

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

Financing Focus: June 15

Implementing the Affordable Care Act (ACA)	2
• Additional funding for Consumer Assistance Programs	2
• Aging and Disability Resource Centers receive \$52 million	2
National News	2
• SAMHSA offers \$52.7 million in Addiction Technology Transfer Center grants	2
• SAMHSA to award up to \$165.4 million for National Child Traumatic Stress Initiative grants	2
• SAMHSA to award \$15 million in System of Care Expansion Implementation grants	2
• SAMHSA offering \$30 million in State Adolescent Enhancement and Dissemination grants	3
• CMS seeks to improve dementia care.	3
State News	3
• California to set up Affordable Insurance Exchange consumer portal, issues contract	3
• California: Court of Appeals upholds 2011 decision on mental health parity	3
• Iowa: Wellmark and Genesis Health Network to form ACO.....	3
• Kansas law rewards companies for hiring individuals with disabilities	3
• Kansas to resubmit Medicaid 1115 demonstration waiver application	4
• Michigan to require insurance coverage for children with autism	4
• Minnesota program to regulate children’s antipsychotic prescriptions	4
• New Hampshire: Granite Health Network, Cigna to form Accountability Care Organization (ACO).....	4
• New Mexico to resubmit 1115 Medicaid demonstration waiver application	4
• Ohio expands Medicaid presumptive eligibility for pregnant women and children	5
• Ohio issues \$10 million in federal Medicaid funding for health care professional training	5
• Virginia settlement to shift individuals with developmental disabilities into the community.....	5
Financing Reports	6

The Center for Financing Reform and Innovations 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.

Implementing the Affordable Care Act (ACA)

- **Additional funding for Consumer Assistance Programs.** On June 7, **U.S. Department of Health and Human Services (HHS) Secretary Kathleen Sebelius** announced \$29.9 million in ACA funding to support state-based **Consumer Assistance Programs (CAP)**, designed to help consumers better understand health insurance coverage. CAP grantees provide a wide variety of services, including helping consumers select health coverage, filing insurance appeals, and educating consumers on the health insurance market. Grantees may be state agencies or local non-profits contracted by a state ([HHS, 6/7](#); [Healthcare.gov 6/7](#); [Grants.gov, 6/7](#)).
- **Aging and Disability Resource Centers receive \$52 million.** On May 31, HHS Secretary Kathleen Sebelius announced \$25 million in ACA funding to support **Aging and Disability Resource Centers (ADRC)** in nearly every state. ADRCs will help strengthen and expand states' abilities to help seniors and people with disabilities access home and community-based long-term services and supports. The **U.S. Department of Veterans Affairs' Veterans Health Administration (VHA)** will provide an additional \$27 million over three years for VA Medical Centers in ADRC-funded states. The VA funding will increase access to home and community-based services for veterans through ADRC programs ([HHS, 5/31](#)).

National News

- **SAMHSA offers \$52.7 million in Addiction Technology Transfer Center grants.** On June 1, the **Substance Abuse and Mental Health Services Administration (SAMHSA)**, in partnership with the **National Institute on Drug Abuse (NIDA)**, began accepting applications for **Addiction Technology Transfer Centers (ATTC)** grants. Totalling up to \$52.7 million over five years, SAMHSA expects to award funding for up to 15 grantees. ATTCs conduct training and technology transfer activities to meet the needs of the substance use disorders workforce. Applications are due June 28 ([SAMHSA, 6/1](#)).
- **SAMHSA to award up to \$165.4 million for National Child Traumatic Stress Initiative grants.** SAMHSA announced that it is accepting applications for \$165.4 million in **National Child Traumatic Stress Initiative** grants. The grants provide community trauma treatment and services for children, adolescents, and their families who experience or witness traumatic events. Grants are available in three categories. SAMHSA will award a \$24 million four-year **Category I- National Center for Child Traumatic Stress** grant to create a national center to coordinate, develop, and maintain traumatic stress services. SAMHSA will also award up to \$51.8 million for up to 16 **Category II- Treatment and Services Adaptation Center** grants and up to \$89.6 million for up to 56 **Category III- Community Treatment and Services Center** grants ([SAMHSA, 5/29](#); [SAMHSA, 5/30](#); [SAMHSA, 5/31](#)).
- **SAMHSA to award \$15 million in System of Care Expansion Implementation grants.** On June 5, SAMHSA announced that it is accepting applications for **System of Care Expansion Implementation** grants. SAMHSA expects to award up to \$15 million each year to fund up to 15 grants for up to four years. The cooperative agreement grants aim to improve behavioral health outcomes for children and youth with serious emotional disturbances and their families. The program supports broad-scale operation, expansion, and integration of systems of care through sustainable infrastructure. Applications are due June 19 ([SAMHSA, 6/5](#)).

- **SAMHSA offering \$30 million in State Adolescent Enhancement and Dissemination grants.** On June 12, SAMHSA announced that it is accepting applications for **State Adolescent Enhancement and Dissemination** grants, totaling up to \$30 million over three years. The grants will provide funding to develop “learning laboratories” with community-based providers to improve treatment services for adolescents. SAMHSA expects to fund up to 10 grantees at up to \$1 million per year. Applications are due July 12 ([SAMHSA, 6/12](#)).
- **CMS seeks to improve dementia care.** On May 30, the **Centers for Medicare & Medicaid Services (CMS)** announced the **Partnership to Improve Dementia Care**, an initiative to reduce the unnecessary off-label use of antipsychotic drugs to treat dementia patients in nursing homes. By the end of 2012, the partnership aims to reduce the use of antipsychotics in nursing homes by 15 percent. The partnership will focus on enhancing training for nursing homes, increasing transparency on the use of antipsychotics, and emphasizing non-pharmacological alternatives to antipsychotic medication ([CMS, 5/30](#); [Kansas Health Institute, 5/30](#)).

State News

- **California to set up Affordable Insurance Exchange consumer portal, issues contract.** On May 31, California’s Affordable Insurance Exchange, the **California Health Benefit Exchange**, issued a \$360 million contract to **Accenture LLC** to design and maintain the Exchange’s website. The website will allow consumers to compare insurance plans, enroll in coverage, and determine their eligibility for federal subsidies. Financed with ACA funds, the federal government must give final approval of the contract. California’s exchange is expected to help add 1.7 million Medicaid enrollees and distribute federal insurance subsidies to another 2 million individuals. Enrollment will begin October 1, 2013 ([Los Angeles Times, 6/1](#); [HealthyCal, 5/31](#)).
- **California: Court of Appeals upholds 2011 decision on mental health parity.** On June 4, a three-judge panel of the **U.S. Court of Appeals for the 9th Circuit** [refused](#) a motion to reconsider its decision in the 2011 case, *Harlick v. Blue Shield of California*. In the 2011 case, the court determined that **Blue Shield of California** must pay for Ms. Harlick’s 10-month residential treatment for anorexia under the 1999 California mental health parity law, even though her insurance policy did not include anorexia coverage. Under the 1999 law, private insurance plans are required to provide coverage for select mental health conditions at parity with general medical coverage. A spokesperson from Blue Shield says the company is considering petitioning for a rehearing or a full-court review ([Courthouse News Service, 6/4](#); [KQED News, 6/6](#)).
- **Iowa: Wellmark and Genesis Health Network to form ACO.** On June 5, **Wellmark Blue Cross Blue Shield** and **Genesis Health Network (GHN)** announced plans to form an **accountable care organization (ACO)**. The new ACO would join Iowa’s largest insurer with a Quad Cities-area hospital-and-clinic system. Earlier this year, Wellmark announced plans to form ACOs with Iowa Health System and Mercy Medical Center-Des Moines ([Des Moines Register, 6/5](#)).
- **Kansas law rewards companies for hiring individuals with disabilities.** On May 29, Governor Sam Brownback (R) signed a bill ([HB 2453](#)) to reward companies for hiring individuals with physical, developmental, or mental disabilities. Under the bill, Kansas will give participating companies preference when awarding state contracts if the companies’ bid is no more than 10

percent higher than the most competitive bid. To qualify, companies must certify that at least 20 percent of their employees have a disability and that they cover at least 75 percent of their employees' health insurance premiums ([Office of Governor Brownback, 5/29](#); [Kansas Health Institute, 5/29](#)).

- **Kansas to resubmit Medicaid 1115 demonstration waiver application.** On June 5, the **Kansas Department of Health and Environment** temporarily [withdrew](#) the state's **Medicaid Section 1115 Research and Demonstration waiver** application to allow further public comment. The decision comes after two clinics within the **Indian Health Service** (IHS) failed to receive formal notice of the application. Originally submitted on April 26, the waiver would move all of the state's Medicaid beneficiaries to managed care by 2014. Kansas will resubmit the application in July and, if approved, the Governor's Office does not anticipate any changes to the implementation timeline ([Kansas Health Institute, 6/5](#)).
- **Michigan to require insurance coverage for children with autism.** On May 31, the Michigan Legislature approved a \$7.5 billion FY2013 general fund budget that includes a requirement for insurers to provide coverage for children's autism spectrum disorder (ASD) treatments at parity with physical illness. However, the budget will use \$15 million to establish the **Autism Coverage Incentive Program** through which insurers may seek reimbursement for costs incurred under the new mandate. The budget will also require Michigan's Medicaid program to cover ASD treatment for children through age 18, with an expected cost of \$21 million. In addition, to move residents off waiting lists, the budget will increase funding for the **Medicaid Home and Community Based Waiver** program by \$11.8 million. Governor Rick Snyder (R) is expected to sign the budget ([AP via CBS Detroit, 6/3](#); [Michigan Live, 5/29](#); [NPR, 3/29](#)).
- **Minnesota program to regulate children's antipsychotic prescriptions.** On June 4, the **Minnesota Department of Human Services** (DHS) [announced](#) a two-year, \$1.7 million contract with the **Mayo Clinic** to create a "collaborative psychiatric consultation" service. Under the new system, Medicaid providers must consult with the service before prescribing antipsychotic medication to children. The program will also encourage providers to seek consultations for non-Medicaid eligible children. Set to begin in August, the service is financed through state and federal funds and is expected to offset its cost by reducing the number of children hospitalized for receiving unneeded or detrimental antipsychotics. In Minnesota, Medicaid spending on children's antipsychotic medication grew from \$402,000 in 2000 to \$6.8 million in 2006 ([Minnesota Star Tribune, 6/5](#)).
- **New Hampshire: Granite Health Network, Cigna to form Accountability Care Organization (ACO).** On May 29, the **Granite Health Network** (GHN) and **Cigna Corp.** announced plans to form an ACO. GHN is a partnership between five independent charitable health care organizations in New Hampshire. The new ACO will provide care to more than 23,000 people. According to Cigna, the new organization will be the largest ACO in the state ([Modern Healthcare, 5/29](#); [Cigna Newsroom, 5/29](#)).
- **New Mexico to resubmit 1115 Medicaid demonstration waiver application.** On May 29, the **New Mexico Medicaid Medical Assistance Division** requested that CMS not consider the state's **Medicaid Section 1115 Research and Demonstration waiver** [application](#) originally

submitted on April 25. The state plans to collect further comments from at least two public forums and additional consultations with the New Mexico's 22 tribal nations. New Mexico will resubmit a formal application later this year and still plans to implement the changes by January 1, 2014 ([Santa Fe New Mexican, 6/5](#)).

- **Ohio expands Medicaid presumptive eligibility for pregnant women and children.** On June 5, Ohio Medicaid [announced](#) a pilot program to allow presumptive Medicaid eligibility for pregnant women and children at federally qualified health centers (FQHCs), children's hospitals, and certain other providers. Under presumptive eligibility, providers are authorized to perform a simplified screening and grant immediate Medicaid-funded care for up to 60 days. To continue receiving Medicaid coverage, individuals must submit a formal application. Ohio Medicaid first implemented presumptive eligibility in 2010 but limited it to children at county job and family services offices. The state will begin testing the program at Nationwide Children's Hospital in Columbus, MetroHealth System in Cleveland, and the Community Action Committee of Pike County, and plans to expand the pilot statewide in January 2013 ([Columbus Dispatch, 6/6](#)).
- **Ohio issues \$10 million in federal Medicaid funding for health care professional training.** On June 4, the **Ohio Department of Job and Family Services (ODJFS)** announced the launch of the **Ohio Medicaid Technical Assistance and Policy Program (MEDTAPP) Healthcare Access Initiative**. Using funds secured from the federal government by the Ohio Medicaid agency, this initiative will provide training to 1,000 medical students, residents, fellows, and professionals to help them provide better care to Ohio's Medicaid population. A primary focus of the initiative is to better integrate primary and behavioral health care for underserved populations. The initiative will provide \$2 million in FY2012 and \$8 million in FY2013 to set up training programs in 15 departments at six Ohio colleges and universities ([The Ohio State University, 6/4](#); [Dayton Daily News, 6/4](#)).
- **Virginia settlement to shift individuals with developmental disabilities into the community.** On June 8, U.S. District Judge John Gibney announced his intention to approve a \$2 billion settlement agreement between Virginia and the **U.S. Department of Justice (DOJ)** that will shift care for individuals with intellectual or developmental disabilities from state-run institutions to community-based services. The settlement ends a three year DOJ investigation into Virginia's alleged "systematic violations" of the **Americans with Disabilities Act (ADA)**. Under the settlement, by 2020, Virginia will provide new options for community-based care and close four of its five state-run institutions. The state will provide waivers to individuals on waiting lists to pay for community-based services and will transfer individuals already in state institutions into community programs. Judge Gibney plans to include some changes to the agreement to better protect the rights of individuals in state institutions ([AP via progress-index.com, 6/9](#); [Richmond Times Dispatch, 6/8](#); [NBC4 Washington, 1/26](#)).

Financing Reports

- [“An overview of recent section 1115 Medicaid demonstration waiver activity”](#) Kaiser Family Foundation. May 2012.
- [“Best practices in State Health Access Program \(SHAP\) outreach, eligibility, and enrollment activities”](#) The Urban Institute and the Robert Wood Johnson Foundation. Courtot, B. & Coughlin, T. May 2012.
- [“Dx for a careful approach to moving dual-eligible beneficiaries into managed care plans”](#) *Health Affairs* 31(6): 1186-1194. Neuman, P. et al. June 2012 ([The Hill, 6/4](#)).
- [“Emerging Medicaid accountable care organizations: The role of managed care”](#) Kaiser Family Foundation. May 2012.
- [“Growth and dispersion of accountable care organizations: June 2012 update”](#) Leavitt Partners. Muhlestein, D. et al. June 2012 ([Fierce Healthcare, 6/12](#)).
- **Healthcare costs to rise 7.5 percent in 2013.** [“Medical cost trends: Behind the numbers 2013”](#) PricewaterhouseCoopers. May 2012 ([PricewaterhouseCoopers, 5/31](#); [Bloomberg, 5/31](#)).
- [“National health expenditure projections: Modest annual growth until coverage expands and economic growth accelerates”](#) *Health Affairs* [epub ahead of print] Keehan, S. et al. June 2012 ([Kaiser Health News, 6/12](#)).
- **State Medicaid spending grew by 20 percent in FY2012.** [“The fiscal survey of states”](#) National Governor’s Association and National Association of State Budget Officers. Streepey, M. et al. Spring 2012 ([Washington Post, 6/12](#)).
- [“The political economy of Medicaid reform: Evidence from five reforming states”](#) Mercatus Center, George Mason University. Beaulier, S. & Pizzola, B. April 2012 ([Idaho Reporter, 6/9](#)).
- [“There is little experience and limited data to support policy making on integrated care for dual eligibles”](#) *Health Affairs* 31(6): 1176-1185. Gold, M. et al. June 2012 ([Kaiser Family Foundation, 6/5](#)).
- [“What’s at stake: The Affordable Care Act in Washington state: A county-by-county analysis”](#) Washington State Office of the Insurance Commissioner. May 2012 ([The Olympian, 5/30](#)).
- [“Young, uninsured, and in debt: Why young adults lack health insurance and how the Affordable Care Act is helping”](#) The Commonwealth Fund. Collins, S. et al. June 2012 ([Reuters, 6/8](#)).