreement, HealthNow will reimburse enrollees for out-of-pocket expenses incurred as a result of an improper denial, eliminate the additional processing requirements for behavioral health claims, and ensure that eating disorder treatment is covered at parity with physical health services ([Office of New York Attorney General Schneiderman, 8/22](#)).
- **Ohio: CMS denies waiver to reform Medicaid expansion.** On September 9, **CMS denied Ohio's Medicaid Section 1115 Demonstration Waiver** to reform its **ACA Medicaid expansion**. Among other provisions, the waiver would have required 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 did not contribute would have lost their coverage until all contributions were paid. According to CMS, the waiver would have undermined access to affordable coverage and the agency has never approved a waiver that indefinitely locks eligible individuals out of coverage ([Columbus Dispatch, 9/9](#)).
- **Tennessee approves 88-bed behavioral health facility.** On August 25, the **Tennessee Health Services and Development Agency** approved a request by **Erlanger Health Systems** (EHS) to establish an 88-bed behavioral health facility in **Chattanooga**. According to an EHS spokesperson, the \$25 million facility will provide services to individuals of all ages for a variety of behavioral health conditions. The spokesperson noted that, in one 12-month period, EHS's existing facilities provided services to over 11,500 individuals with a behavioral health condition ([ABC9, 8/25](#)).

## Financing Reports

- **\$1 of Medicaid expansion costs would draw down an average of \$7.48 in federal funds in the 19 states not currently participating in the expansion.** "[The cost to states of not expanding Medicaid.](#)" Urban Institute on behalf of the Robert Wood Johnson Foundation (RWJF). Dorn, S. & Buettgens, M. August 2016 ([Fierce Healthcare, 8/9](#)).

- **Accountable care organizations achieved \$1.29 billion in Medicare savings since 2012.** [“Medicare accountable care organizations 2015 performance year quality and financial results.”](#) CMS. August 25, 2016 ([CMS, 8/25](#)).
- **“Changes in ACA individual market costs from 2014-2015: Near-zero growth suggests an improving risk pool.”** CMS. August 11, 2016 ([HHS, 8/11c](#)).
- **“Coordinating access to services for justice-involved populations.”** Center for Health Care Strategies on behalf of the Milbank Memorial Fund. Heiss, C., et al. August 2016.
- **Expanding Medicaid associated with seven percent reduction in Marketplace premiums.** [“The effect of Medicaid expansion on Marketplace premiums.”](#) HHS Office of the Assistant Secretary for Planning and Education. Sen, A., & DeLeire, T. September 6, 2016 ([HHS, 8/25](#)).
- **Medicaid expenses totaled \$496.3 billion in FY2014, 61 percent was federal funding.** [“2015 actuarial report on the financial outlook for Medicaid.”](#) CMS Office of the Actuary. Truffer, C., et al. August 2016 ([Fierce Healthcare, 8/12](#)).
- **“Racial and ethnic disparities in mental health care for children and young adults: A national study.”** Marrast, L., et al. *International Journal of Health Services* published online before print ([Kaiser Health News, 8/12](#)).
- **“Strategies to stabilize the Affordable Care Act Marketplaces: Lessons from Medicare.”** Georgetown University Center on Health Insurance Reforms on behalf of RWJF. Corlette, S., & Hoadley, J. August 2016.
- **“The effects of the Affordable Care Act on federally qualified health centers in Michigan.”** Center for Healthcare Research & Transformation. Udow-Phillips, M., et al. August 31, 2016.
- **“Tracking trends in health system performance: Who are the remaining uninsured and why haven’t they signed up for coverage?”** The Commonwealth Fund. Collins, S., et al. August 2016.