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Robert I. L. Morrison

September 30, 2013

Senator Max Baucus, Chairman  
Senate Committee on Finance  
219 Dirksen Senate Office Building  
Washington, D.C. 20510

Senator Orrin Hatch, Ranking Member  
Senate Committee on Finance  
219 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Chairman Baucus and Ranking Member Hatch:

The National Association of State Alcohol and Drug Abuse Directors (NASADAD) represents the collective voice of substance abuse agency directors from every State, Territory and District of Columbia. We appreciate efforts by the Senate Committee on Finance to acquire stakeholder comments on policy approaches that could improve services for those with mental illness. While we understand the immediate focus of the Committee is on mental health issues, we offer our thoughts on issues within the Committee's jurisdiction impacting substance use disorders.

**Extent of the Problem:** As you know, addiction is a devastating disease. In 2012, over 23 million Americans aged 12 or older needed treatment for an illicit drug, prescription drug, or alcohol use problem. During the same year, only 2.5 million received treatment in a specialty setting. As a result, over 20 million Americans needed but did not receive treatment last year. In a 2004 study appearing in the Journal of the American Medical Association (JAMA), researchers examined the top nine "actual causes of death" defined by the Centers for Disease Control and Prevention (CDC) as factors that contribute to leading killers such as heart disease, cancer, and stroke. Tobacco, alcohol and illicit drugs – killing 530,000 Americans in 2000 – were three of the top nine. In addition, the economic impact of addiction is staggering. According to the National Institute on Drug Abuse (NIDA), the estimated economic cost to society due to illegal drugs, alcohol problems and tobacco is \$559 billion per year (2004).

**Benefits of Prevention, Treatment and Recovery:** The good news is that prevention, treatment and recovery services are effective. For example, the Substance Abuse Prevention and Treatment (SAPT) Block Grant is an effective and efficient program distributed by formula to all States, Territories and District of Columbia. In FY 2011, the SAPT Block Grant supported over 2 million admissions to treatment. During this same year, outcome data collected by State substance abuse agencies demonstrated positive results from SAPT Block Grant-funded programs: at discharge, for those receiving SAPT Block Grant-supported services, 73.5 percent were abstinent from illegal drugs and 81.7 percent were abstinent from alcohol use. Further, substance use disorder services are cost effective and can reduce overall costs to the Medicaid program. For example, the Washington State Screening and Brief Intervention, and Referral to Treatment (WASBIRT) program generated reduced costs among 1,315 disabled clients receiving an intervention under the initiative. The administrators of the program estimated that the reduction in Medicaid costs could reach \$2.8 million per year for working age disabled adults receiving a brief intervention (Mancuso, 2006).

**Federal Policy Should Promote Coordination with State Substance Abuse Agencies:** NASADAD members provide the expertise and leadership necessary to ensure the provision of services that achieve results. State substance abuse agency directors work to employ mechanisms to ensure that public dollars are dedicated to programs that work. States use tools such as performance and outcome data management and reporting; contract monitoring; corrective action planning; on-site reviews; and technical assistance. State directors also work to promote services that are of the highest quality through a number of mechanisms – including State established standards of care and working directly with lead federal agencies such as the Substance Abuse and Mental Health Services Administration (SAMHSA), National Institute on Drug Abuse (NIDA) and National Institute on Alcohol Abuse and Alcoholism (NIAAA). This important coordinating role should be leveraged and encouraged through Federal policies. In particular, policies pertaining to addiction should specifically require the involvement of State substance abuse agencies given the fact that addiction impacts a range of diverse systems -- child welfare, pregnant and parenting women, criminal justice, transportation, youth, and so much more. The misuse and abuse of prescription drugs represents a specific example where Federal initiatives would benefit from the direct involvement of State substance abuse agencies.

**Institution for Mental Disease (IMD) Exclusion:** One barrier that prevents Medicaid beneficiaries from receiving the level of care they need for substance use disorders has been the “Institution for Mental Disease” exclusion. The IMD exclusion is a provision in statute that prohibits Medicaid from paying for any services for individuals between the ages of 18 and 64 who are patients in facilities that are determined to be IMDs. The original intent of the IMD exclusion -- to prevent Medicaid funds from going to State mental hospitals -- is unrelated to cost-effective, community-based residential treatment for substance use disorders. The IMD exclusion also raises concerns related to parity given that facilities that specialize in inpatient substance use disorders care are singled out for a payment exclusion that does not exist for facilities treating other illnesses and conditions. To ensure access to the full continuum of clinically appropriate services, regulators should reissue regulations to allow for appropriate substance use disorder treatment in residential settings for Medicaid beneficiaries. Statutory changes may also be needed to ensure that providers of residential services can remain financially viable.

**Health Information Technology (HIT):** Another challenge relates to the exclusion of substance use disorder providers from participation in the HITECH Act. The HITECH Act was passed by Congress in 2009 to establish interoperable electronic health record (EHR) systems throughout the nation. The goal is widespread adoption of health information technology (HIT) which helps improve care coordination across systems and ultimately improve outcomes. The Act, however, omitted certain substance use disorder providers including specialty facilities from participating in the newly created incentive programs. An effort has been made to fix this omission: The Behavioral Health Information Technology Act was introduced by Senator Sheldon Whitehouse (D-RI) in the Senate (S. 539) and by Representative Tim Murphy (R-PA) in the House of Representatives (H.R. 2957). This legislation would ensure that incentives for the meaningful use of medical records would allow for substance use providers to be on par with the rest of the Nation in regard to the electronic exchange of health information and improve the health and safety of all patients.

**Coverage of All Food and Drug Administration (FDA) -approved medications for the treatment of substance use disorders:** We believe individuals should have access to the full continuum of FDA-approved addiction pharmacotherapies. In fact, NASADAD worked to develop and release a “Consensus Statement” regarding the benefits of medications in the treatment of substance use disorders. To view the Statement, please visit <http://nasadad.org/wp-content/uploads/2013/01/13-January-15-NASADAD-Statement-on-MAT.pdf>. The Statement points to research from the National Institutes of Health (NIH) demonstrating the effectiveness of FDA-approved medications when prescribed as part of a comprehensive and individualized treatment plan. NASADAD concluded that public and private insurance plans should cover medications for the treatment of opioid, alcohol and nicotine dependence.

Thank you for your consideration. Should you have any questions, or require additional information, please do not hesitate to contact me at (202) 293-0090 x106 or email [rmorrison@nasadad.org](mailto:rmorrison@nasadad.org).

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Morrison". The signature is fluid and cursive, with a large initial "R" and "M".

Robert Morrison,  
Executive Director

Cc: Mark Stringer (MO), President