Medicaid’s Role in Combating the Opioid Crisis

September 23, 2016

Deborah Bachrach
Partner
Manatt Health
Medicaid Started as Adjunct to Welfare Programs

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

- 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

Coverage is the Foundation of Reform

Population Health

Delivery System Reform

Payment Reform

Coverage

Accessible Affordable Integrated
Medicaid: Powerful Tool to Address Public Health Crises

- Opioid crisis (national)
- Zika virus (national)
- Lead poisoning (Michigan)
U.S. Opioid Crisis Rapidly Worsening

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

Medicaid’s Imperative to Combat the Epidemic

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.

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
Medicaid Offers Comprehensive Coverage for SUD

- **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

**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
Leveraging Medicaid’s Purchasing Power

- 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.*
Thank you!

Deborah Bachrach  
Partner  
212-790-4594  
dbachrach@manatt.com