State Approaches to Developing the Residential Treatment Continuum for Substance Use Disorders

June 4, 2019

John O'Brien, Technical Assistance Collaborative

Agenda

- Overview
- Decision Points
- Key Takeaways
- Implications for SSAs

Federal Medicaid Policy Landscape

2008	• MHPAEA
2010	• Affordable Care Act
2014	• Group VIII coverage • EHBs in Alternative Benefit Plans
2015	• 1115 SUD guidance
2016	• Managed care regulations • Parity regulations
2017	• 1115 SUD guidance (updated) & STR
2018	• SUPPORT ACT & SOR

The Increasing Presence of Medicaid in the Treatment of SUD

- Covers nearly 40% of adults with an opioid use disorder (OUD)
- Beneficiaries are at greater risk of OUD and overdose
  - Higher rates of OUD
  - Higher risk of overdose
  - Twice as likely to be prescribed opioid pain relievers
- Individuals with SUD have complex health profiles and co-morbidity
  - Arthritis
  - Asthma
  - Chronic obstructive pulmonary disease
  - Chronic pain

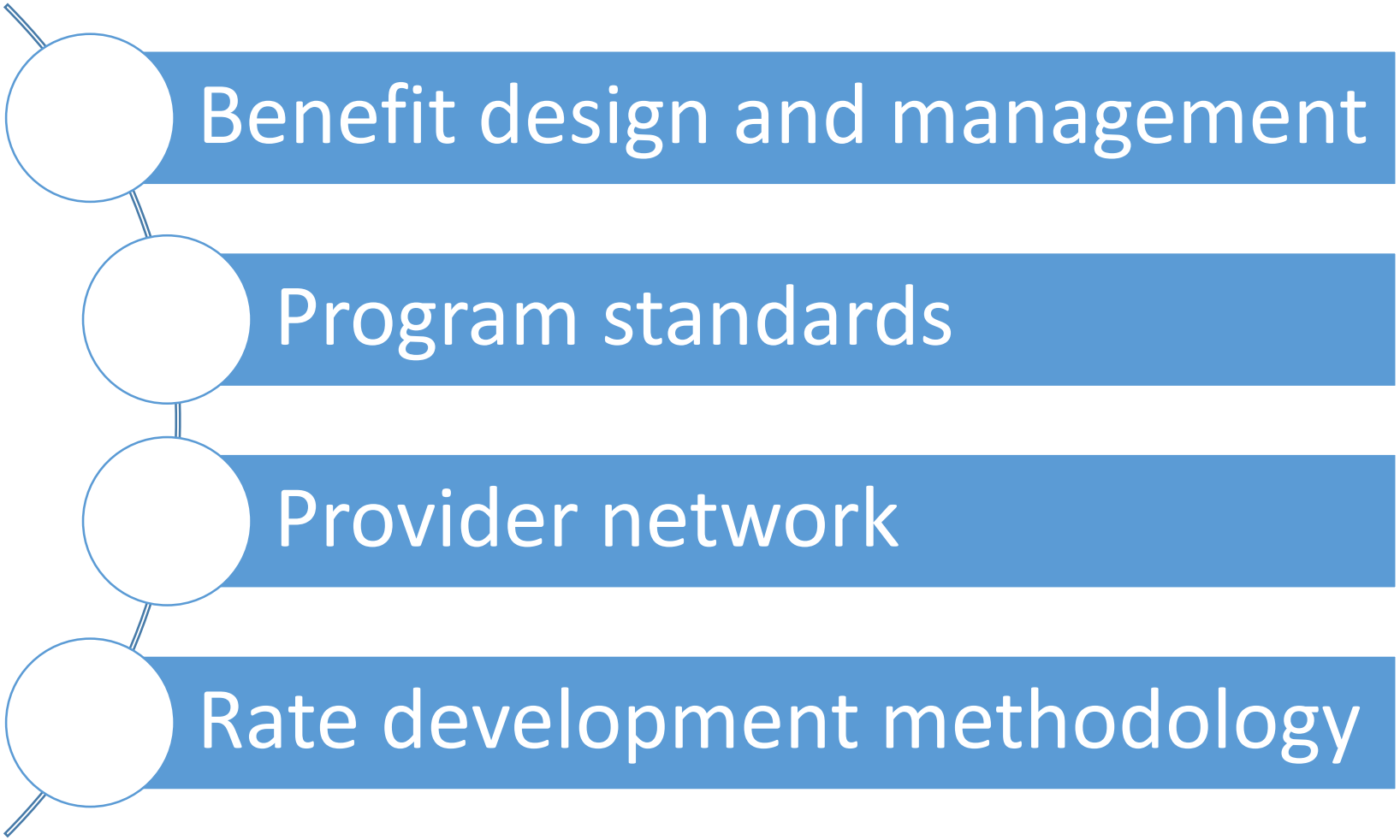
Why is Medicaid Concerned About SUD?

- Two of top 10 reasons for Medicaid readmissions involve SUD
- Two out of three members with an SUD did not receive treatment within 14 days following inpatient or residential withdrawal management
- Medicaid is the largest payer of SUD treatment services – projected to finance 28% of national SUD treatment spending by 2020
- Higher medical, behavioral health, pharmacy expenditures

Why Residential Treatment Providers?

- Incorporating new benefits and providers into Medicaid requires careful policy design and execution
- Fundamental level of care within addiction treatment continuum
- Residential SUD treatment produces cost offsets
- Evidence base established by clinical research
- Strong state interest in section 1115 SUD opportunity
  - 22 approved
  - 6 pending

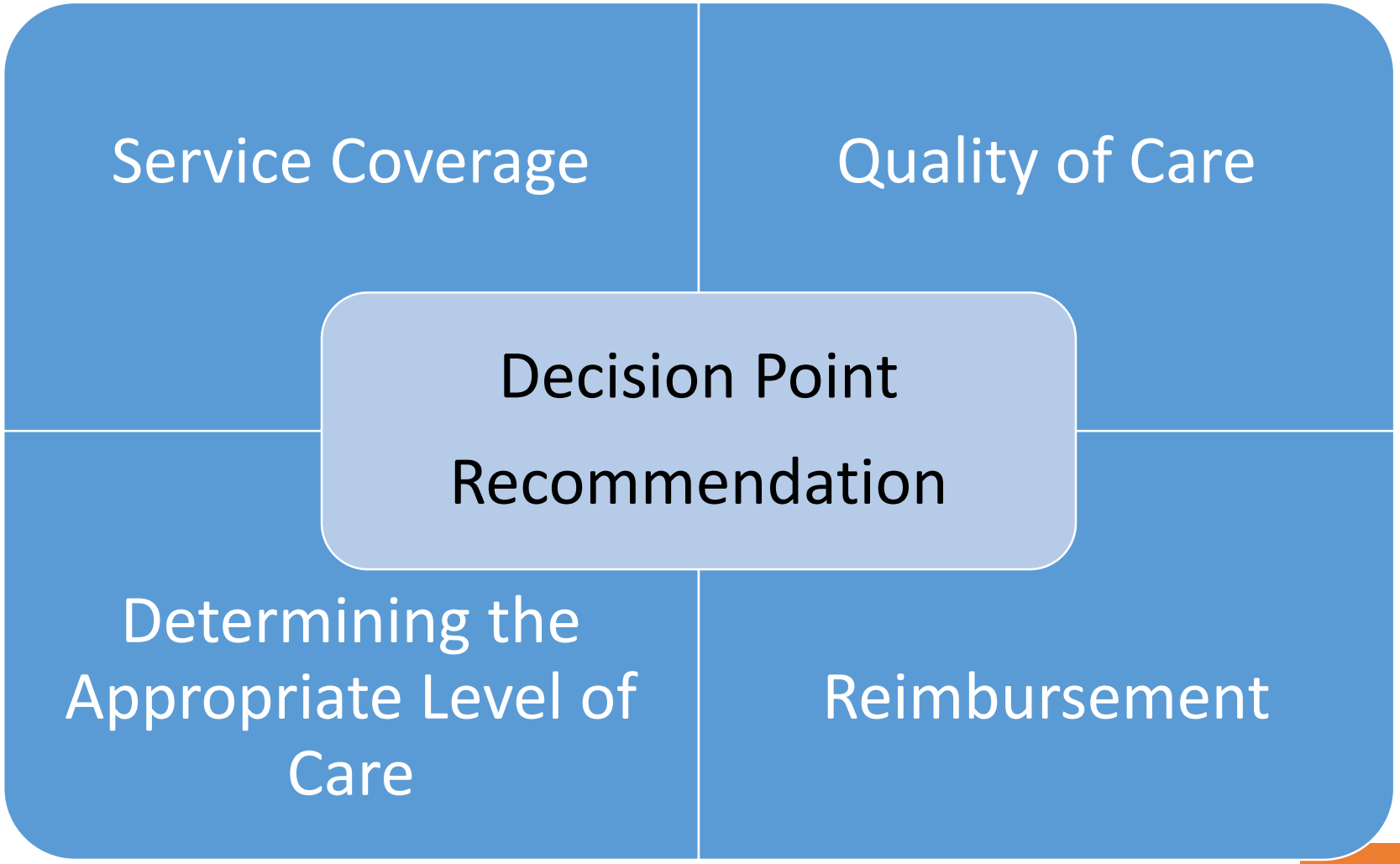
What are the Focus Areas for States?



What are the Implications for Providers?

- New program standards and service requirements
- Medicaid and managed care billing and documentation
- Revenue model (grant → FFS → managed FFS)

Decision Points and Recommendations



Residential Coverage: Cross-Walking to The ASAM Criteria

How can states produce the necessary data to support decision-making for service coverage and provider development network planning related to sublevels of residential treatment?

Collaborate with the Single State Agency for substance abuse to develop a provider network inventory by level of care and establish a baseline for coverage and network expansions.

Improving Access to Other Parts of the Continuum

Which community-based levels of care should be enhanced to support beneficiaries transitioning from residential treatment?

Strengthen the full continuum. Without coverage and networks for evidence-based outpatient care, IMDs will be costly and ineffective.

Developing Program Standards

How will states select, develop, or modify program standards to set residential treatment provider qualifications?

Determine whether current provider program standards comport with industry standards – and seek alignment.

Operationalizing Program Standards

How will states implement program standards for residential SUD treatment providers, both initially and on an ongoing basis?

Establish a clear process to review compliance with program standards – prioritizing on-site reviews.

Evidence Based Practices and Medication Assisted Treatment

How will states assure the provision of evidence-based practices, including medication-assisted treatment?

Develop protocols requiring that providers assertively arrange for patients to have access to medication-assisted treatment — and that they deliver additional evidence-based practices as well.

Provider Network Development, Training and Technical Assistance

How will states support residential treatment providers to successfully participate in Medicaid?

Pay attention to new providers' ability to participate in the Medicaid program — and invest in helping providers meet network requirements.

Ensuring the Appropriate Use of an Assessment Instrument

How can states ensure that providers are using the assessment instrument to produce appropriate level-of-care determinations?

Implement front-end and back-end processes that offer training and provide feedback to providers regarding their use of the instrument and treatment recommendations.

Room and Board

How can states account for costs not allowable for federal financial participation, such as room and board costs?

Use cost modeling to develop room and board rates — and braid funding streams.

Key Takeaways

- Staff in state Medicaid agencies and SUD providers may be developing working relationships for the first time, and need time to understand each other's worlds.
- State Medicaid agencies need to develop fluency with addiction treatment program standards, medical necessity criteria, and performance monitoring.
- States need adequate time and resources to integrate residential SUD providers into Medicaid network.

The common thread underlying the experience of the interviewed "pace car" states is that committing sufficient operational and administrative investments to thorough review, planning, and ongoing implementation is the linchpin to successful service delivery transformation and opioid response efforts ushered in through the 1115 SUD opportunity.

Implications for SSAs

- Just a reminder—you are the Subject Matter Expert—you know these services and providers better than anyone else!
- Provide information regarding the residential programs to Medicaid and discuss what you know and what you don't know about these programs
- You will need to be clear about the assessment instruments you currently use and why that is (or isn't) a valid/reliable instrument
- If you change or modify instruments—drive the change and work with your providers, Medicaid and their MCOs to implement
- Be the knowledge expert on "national standards"—while ASAM is referenced—it is not an absolute

Implications for SSAs

- To the extent possible—piggyback on your licensing/certification efforts for ensuring providers meet national program standards. Use the initial review as a "teachable moment".
- Be part of the conversation with CMS—they may ask program and beneficiary questions that your Medicaid agency may not know
- Develop a clear rate setting policy with Medicaid re: room and board—that is not an allowable Medicaid expenditure—Medicaid reimbursement for treatment will impact your approach
- Look at impact this will have on how your block grant spend—30-50% of the $ for your short term residential programs may now be available for other allowable services.