The National Association of State Alcohol and Drug Abuse Directors
Public Policy Update
July 26, 2012

Highlights

- **Update on State Health Insurances Exchanges,** State Refor(u)m Website
- **HHS Announces New State Innovation Models Initiative,** HHS Website
- **House Subcommittee Approves Labor-HHS-Education Appropriations,** House Appropriations Committee Website
- **Non-Defense Discretionary (NDD) Sign-On Letter, Harkin Report on Sequestration's Impact on Non-Defense Includes SAPT Block Grant,** Coalition for Health Funding Website, Sequestration's Impact on Nondefense Jobs and Services
- **House Subcommittee Hearing on Meth, Includes Recommendation to Coordinate with SSAs** House Oversight and Government Reform Website
- **And more!**

Health Reform News

State Reform Updates, State Health Insurance Exchanges *(Taken from State Refor(u)m Article)*
States that choose to establish a state-based exchange must submit, by November 16, 2012, a blueprint affirming their intention to establish a state-based exchange to the Department of Health and Human Services (HHS). Below are examples of what States have done recently to establish exchanges:

Small Business Health Options Program (SHOP) Exchange
States can choose to combine and administer their SHOP exchange with their individual exchange or keep them separate. The state also has a choice about whether to merge the risk pools for the two markets.

- Vermont's legislation combines both the small group and individual markets and also requires that all small group plans be sold through the exchange.
- California's exchange enabling legislation requires that the SHOP and individual exchanges be administered separately and that the markets remain separate, at least initially, with a report due in 2018 analyzing the implications of merging the markets. The exchange board recently appointed a SHOP Director.
- Colorado's exchange board voted to combine the administration of the SHOP and individual exchanges, but keep the risk pools separate.

Navigator Program
Exchanges are required to set up a navigator program to assist consumers with enrollment. States are taking varying approaches to the program based on their policy goals and what makes sense for them.

- California is setting up an assister program that will include comprehensive application assistance. Navigators will be a subset of "certified enrollment assisters" that are compensated by the exchange, and will include groups like nonprofits, unions and clinics.
- Oregon is developing an Agent Management Program so that the exchange will be able to work with a network of insurance agents to sell plans in the exchange.

- Hawaii's interim board recommended that only nonprofit entities be able to participate in the navigator program.
- West Virginia has released a Request for Quotation (RFQ) for an analysis of the navigator program.

Financing

Beginning in 2015, exchanges must be self-sustaining and can no longer rely on the federal funding that states are using to develop and build their exchanges. States are examining a variety of options to help fund their exchanges.

- Nevada's exchange board has approved charging user fees for standalone vision and dental products, as well as offering advertising on the exchange website. One of the exchange's advisory committees recommends financing the exchange through an enrollment-based assessment on carriers, but the board has not yet made a final decision.
- Connecticut's exchange board recommends charging an assessment on premiums purchased through the exchange.
- Washington has developed budget projections and is examining a number of financing options, including assessments and advertising revenue. The full board will decide on recommendations by November and submit a report to the legislature in December.

For the full article by Rachel Dolan, click here.

HHS Announces New State Innovation Models Initiative *(Taken from CMS Release)*

The Department of Health and Human Services (HHS) announced on Thursday July 19th, a new initiative for States to design and test improvements to their health care systems that would bolster health care quality and decrease costs.

The State Innovation Models initiative is a competitive funding opportunity for States to design and test multi-payer payment and delivery models that deliver high-quality health care and improve health system performance.

States can apply for either Model Testing awards which are intended to assist in implementing their already developed models, or states can apply for the Model Design awards that will provide funding and technical assistance as they determine what type of system improvements would work best for them. Up to five states will be chosen for the initial round of Model Testing awards and up to 25 states will be chosen for Model Design awards. CMS anticipates offering a second opportunity for all states to apply for a Model Testing award next year.

For the full press release see here, for more information on the State Innovation Models initiative see here.

Briefings on Health Reform Following the Supreme Court Decision

Given the Supreme Court's recent ruling on the Affordable Care Act (ACA), there were a number of briefings focused on the ruling and ACA last week. On Monday July 9th, Public Policy Associate Andrew Whitacre attended the briefing "Health Reform after the Supreme Court Decision: What's Next?" hosted by the Alliance for Health Reform. Secretary of Maryland's Department of Health and Mental Hygiene, Dr. Joshua Sharfstein, discussed how Maryland is approaching educating the public on the complexities of new reforms. He explained that they are partnering with leaders in communities across the State to educate about the reforms, as well as engaging with navigator organizations to ensure that communities know how to access new coverage and benefits. Chris Jennings, President of Jennings Policy Strategies,

discussed the competitive advantage successful implementation will give States over other States because of more hiring opportunities and lower health care costs. He also said that an argument can be made that the revenue from hiring new employees by the health care industry to handle the expanded population utilizing health services could more than match the funds States will spend to expand, and eventually cover program costs not paid for by federal matching funds (the federal matching rate is 100 percent from 2014-2016, 95 percent in 2017, 94 percent in 2018, 93 percent in 2019, 90 percent from 2020 forward).

Also, on Monday, July 9th, Michelle Dirst, Andrew Whitacre, and Stephen Abresch participated in the State Refor(u)m webinar, "The Curtain Rises on the Next Act: State Implications of the Supreme Court's ACA Decision." Sonya Schwartz, a Program Director at National Academy for State Health Policy (NASHP), noted that the Department of Health and Human Services (HHS) has announced ten additional funding opportunities to assist States in establishing health exchanges, including level 1 and level 2 establishment grants. The moderator, Julie Barnes from the Bipartisan Policy Center (BPC), asked the two State panelists where they were with their State exchanges before the Supreme Court decision and how they plan to move forward.Dennis Smith, the Secretary of the Wisconsin Department of Health Services, mentioned that the State had begun development of a health exchange prior to the decision, but has put development on hold. There are a number of issues that they want clarified by the federal government as they consider their options, which include State flexibility regarding Essential Health Benefit (EHB) plans and releasing information on which coverage groups will qualify for Enhanced Federal Medical Assistance Percentages (EFMAP). He also talked about the generous pre-ACA Medicaid benefits in Wisconsin and the high level of coverage before the mandate, the State Medicaid program covers Childless Adults and Parents and Caretaker Relations up to 200 percent of the Federal Poverty Level (FPL). Chuck Milligan, the Deputy Secretary of Healthcare Financing for the Maryland Department of Health and Mental Hygiene, said Maryland has been steadily building its health exchange and hopes to begin enrolling people in October of 2013. Milligan said Maryland needs to see the final rules on all eligibility standards and needs further federal guidance on EHB.

At an event hosted by the George Washington University School of Public Health and Health Services on implementation of the ACA held on Wednesday, July 11th, Secretary of Health and Human Services (HHS) Kathleen Sebelius addressed the budgetary concerns of States considering the Medicaid expansion, she noted that State expenditures on the expansion would be offset by reductions in spending on uncompensated care produced by expansion. Now that the Supreme Court has issued its decision upholding nearly all of the provisions in the ACA, Harvard professor Sheila Burke discussed other efforts that will be made to defund or eliminate certain provisions in the law. These attempts will mainly come from future deficit reduction conversations (including the pending sequestration), debates around raising the debt ceiling, and a possible budget reconciliation attempt to prevent implementation by stripping funds from the key provisions. Sonya Swartz from the National Association on State Health Policy (NASHP) mentioned a report that outlines 109 steps States need to take to fully implement the ACA.

An archived copy of the State Refor(u)m webinar can be found here.

For more information, please see the Supreme Court decision in NFIB v. Sebelius, Dr. Sharfstein's Presentation on Maryland's Progress with Coverage Expansion Under the ACA, MaryBeth Musumeci's Presentation on The Supreme Court's Decision on the Affordable Care Act
, A Guide to the Supreme Court's Affordable Care Act Decision Brief by the Kaiser Family Foundation.

All materials from the Alliance for Health Reform "Health Reform after the Supreme Court Decision: What's Next?" can be found here, and the podcast can be found here.

Please see the full video of "The Supreme Court's Decision on the Affordable Care Act: Implications for Health Care and Public Health" hosted by George Washington University's Public Health and Health Services School, which includes Secretary of HHS Kathleen Sebelius and former Senator Tom Daschle.

CRS Analysts Say Supreme Court Decision Didn't Strike Down 'MOE' Rule *(Taken from CQ HealthBeat)*
The Supreme Court's June 28 health care law ruling did not strike down the measure's "maintenance of effort" (MOE) requirement that blocks States from reducing Medicaid eligibility before coverage expands in 2014, according to a July 16 Congressional Research Service memo analyzing the practical implication of the Court's ruling.
Exchanges are supposed to begin signing up the uninsured in the fall of 2013 for benefits that begin in 2014. For children, the MOE standard remains in effect in Medicaid and the Children's Health Insurance Program until Sept. 30, 2019. Failure to comply with the MOE requirement means a state risks losing all its Medicaid funds.

"Arguably, the MOE provision is not part of the 'new program' because it is not a requirement that is attached to the new expansion funds that a state has a choice to accept or not," the analysts said. "It is a requirement, already in effect, pertaining to a state's current Medicaid population, attached to current Medicaid funds, not future ACA expansion funds."

The analysts added that the court didn't decide such matters as whether a state that decides to expand its Medicaid population may later reverse that choice. Nor did it decide whether now that states have the option of whether to expand, they must do so by Jan. 1, 2014. "First and foremost, these practical ramifications of the Court's ruling...will need to be addressed by the Secretary of HHS, who has overall authority to implement the provisions of the Affordable Care Act, taking into consideration the Supreme Court's decision," the CRS memo said. Centers for Medicare and Medicaid Services (CMS) Acting Administrator Marilyn Tavenner has already said that there is no deadline for the states to decide whether to participate in the expansion.

Legislative News

House Subcommittee Approves Labor-HHS-Education Appropriations Bill
On Wednesday, July 18th, the House Appropriations Subcommittee on Labor, Health and Human Services, Education and Related Agencies marked up its fiscal year 2013 appropriations bill. The bill reduces the Department of Health and Human Services' (HHS) discretionary budget by $1.3 billion below current levels, disallows the use of any HHS funds to implement the Affordable Care Act (ACA) and rescinds funds for the Center for Medicare and Medicaid Innovation, the Prevention and Public Health Fund and the Patient-Centered Outcomes Research Trust Fund. The bill also terminates funding for the Agency for Healthcare Research and Quality (AHRQ), effective October 1st, 2012. The bill funds SAMHSA at $3.1 billion, a reduction of over $460 million from FY 2012, and over $300 million below the President's budget request. More detailed funding levels will be available when the full House Appropriations Committee marks-up the bill. The timing of the mark-up is uncertain as the House will adjourn for their August recess at the end of next week.

Below are proposed funding levels for the Substance Abuse and Mental Health Services Administration (SAMHSA), the National Institute on Alcohol Abuse and Alcoholism (NIAAA), and the National Institute on Drug Abuse (NIDA):

FY 2013 House Appropriations Subcommittee Funding Levels:

SAMHSA: $3.1 billion compared to $3.564 billion in FY 2012, the President's FY 2013 request of $3.422 billion, and $3.566 billion in the Senate FY 2013 Appropriations bill.

National Institute on Alcohol Abuse and Alcoholism (NIAAA): $458.97 million compared to $458.5 million in FY 2012, the President's request of $457 million, and $459.1 million in the Senate FY 2013 Appropriations bill.

National Institute on Drug Abuse (NIDA): $1.052 billion compared to $1.054 billion in FY 2012, the President's request of $1.054 billion, and $1.052 billion in the Senate FY 2013 Appropriations bill.

For the full Subcommittee draft bill, click here.

Non-Defense Discretionary (NDD) Sign-On Letter Urges Balanced Deficit Reduction to Avoid Sequestration, Harkin Report on Sequestration's Impact on Non-Defense Includes SAPT Block Grant
On July 12, 2012 a coalition of non-defense discretionary organizations (including NASADAD), sent a letter to Congress urging them to pursue a balanced approach to deficit reduction that does not include further cuts to NDD programs and avoids the harmful across-the-board reduction process of sequestration. A rally was also held on Wednesday, July 25 to raise concerns about cuts to non-defense discretionary.

On the same day as the rally, Senator Tom Harkin (D-IA), Chairman of the Senate Appropriations Subcommittee on Labor/Health and Human Services/Education, released a report, *Sequestration's Impact on Nondefense Jobs and Services*. The report looks at the impact of sequestration on programs under the Subcommittee's jurisdiction, including the Substance Abuse Prevention and Treatment (SAPT) Block Grant. Under sequestration there may be 169,375 fewer admissions to substance abuse treatment and the program may be cut by $131,810,395. The report also includes a State-by-State breakdown of potential reductions. In the report, programs are reduced by 7.8 percent but there are estimates it could be higher at 8.4 percent. Congress is pushing the Office of Management and Budget (OMB) to release guidance on how the across-the-board cut would be implemented. Harkin also notes, the reductions are compared to FY 2012 funding levels, but the Budget Control Act, which authorizes sequestration, requires reductions be applied to FY 2013 funding levels, which are not known at this point. Harkin calls for a balanced approach to addressing the deficit, which includes spending cuts from both defense and non defense and new revenue.

To view the Sign-on letter click here.
To view the report released by Sen. Tom Harkin on Sequestration's Impact on Nondefense Jobs and Services
To view NASADAD's factsheet on sequestration visit: Budget Sequestration and the SAPT Block Grant Fact Sheet

House Oversight and Government Reform Subcommittee Holds Hearing on Meth, Includes Recommendation to Coordinate with SSAs

On Tuesday, July 24th, NASADAD's Robert Morrison, Michelle Dirst and Andrew Whitacre attended a hearing entitled "Meth Revisited: Review of State and Federal Efforts to Solve the Domestic Methamphetamine Production Resurgence" held by the House Oversight and Government Reform Subcommittee on Health Care, the District of Columbia, and the National Archives. The first witness, Director of the Office of National Drug Control Policy (ONDCP) Gil Kerlikowske, discussed the regional patterns of Meth resurgence, mainly on the border and in the spread of small Meth labs. He emphasized the need for a holistic approach that includes treatment, prevention, and enforcement. In the wake of the Combat Meth Act passed by Congress in 2005, electronic tracking and log book requirements have been subverted by "smurfing", a method in which over the counter medicine containing ephedrine or pseudoephedrine is bought by a larger number of people or purchased using fake IDs and then sold to Meth makers.

The second panel included National Narcotic Officers' Associations' Coalition (NNOAC) President Ronald Brooks, Detective Sergeant of the Franklin County Narcotics Enforcement Unit Jason Grellner, Lieutenant in the South Carolina Law Enforcement Division (SLED) Max Dorsey, District Attorney of Lincoln County, Oregon Rob Bovett, and Director of the Mississippi Bureau of Narcotics (MBN) Marshall Fisher. All the panelists agreed that national legislation should be passed requiring a prescription for all medicine containing ephedrine or pseudoephedrine. They also agreed that the impact of tracking purchases of both over the counter drugs is costly and a labor intensive investigation. Including these drugs in the federal controlled substances schedule, similar to what has been done in Oregon and Mississippi, would have the largest impact on the Meth lab epidemic. Bovett, who was heavily involved in the drafting of the Oregon prescription law, noted that there was no public clamor against the effort to schedule the drugs, and there was not a single incident tracked back to a prescribed pseudoephedrine or ephedrine prescription. Fisher noted that there was a 93 percent reduction in Meth lab seizures in Mississippi following the passage of their prescription law.

Detective Sergeant Grellner, based on 21 years of law enforcement experience, mentioned his belief that 80 percent or more of all crime revolves around drug and alcohol addiction. He discussed the need for law enforcement, prevention, and treatment to work together to effectively combat addiction. His written testimony expressed the importance of coordinating with State Substance Abuse Directors and the Substance Abuse Prevention and Treatment (SAPT) Block Grant to achieve these goals.

For more information, see testimony from ONDCP Director Gil Kerlikowske, NNOAC President Ronald Brooks, Lincoln County, OR DA Rob Bovett, Mississippi Bureau of Narcotics Director Marshall Fisher, South Carolina Law Enforcement Division Narcotics Lieutenant Max Dorsey, and Franklin County, MO Narcotics Enforcement Unit Detective Sergeant Jason Grellner.

For the full video of the hearing, click here.

Senate Drug Caucus Holds a Prescription Drug Abuse Hearing

On Wednesday, July 12, NASADAD's Rob Morrison and Michelle Dirst attended a hearing on prescription drug abuse held by the Senate Caucus on International Narcotics Control, which is Chaired by Dianne Feinstein (D-CA) and Co-Chaired by Chuck Grassley (R-IA). Both Senators expressed their concern regarding the spread of prescription drug abuse, particularly overdose deaths and individuals' perception that if a drug is prescribed by a pharmacist, it is not harmful. Representative Mary Bono Mack (R-CA), co-founder of the Congressional Caucus on Prescription Drug Abuse testified on the first panel along with the Director of the Office of National Drug Control Policy (ONDCP), Gil Kerlikowske; and Joseph Rannazzisi, Deputy Assistant Administrator with the Drug Enforcement Agency (DEA). Bono Mack

expressed concern about prescription drug abuse getting worse and provided recommendations to address the issue, citing dual tracks to prevent individuals from accessing prescription drugs, particularly Oxycontin and ensure people struggling with addiction receive treatment. Her recommendations include: facilitating a stakeholder roundtable discussion to talk about solutions and more engagement from the Food and Drug Administration (FDA).

The second panel included John Eadie, Director of the Prescription Monitoring Program Center of Excellence at Brandeis University; two parent advocates – Avi Israel and Vernon Porter, who both experienced the death of a child related to prescription drugs; and Joseph Harmison owner of Harmison Pharmacies in Arlington, TX. Eadie, Israel, and Porter recommended mandatory prescriber education and the use of prescription drug monitoring programs. Both Israel and Porter recommended more engagement from the FDA. Porter also recommended the reclassification of hydrocordone combination products from schedule III to the more restrictive schedule II and the use of Naloxone to prevent and overdose.

To view the hearing visit, http://drugcaucus.senate.gov/hearings.html

President Signs Synthetic Drug Abuse Prevention Act of 2012 ***(Taken from ONDCP Press Release)***
On Tuesday, July 10th, President Obama signed the Synthetic Drug Abuse Prevention Act of 2012 into law as part of S. 3187, the Food and Drug Administration Safety and Innovation Act. The legislation bans synthetic compounds commonly found in synthetic marijuana ("K2" or "Spice"), synthetic stimulants ("Bath Salts"), and hallucinogens, by placing them under Schedule I of the Controlled Substances Act.

The Administration is encouraging States that have not already done so to incorporate these substances into their State drug schedules, which would allow State law enforcement agencies have full authority to act against these substances. The Drug Enforcement Administration (DEA) will continue to work with state and local authorities to investigate major distribution networks, but retail and community-level enforcement will continue to occur largely on a state and local level.

ONDCP expects that this law will have an impact on illicit sales of these newly scheduled synthetic drugs, at least in the short term. However, Federal and state agencies will have to continue to update the list of banned substances as new synthetic compounds emerge. In addition, some states and localities have also experienced success in using additional health, safety, or agricultural authorities to remove these substances from retail shelves.

Research shows that preventing drug use before it begins is a cost-effective, common-sense approach to promoting safe and healthy communities. In the coming weeks, ONDCP will be unveiling a ***Synthetic Drug Prevention Toolkit***, which we hope will serve as a resource for communities dealing with this issue.

News

NIH Supported Study Finds Colleges and Communities Can Reduce Alcohol-Related Harm to Students ***(Taken from National Institute on Alcohol Abuse and Alcoholism (NIAAA))***
Coordinated strategies that address alcohol availability, alcohol policy enforcement and drinking norms can help colleges and their communities protect students from the harms of high-risk drinking, according to a new study supported by the National Institutes of Health.

In the Study to Prevent Alcohol Related Consequences (SPARC), researchers found that a comprehensive environmental intervention implemented by campus-community coalitions reduced students' scores on an index of severe consequences of college drinking. The index included items such as car accidents, DUIs/DWIs, the need for medical treatment as a result of drinking, physical fights and sexual assaults.

Benefits of the intervention extended campus-wide, affecting not only the drinkers themselves but also those around them. Alcohol-related injuries caused by students decreased by 50 percent on participating campuses.

Using what is known as a community organizing approach, five universities in North Carolina put together coalitions comprised of campus administrators, faculty and staff, students, and community members who developed a strategic plan for each campus. Five similar universities in the State that did not implement the intervention were used for comparison.

Each campus was asked to select and implement specific strategies that addressed alcohol availability, social norms (i.e., correcting misperceptions about the rate of high-risk drinking among peers) and alcohol price and marketing.

Several strategies were common to all campuses. These included approaches to restrict the provision of alcohol to underage or intoxicated students, increase or improve coordination between campus and community police and establish consistent disciplinary actions resulting from policy violations.

For three years, investigators surveyed students about their drinking habits and resulting harms and found small but statistically significant decreases in two categories: severe consequences experienced by the student due to their own drinking and alcohol-related injuries caused to others.

On SPARC campuses, the percentage of students reporting severe consequences decreased from 18 percent to 16 percent, while rates remained unchanged on comparison campuses. Reports of injuring another person while drinking decreased from 4 percent to 2 percent on SPARC campuses, with a smaller and nonsignificant decrease observed at the comparison universities.

For full press release, see here.

Use of Methadone as a Prescription Painkiller and the Implications for Public Health, Centers for Disease Control and Prevention(CDC) Vital Signs *(Taken from CDC release)*

The *CDC Vital Signs* series, launched in 2010, addresses a single, important public health topic each month. The newest issue of *CDC Vital Signs* focuses on the use of methadone as a prescription painkiller and the implications for public health.

Key points in the *Vital Signs* report include:

- In recent years methadone has been increasingly used as a pain reliever. As methadone prescriptions for pain have increased, so have nonmedical use and fatal overdoses involving methadone.
- The number of deaths involving methadone was 6 times higher in 2009 than in 1999. About 5,000 people died of overdoses involving methadone in 2009.
- Methadone is more risky than other painkillers. It accounted for 2 percent of painkiller prescriptions in the United States in 2009 but was involved in more than 30 percent of prescription painkiller overdose deaths.

More needs to be done to ensure that methadone is used appropriately and safely. Health insurers can evaluate methadone's place on preferred drug lists. Health care providers who prescribe methadone for pain should follow guidelines for prescribing it appropriately.

Visit the "Prescription Painkillers Overdoses: Methadone" *Vital Signs* Web page to find the *Vital Signs MMWR* article, fact sheet, and podcast.