MERCER GOVERNMENT HUMAN SERVICES CONSULTING

HELPING GOVERNMENTS SHAPE TOMORROW'S HEALTH PROGRAMS

SUBSTANCE USE DISORDERS

Since 1985, Mercer has consulted with more than 30 states and the federal government on a wide variety of healthcare and human services issues, including actuarial, data/systems analysis, clinical (for example, program design, clinical and managed care operations), pharmacy, policy, operations and procurement.

States are experiencing an unprecedented demand for substance use disorder (SUD) services and, as a result, are actively seeking new opportunities and innovative approaches to optimize resources. For example, the national opioid epidemic has resulted in aggressive efforts at both the federal and state levels to prevent addiction to prescription opiate pain medications, limit access to heroin and synthetic fentanyl, prevent death from unintentional overdoses and reduce the prevalence of neonatal abstinence syndrome. States want to increase access to treatment for addiction, and legislation is being enacted in many states that limits prescriptions for opioid pain relievers, requires use of prescription drug monitoring programs (PDMPs) by physicians and pharmacists, and makes naloxone readily available to first responders and members of the broader community. Although there was a 10.6% reduction in opioid prescribing nationally in 2015,[1] drug overdose remains the leading cause of accidental death in the US, with 52,404 lethal drug overdoses, including 33,091 (63.1%) that involved an opioid.[2]

Although the opioid epidemic is drawing national attention, Mercer and state systems realize states must continue to respond to the ongoing needs for treatment for other dangerous and disabling substances as well, including alcohol, marijuana, methamphetamine, cocaine, synthetic drugs and tobacco. An estimated 88,000 people die from alcohol-related causes each year, making it the fourth leading preventable cause of death in the United States.[3] Data from 2013 indicate that approximately 46% of the 72,559 deaths due to liver disease among individuals age 12 and older involved alcohol.[4] Collaboration with a broad array of stakeholders, including public health, public safety, criminal justice and others, is vital to impacting cost and quality outcomes associated with SUDs, regardless of the substance involved. For example, through collaboration, numerous states now enroll Medicaid-eligible individuals immediately upon release from custody to facilitate rapid engagement in SUD services.

[1] American Medical Association. *Physicians' Progress to Reverse Nation's Opioid Epidemic*, 2016.

[2] Centers for Disease Control and Prevention. "Increases in Drug and Opioid-Involved Overdose Deaths — United States, 2010–2015," *Morbidity and Mortality Weekly Report (MMWR)*, Volume 65 Issue 50–51 (December 30, 2016), pp. 1445–1452.

[3] National Institute on Alcohol Abuse and Alcoholism. *Alcohol Facts and Statistics*, February 2017.

[4] Ibid.

States need a cost-effective, comprehensive and responsive healthcare system capable of identifying and treating individuals with SUDs and services that demonstrate positive outcomes. In the absence of such a system, individuals with SUDs can be caught in a negative pattern of repeated admissions for detoxification/withdrawal management, frequent emergency department utilization and unstable employment, housing and family relationships. Individuals experiencing SUDs often develop severe and costly physical health problems, such as cirrhosis, hepatitis and HIV/AIDs, and are at higher risk for preventable accidents when impaired. Mercer can assist states with adoption and implementation of best and promising practices, including but not limited to:

- Screening, brief intervention and referral to treatment (SBIRT) models
- American Society of Addiction Medicine (ASAM) criteria
- Medication-assisted treatment (MAT)
- Motivational interviewing, motivational enhancement therapy (MET), community reinforcement approach (CRA)/adolescent community reinforcement approach (A-CRA) and cognitive behavioral therapy (CBT)
- Peer recovery support specialists and healthcare navigators
- Centers for Disease Control and Prevention (CDC) Guideline for Prescribing Opioids for Chronic Pain
- Active monitoring and surveillance of potentially excessive or problematic prescribed opioid use outside of Food and Drug Administration (FDA) guidelines
- Value-based payment models incorporating opioid-related outcome measures

Mercer understands states must consider cost containment and program sustainability, network development and capacity needs and how to incentivize high-quality performance through effective procurement and contracting. States must consider how they will finance these services and understand the regulatory requirements of funding streams. Requirements related to the Mental Health Parity and Addiction Equity Act (MHPAEA) final rule, the Home and Community-Based Services (HCBS) final rule and the Medicaid Managed Care final rule all impact the design and implementation of a state's SUD service system.

Mercer assists states in SUD program design, development of federal state plan amendments and CMS waivers, procurement activities, actuarial rate setting and analysis, managed care contracting, value-based purchasing, staff training and development, and conversion from fee-for-service to a managed care delivery system.

SITUATION
Prior to 2011, the state's Medicaid program did not include SUD treatment services as a covered benefit. State general funds and/or federal block grant dollars were the primary source of funding to pay for SUD services to Medicaid-eligible members. In an effort to contain costs while also expanding access to SUD services for Medicaid-eligible members, the state decided to add SUD benefits to its Medicaid state plan and incorporate these benefits into its managed care structure.

CHALLENGE
The state wanted to expand coverage and capacity for an array of ASAM levels of care and support adoption of medication-assisted treatment. The state wanted to support providers and managed care organizations in this transition by helping them fully understand service definitions, provider qualifications and billing expectations. The state also recognized the need to gather current SUD program and staffing information from providers in order to assist in provider reimbursement and capitation rate development.

ACTION
Mercer worked in collaboration with the state's behavioral health and Medicaid agencies to draft an SUD state plan amendment (SPA) that included ASAM levels of care. The SPA included methods and standards for coverage and reimbursement of these services within the Rehabilitative Services option and supported recovery-oriented treatment. Mercer provided clinical, pharmacy, policy and actuarial support to design an SUD continuum of care consistent with national standards and best practices. We worked with state SUD experts to establish service descriptions, provider qualifications and FFS rates as well as assist with identifying MMIS programming edits. Mercer supported CMS negotiations, assisted with the drafting of a comprehensive state manual to explain the benefits, drafted contract language for the capitated vendor to manage the benefit and assisted with readiness reviews of the statewide vendor.

RESULT
Today, the state is able to offer Medicaid-reimbursable SUD services, including medication-assisted treatment and ASAM levels of care consistent with any federal limitations applicable to larger residential settings. In 2016, the state carved in all behavioral health services, including SUD, into the managed care plan contracts. Mercer assisted with drafting the integrated contract, including performance measures, and setting the capitation rates. We are currently assisting the state in pursuing an 1115 waiver authorizing reimbursement for use of institutions for mental disease for residential stays exceeding 15 days.

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