

Medicaid's Role in Combating the Opioid Crisis

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Medicaid Started as Adjunct to Welfare Programs

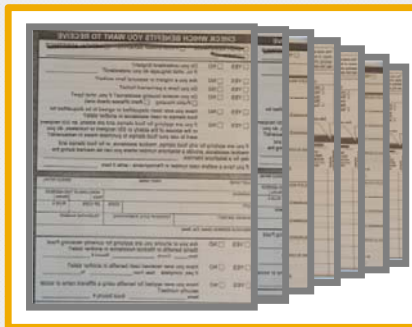
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Eligibility for Medicaid Linked to Eligibility for Welfare

- “Categorical” Eligibility: Not Enough to be Poor



Application for Welfare was the Application for Medicaid



- Long applications
- In-person interviews at welfare office
- Multiple documentation requirements
- Onerous renewal process

✓ Welfare reform delinked Medicaid from welfare in 1996.
 ✓ With the ACA, Medicaid shifts to broad based coverage.

Today Medicaid is Single Largest Source of Coverage

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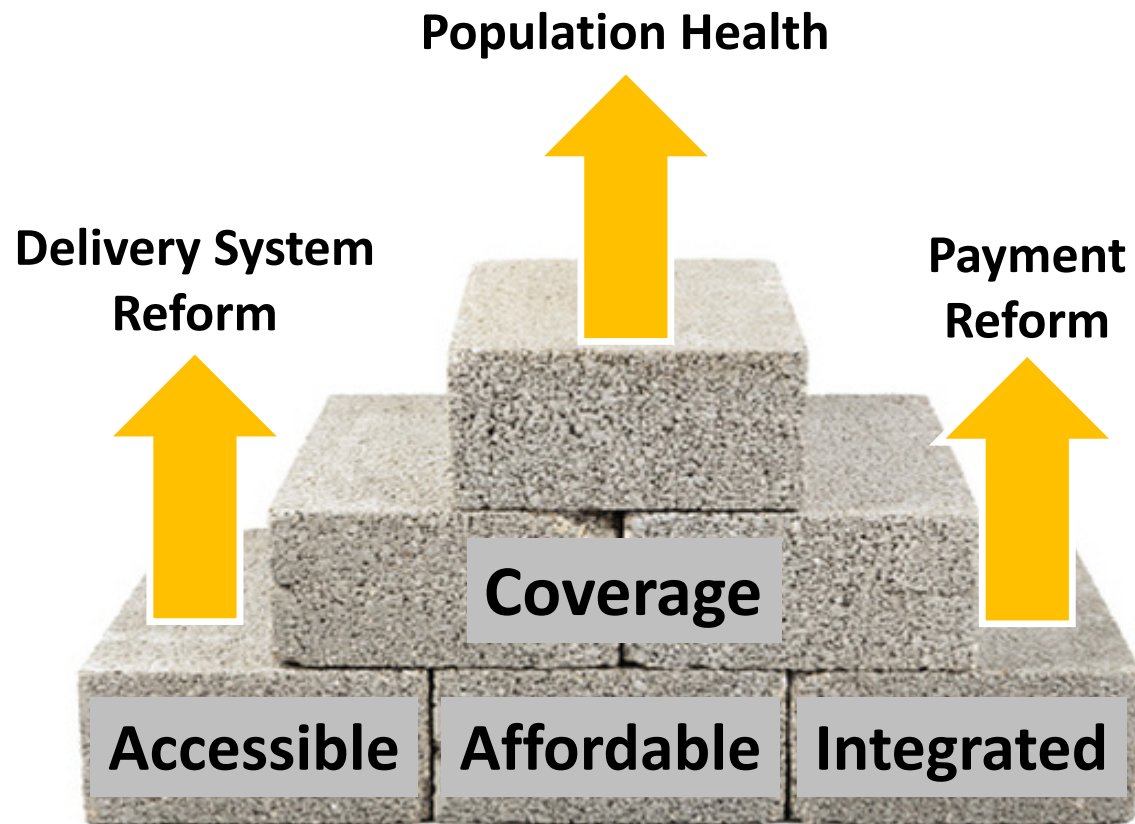
- Covers 70 million people annually, 22% of total U.S. population
- Enrollment grew by 13.8% nationally in FY 2015
 - Expansion state enrollment grew by 18% on average
 - Non Expansion State enrollment grew by 5% on average
- \$475 billion in total spending annually
- Medicaid is central to the ACA coverage continuum

Sources: Centers for Medicare & Medicaid Services (CMS) National Health Expenditures; CMS Medicaid & CHIP December 2015 Enrollment Report; Kaiser State Health Facts; Kaiser Family Foundation "The Coverage Gap: Uninsured Poor Adults in States that Do Not Expand Medicaid" January, 2016

The logo for Manatt, consisting of the word "manatt" in a lowercase, sans-serif font, positioned to the right of a solid yellow square.

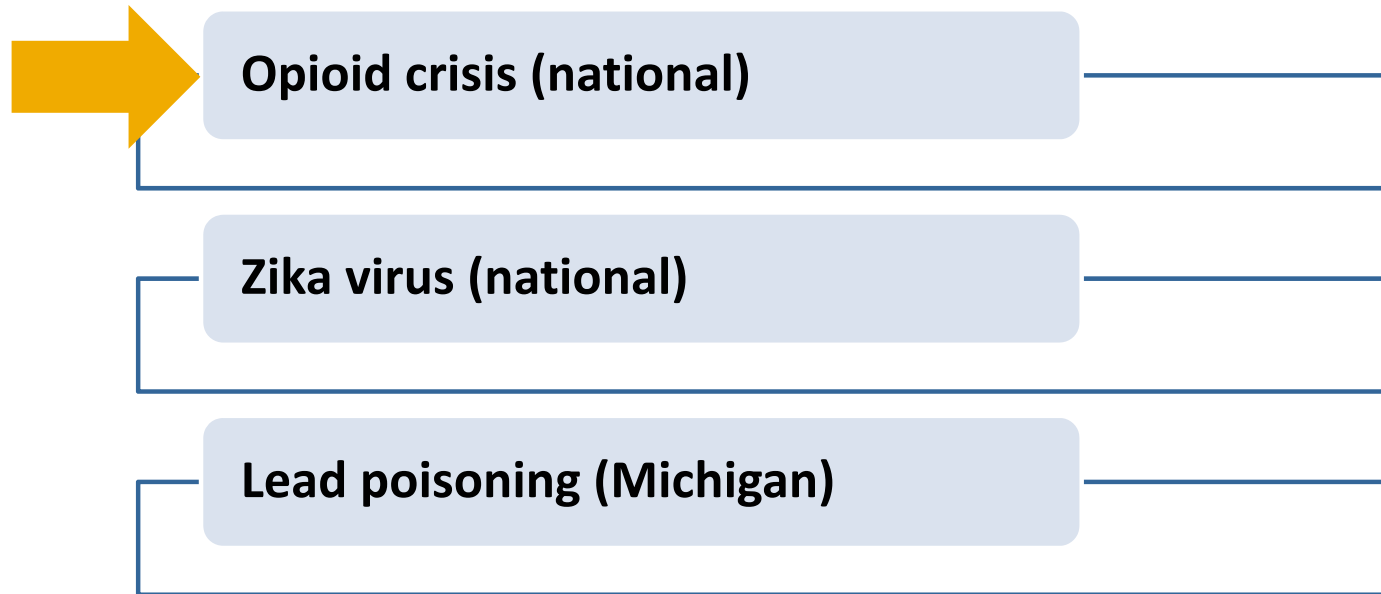
Coverage is the Foundation of Reform

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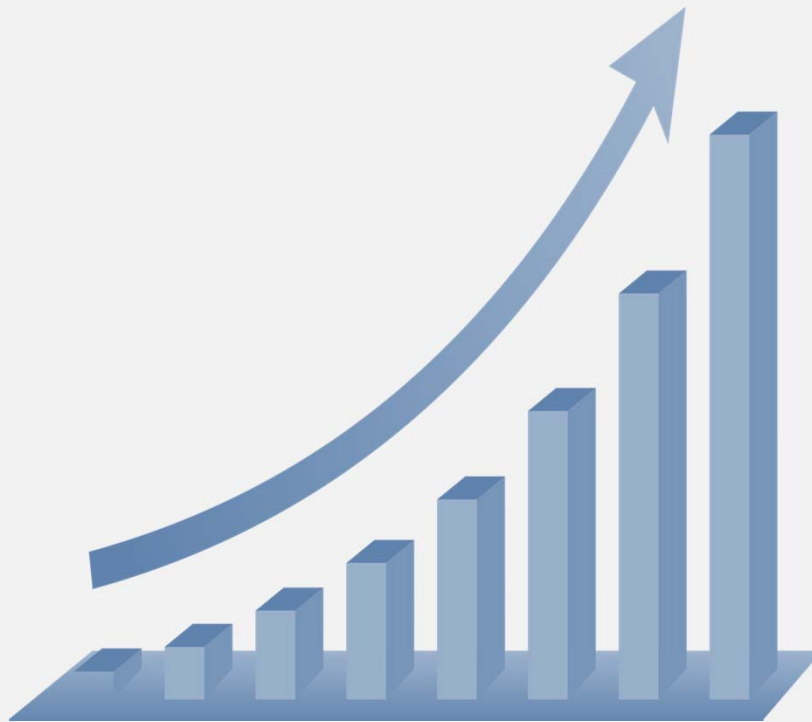
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Medicaid: Powerful Tool to Address Public Health Crises 5



U.S. Opioid Crisis Rapidly Worsening

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THE FACTS

- As of 2014, **1.9 million Americans** had an opioid use disorder
- An additional **19.6 million Americans** had a non-opioid substance use disorder (SUD)
- Since 1999, the number of opioid overdoses resulting in death has **increased by more than threefold for men and fivefold for women**

SAMHSA. "Substance Use Disorders." <http://www.samhsa.gov/disorders/substance-use>; SAMHSA, "Mental and Substance Use Disorders." <http://www.samhsa.gov/disorders>.

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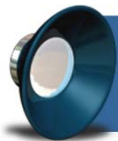
Medicaid's Imperative to Combat the Epidemic

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Medicaid is the largest source of coverage and funding for substance use prevention and treatment

- In 2014, Medicaid spent **~\$60 billion** on behavioral health services, including SUD services



Medicaid expansion has amplified Medicaid's role in fighting the epidemic

- **1.2 million adults** with SUD have gained coverage in the 31 expansion states
- **At least 1.1 million uninsured adults** with SUDs live in states that have not expanded Medicaid*

* These figures includes states that expanded as of November 2015. Montana and Louisiana have since implemented Medicaid expansion. SAMHSA, http://www.samhsa.gov/data/sites/default/files/report_2073/ShortReport-2073.pdf; Busch et al., <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3672321/>.

Medicaid's Power Enhanced in Expansion States

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New adults gain access to comprehensive coverage, including SUD services

- Expansion adults must receive a benefit plan covering the **10 essential health benefits**, which include SUD services
 - States receive 100% FMAP for services provided expansion adults (95% in 2017)
- Mental health and SUD services must be provided in parity with physical health services
- Individuals in jails and prisons—who are **four** times more likely to have a SUD than general population—receive comprehensive coverage of SUD services upon release



For previously eligible adults, SUD coverage is optional

- Some states offer only limited coverage (e.g. limiting SUD coverage to pregnant women)
- Some expansion states are extending the more comprehensive SUD benefits for new adults to previously eligible populations

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Medicaid Offers Comprehensive Coverage for SUD

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- **Medication assisted treatment (MAT)**
- **Naloxone (added to preferred drug lists)**
 - Prescription drug to treat opioid overdose in emergency
- **Screening, Brief Intervention, and Referral to Treatment (SBIRT)**
 - Early intervention targeting individuals who have an SUD or are at risk of developing an SUD
- **Health Homes**
 - May be targeted to enrollees with opioid use disorders and other SUDs
 - Includes care management services, outreach and enrollment into treatment, provider/workforce education on evidence-based treatment for opioid use disorders
- **Social support services**
 - Case management and targeted case management
 - Individual/group therapy, peer support services, behavioral modification
 - Employment-related services, housing supports,

**States may amend their Medicaid State Plans to effectuate these changes—
*no special approvals are required***

Waivers & Demonstrations Present Additional Opportunities ¹⁰

States are pursuing innovative strategies to transform the way SUD care is delivered

- **CMS encouraging states to pursue new SUD-focused 1115 waivers to treat SUD across the continuum of care**
 - States may obtain an “**Institution for Mental Disease (IMD) exclusion**” waiver – allowing states to receive federal matching funds to cover services delivered at an IMD (not otherwise allowable) as part of the continuum of care
- **States incorporating strategies targeting SUDs into demonstrations aimed at broad Medicaid payment and delivery system reforms**
 - Creating integrated delivery networks of physical health, behavioral health, and social service providers
 - Strengthening behavioral health workforce capacity
 - Implementing new clinical programs targeted towards treating beneficiaries with SUDs
 - Expanding SUD benefits
 - Increasing access to care management and care coordination services and other non-clinical interventions

California



CA is implementing the **Drug Medi-Cal Organized Delivery System pilot program**, which enables counties to provide enhanced set of evidence-based benefits to Medicaid enrollees with SUDs

New Hampshire



Under its 5-year \$150 million DSRIP waiver, NH is creating a series of **regional integrated delivery networks** with specific focus on improving behavioral healthcare

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Leveraging Medicaid's Purchasing Power

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- **Enhancing payment rates for providers meeting best practices in SUD prevention and treatment**
- **Requiring health plans to contract with certain providers, pay providers more for high-priority services, and offer incentives to plans that meet certain metrics**
- **Designing special health plans for individuals with serious mental illness and SUD**
- **Facilitating integration of physical and behavioral health services**

AZ, FL, NY have implemented comprehensive managed care products for individuals with serious mental illness or SUD.

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Thank you!

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