Medicaid Reform Advisory Committee Talking Points

Good Afternoon. My name is Jessica Herrmann and I work for Governor's Institute on Substance Abuse as the Director of Provider Relations. I am privileged to work with providers across the state that serve clients in need of substance abuse prevention, early intervention, treatment and recovery services. Many of these services are provided through the Medicaid system. On their behalf, I'd like to commend your efforts to include provider and client needs into your recommendations for Medicaid reform.

In particular, your goal to
Provide care for the whole person by uniting physical and behavioral health care is of paramount importance to prevention, treatment, and recovery services.

The costs of inadequate prevention and treatment of substance use disorders to the healthcare system are immense and growing.

- 25 percent of the admissions to hospitals are directly related to mental illness and/or substance use disorders nationally (Agency for Health Research Quality).
- In North Carolina, the annual cost, including lost goods, lost productivity, cost of treatment and medical services, reached $15.8 billion in 1999, and the state's population and needs have only grown in recent years.
- Untreated or undertreated substance abuse is a key driver of chronic physical disease progression that results in qualifications for disability related Medicaid coverage.

The consequences of under-treated substance use disorders, and co-occurring disorders are quite severe. The health and economic consequences of inadequate early identification and treatment of these chronic medical conditions, along with the high prevalence of those conditions in people who rely on Medicaid, demand that North Carolina include significant benefits to address the range of prevention, early identification, and treatment needs for those suffering from addiction.

Often, substance use disorders fare worse than mental illness in state programs, and we respectfully call your attention to the critical impact providing adequate services for preventing, identifying and treating these conditions will have on improving health outcomes and long term costs of the Medicaid program.

To this end,

- In any proposed reform recommendations, substance use disorders must be included in chronic care management and wellness initiatives.
- Provide ongoing transparency and information regarding efforts to address early identification and treatment of substance use disorders.
- Clearly define the scope of benefits for substance use disorders and specify whether people with these disorders are included in all parts of the reform efforts.
- Make early identification and preventive care a high priority in proposed reforms, and
- Ensure mechanisms to implement federal parity requirements that apply to Medicaid, which aim to eliminate inequalities between substance use treatment and other physical health care.

Early Identification and preventive care is key to mitigate the impact of substance use!

Leadership is necessary to make systematic prevention efforts a high priority in the Medicaid system as well as an integral aspect of the network of systems that serve young people and families.

Medicaid needs better ways to find early signs of substance use disorders. Clinicians should screen for alcohol misuse and substance use and provide persons engaged in risky or hazardous use with brief behavioral counseling interventions to reduce misuse. This protocol, known as SBIRT (Screening, Brief Intervention, and Referral to Treatment) can be paid for through Medicaid, but reform recommendations and state rules should aim to-

> **Expand SBIRT use and expand authorized providers of SBIRT.** Fund and promote SBIRT Promotion. (SBIRT has been proven to be a cost saver; with some states saving more than $2,000 per patient annually due to fewer hospitalizations.)

Build on current innovation projects, and encourage future innovations that initiate and sustain improvement in state preventive health care priority areas including

- maternal care,
- increased access of preventive care, and
- early identification of symptoms signaling the likelihood of future behavioral disorders (SA and MH).

Include in the reform plan a system for improving effective, integrated delivery of preventive health care services to Medicaid beneficiaries. Provide clear guidance for providers about performance and outcome expectations for risk assessment, health education, behavioral health services, and referrals.

Engage substance abuse prevention providers in designing public awareness campaigns to educate Medicaid enrollees on availability and coverage of preventive services.

Early and Periodic Screening, Diagnostic and Treatment Medicaid benefits already aim to assure that health problems, including substance use issues, are diagnosed and treated early- before they become complex and costly. Under the EPSDT benefit, ensure that age appropriate substance use health screening are used and appropriate referrals are made for additional services.

And finally, support training that increases provider competencies in adolescent health and preventive services.

The potential for new service delivery models under reform efforts allow for inclusion of comprehensive care management, care coordination and health promotion, transitional care from inpatient to other settings, individual and family support, referral to community and social support services as needed, and use of health information technology to link services. Inclusion of these elements into our state's reform efforts will reap reward in health outcomes and yield cost savings for the state.

Ensure Mechanisms to Implement Federal Parity Requirements

The Wellstone-Domenici Mental Health and Addiction Equity Act (MHPAEA), and subsequent rules and guidance applicable to Medicaid and CHIP programs, address inequalities between substance use prevention and treatment and other physical health. It does this by outlining that the scope of and duration of services, treatment limitations, medical necessity determinations, and provider rates must be applied not more stringently than for other medical and surgical benefits.

Sadly, our children (age 12-17) report illicit drug dependence or abuse of illicit drugs or alcohol more than any other age group in the state. In addition, North Carolina ranks higher than any other southeastern state for illicit drug and marijuana use in the previous month. This can be prevented through prevention and early intervention programs. Ensuring that these services are integrated into reform efforts- those that serve both adult and children- is critical.

As part of this discussion, addiction prevention, early intervention and treatment should not be regarded as a burden on the Medicaid system. Instead, it is a

solution—a solution that will help make reform affordable. Every dimension of Medicaid reform—comparative effectiveness research, information technology infrastructure and coverage—should include addiction treatment to help contain costs and achieve the goals of better quality health care...treating addiction will result in significant cost-savings—compared with the cost of not preventing and treating persons in our most vulnerable populations.