

# Massachusetts as a Model for Paying for Recovery Support Services in the Age of Healthcare Reform



## NIATx Summit and SAAS National Conference July 11, 2011



# Agenda

- Overview of MA Health Care Reform
- Relationship between HCR and ROSC
- ATR (Access to Recovery)
  - Program Design Opportunities in a HCR environment

# Overview of Uninsured in Massachusetts (2004)



- Estimated 460,000 uninsured adults -7.4%
- Highest rate among 19-24 year olds – 25.4% - similar to national data
- Rates highest among blacks, Hispanics
- 48.7% above 300% FPL
- Highest rates of uninsured among part-time workers at small employers

# Key Elements of HCR

- Similar to elements of national HCR
- Passed in April 2006
- Individual mandate – tax penalty
- Employer mandate
- Government mandate – Medicaid expansion, subsidized plans
- Created “Wellness Fund”
- “Connector Authority” to oversee plans, cost, benefits
- Tension around overall financing and plan affordability v. benefits package

# Expanded Coverage

- Medicaid expansion to children with family income less than 300% FPL
- Eliminated enrollment caps for long-term unemployed adults, HIV+ and disabled working adults
- Provides sliding-scale subsidies up to 300% FPL – Commonwealth Care <150% FPL - no premiums, no deductibles
- Offered by same MCOs as Mass Health (Medicaid) program
- “Affordable” plans for individual purchase above 300% - Commonwealth Choice
- Enrollment began in May 2007
- As of April 1, 2008, about 175,000 enrolled, exceeding estimates by more than 30,000
- As of Nov. 2010, 401,000 enrolled

# Commonwealth Care SUD Coverage



- Advocacy by SUD/MH community led to improved SUD/MH benefits
- Different plans cover different services
  - All plans cover methadone maintenance, buprenorphine, inpatient and outpatient
  - no co-pay for methadone maintenance
  - Varying premiums, co-pays by plan and service
- All plans require prior authorization for SUD services
- Coverage starting month after enrollment

- MA Medicaid Plan – several options available
  - **Significant changes in PA/UR**
  - **Vary among plans**
- Presumptive eligibility only for pregnant women
- SUD/MH carve out in 1992
  - Expansion to non-categoricals in 1997
  - Further expansion in 2006
- Many services **NOT** covered
  - 50% of people in residential treatment facilities have Medicaid, but this is paid for by BSAS

# Health Care Reform in Massachusetts

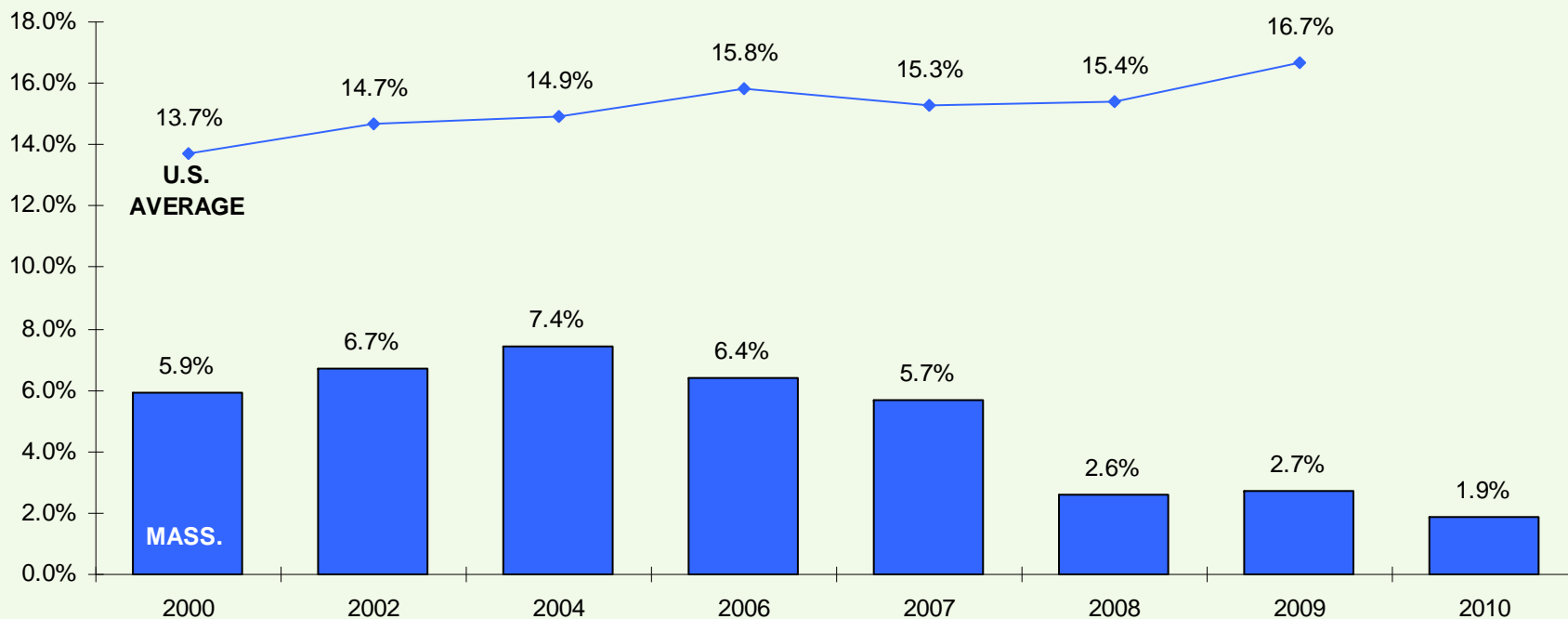


- As of Nov. 2010, 98.1% of non-elderly adults were insured
- 99.8% of children
- 41% Medicaid expansion
- 38% Commonwealth Care
- 21% Individual Purchase

Remaining uninsured likely to be young, single, male, have income less than 300% FPL and/or Hispanic

# Massachusetts Now Has the Lowest Rate of Un-insurance in the Country

PERCENT UNINSURED, 2000–2010, ALL AGES



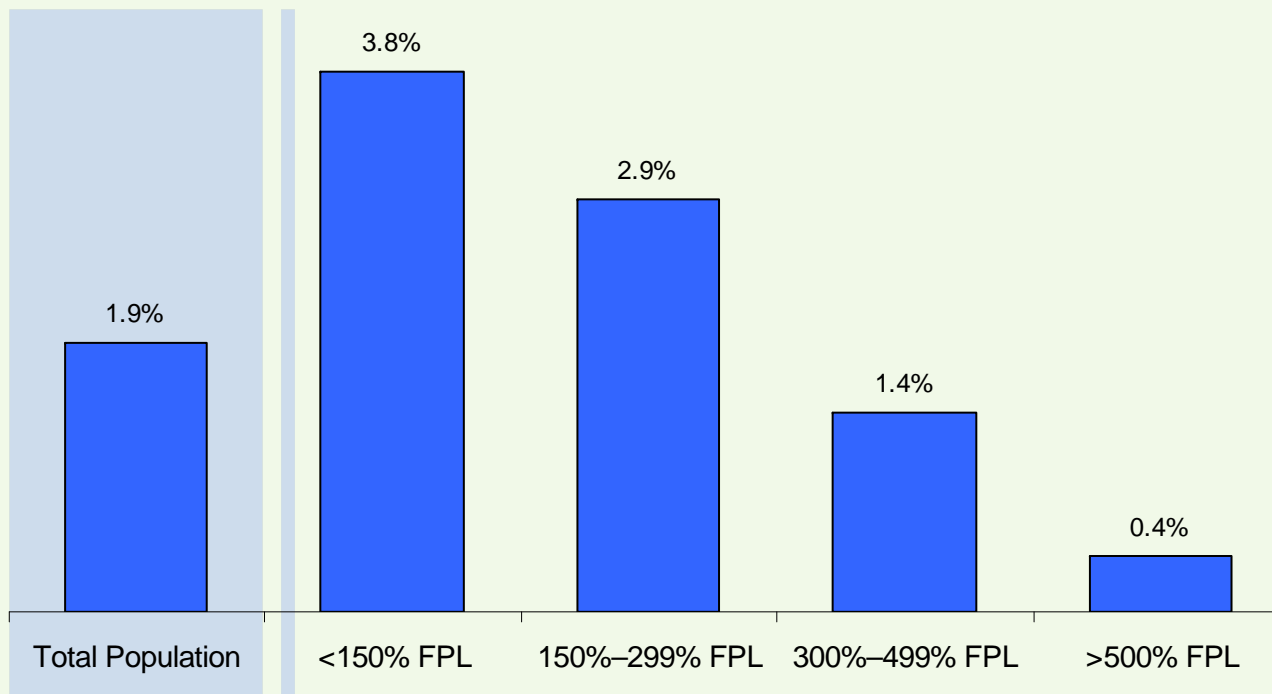
NOTE:As of 2008, the state contracted with a new vendor (Urban Institute) to track insurance coverage rates in Massachusetts. The Urban Institute implemented methodological changes to the tracking survey which may affect comparability of the 2008, 2009, and 2010 results to prior years.

The national comparison presented here utilizes a different survey methodology, the Current Population Survey , which is known to undercount Medicaid enrollment in some states.

SOURCES:Massachusetts Division of Health Care Finance and Policy, *Massachusetts Health Insurance Survey*2000, 2002, 2004, 2006, 2007, 2008, 2009, 2010; U.S. Census Bureau, Current Population Survey 2000, 2002, 2004, 2006, 2007, 2008, 2009.



## Low-income Residents Are More Likely To Be Uninsured Than Higher-income Residents



Low-income residents (family household income under 300 % of the FPL) comprise 72 percent of the remaining uninsured in Massachusetts, but only 40 percent of the insured population (data not shown).

While low-income residents are more likely to be uninsured, they have demonstrated the most dramatic income-related gains in coverage under health reform.

| Total Uninsured | <150% FPL | 150%–299% FPL | 300%–499% FPL | >500% FPL |
|-----------------|-----------|---------------|---------------|-----------|
| 120,000         | 42.9%     | 29.2%         | 20.2%         | 7.7%      |

# BSAS Services – Grade A Sausage?



## Prevention Services:

Regional Centers for Health Communities (RCHC's)  
Community-based Prevention Programs  
Educational Materials  
Media Campaigns  
Overdose Prevention Services

## Screening and Early Intervention Services

Community Health Center Screening, Intervention and Referral to Treatment Services (SBIRT)  
Federal SBIRT Grant  
Emergency Department SBIRT  
Family Intervention Services

## Acute Treatment Services

Acute Treatment Services (Level 3.7)  
Clinical Support Services (Level 3.5)  
Section 35 for Men and Women

## Short Term Stabilization Services for Adults

Transitional Support Services  
Tewksbury Stabilization Program

## Youth Intervention and Treatment Services

Early Intervention (CASASstart)  
Youth Stabilization  
Youth Residential  
Recovery High Schools  
Youth Outpatient Services

## Adult Residential Treatment

Recovery Homes  
Therapeutic Communities  
Social Model Recovery Homes  
Specialized Residential Services for Women

## Family Services

Outreach for Homeless families  
Family Residential Treatment Programs  
Supportive Housing Services For Homeless Families  
Federal ACF Grant

## Outpatient Services:

Outpatient Counseling  
Opioid Treatment Services  
Day Treatment/Enhanced Day Treatment/Intensive Outpatient  
Acupuncture Services  
Compulsive Gambling Treatment  
Office-based Opioid Treatment (OBOT)

## Housing and Homeless Services:

Substance Abuse Shelters for Individuals  
Post Detox Pre-Recovery Programs (PDPR)  
Supportive Case Management in Housing  
Community-Based Case Management  
Outreach to Homeless Youth and Adults

## Recovery Support Services

Recovery Engagement Centers  
Consumer Education  
Federal Access to Recovery Grant

## Criminal Justice Programs

Services in County Houses of Correction  
Court Diversion Programs  
First Offender Driver Alcohol Education (DAE)  
Second Offender 14-Day Residential Program for Driving Under the Influence of Liquor (DUIL)  
Second Offender Aftercare (SOA)

## Training, Technical Assistance and Support Services

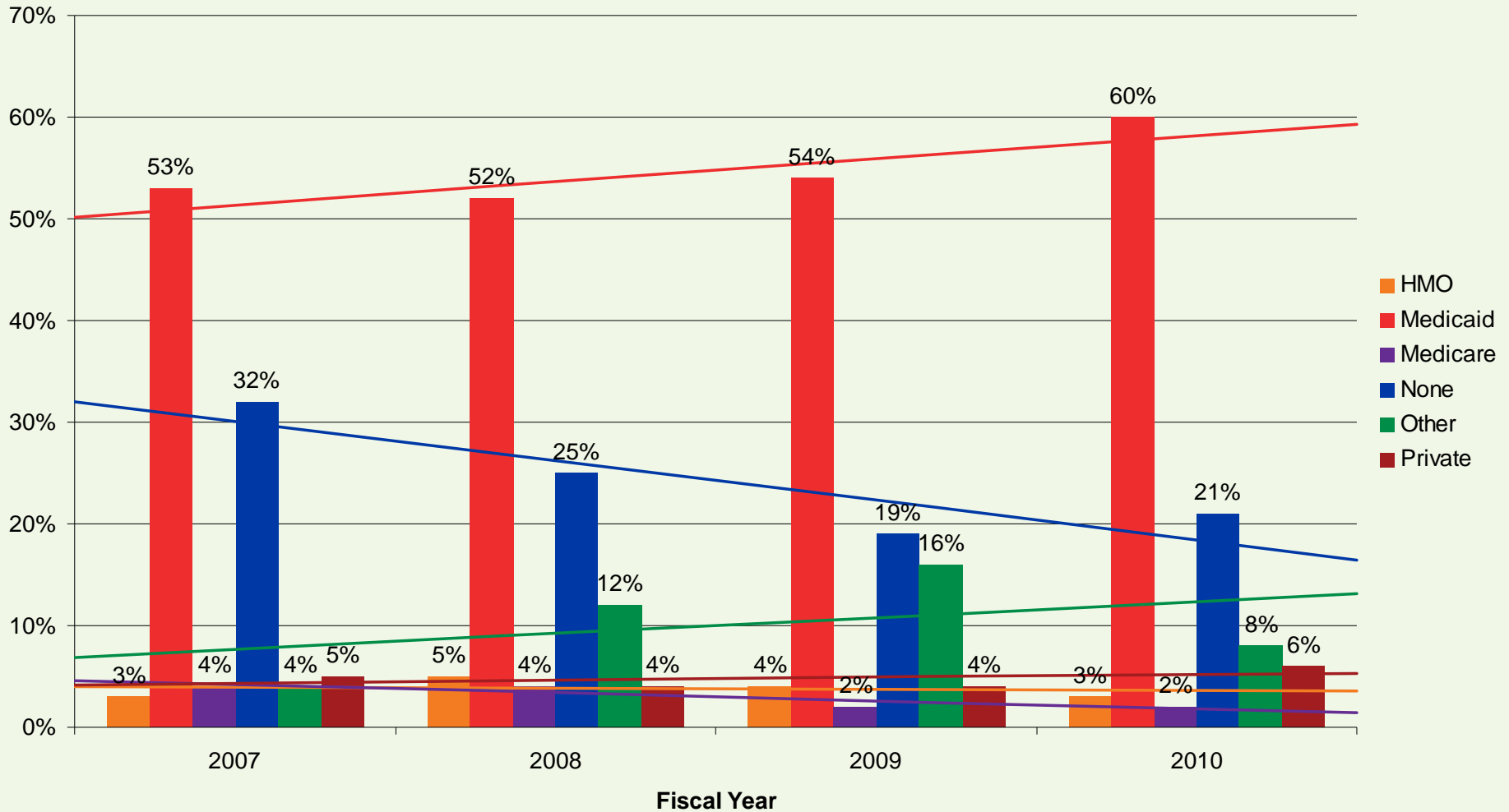
Substance Abuse Information and Referral Helpline  
Problem Gambling Information and Referral Helpline  
Tobacco Training and Technical Assistance  
Women's Services Capacity Building  
HIV/HEP C Training and technical Assistance

## Financial Model of the Potential Impact of HCR on Funded Services

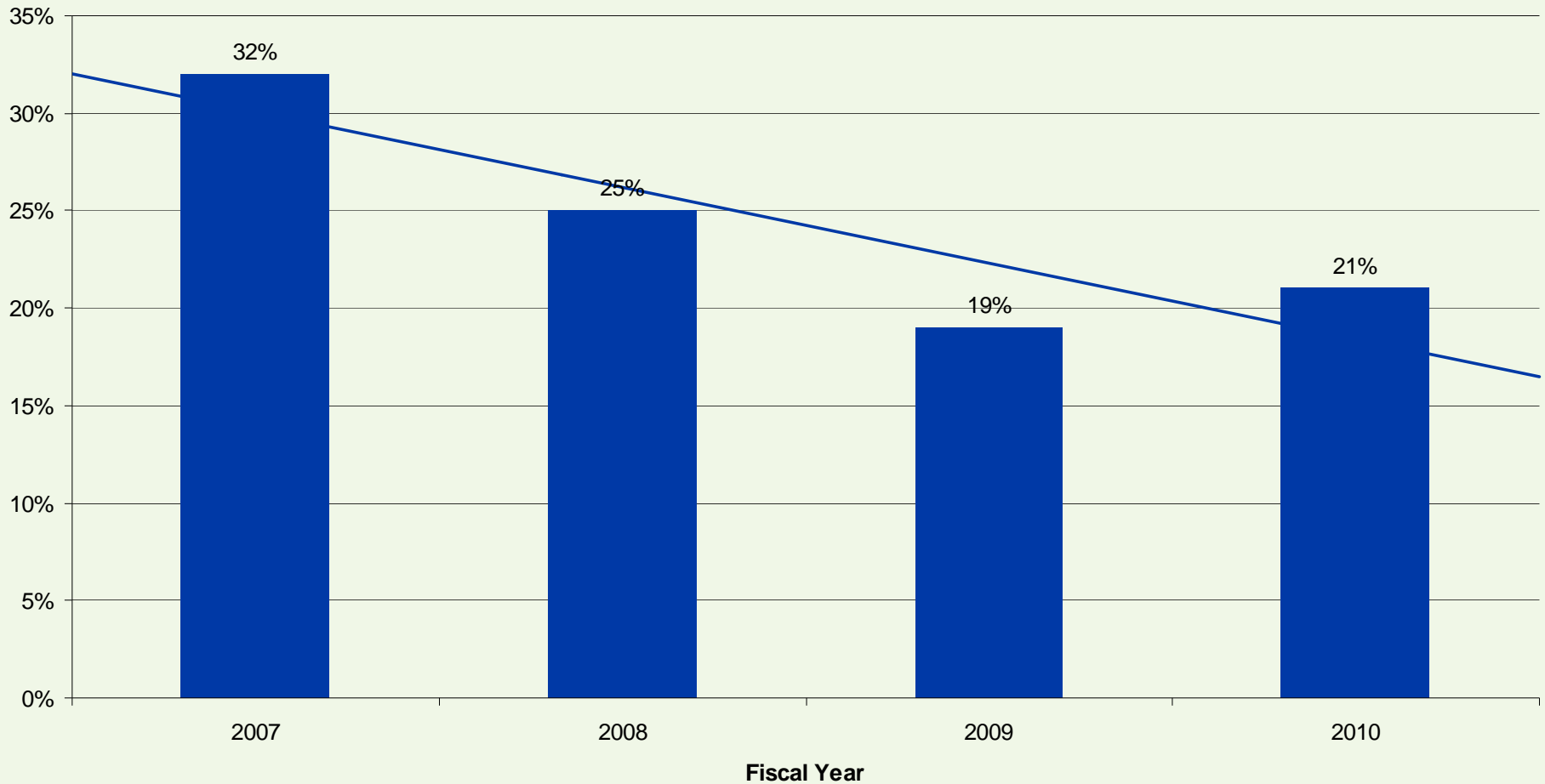


- Reported client income at time of admission tracked to plan type
- Medically reimbursable SUD treatment services offered by the plan(s)
- Current utilization and expenditures for these reimbursable services (Detox, step down, methadone, day treatment and outpatient services) by newly eligible clients
- Assumption that 50% of eligible clients will enroll in year one; 90% in year two
- Anticipated off-set of \$5.8m in year one and \$10.5m in year two

# Insurance Status of Clients Entering Detox



# Percentage of Clients without Health Insurance Entering Detox



# BSAS Insurance Survey



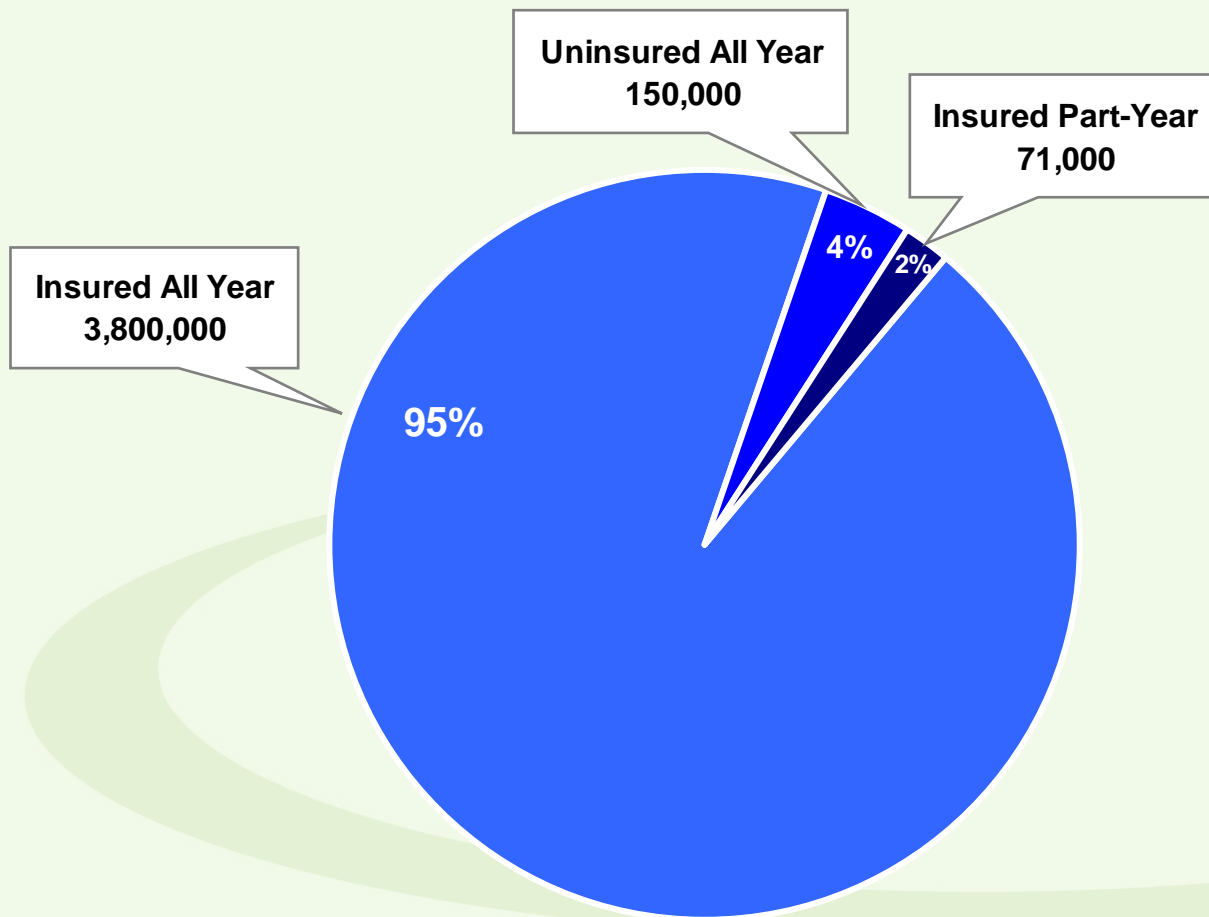
254 TSS/CSS clients surveyed in June 2009

- 174 men
- 79 female
- **16% were uninsured**
- Highest uninsured among 18-25 year olds living with parents

Insurance status of Civilly-committed

- 50% are less than 30 years old
- 71% of women v 48% men are insured.

## Most Massachusetts Tax Filers Comply With the Individual Mandate by Having Insurance Year-round



During calendar year 2008, 2 percent of tax filers were uninsured for part of the year and 4 percent were uninsured for the entire year.

NOTE: Numbers do not add to 100 percent due to rounding.  
SOURCE: Massachusetts Health Connector and Department of Revenue; *Data on the Individual Mandate Tax Year 2008*, December 2010.

# What Has Massachusetts Achieved Relative To Its Health Coverage Goals?



- 401,000 more Massachusetts residents have gained health insurance coverage than had it before reform.
- Massachusetts now has the highest rate of health insurance coverage in the nation.
  - 98.1 percent of Massachusetts residents are insured.
  - 99.8 percent of Massachusetts children are insured.
- Since reform, insurance coverage has increased most significantly for non-elderly adults, particularly for low-income adults.
- The remaining uninsured are more likely to be young, single, male, non-elderly low-income adults, and/or of Hispanic ethnicity.

# Observations/Questions

- Significant uninsureds (20%) still presenting for tx – primarily young adult men
- Premiums, co-pays/deductibles may be a barrier –  
Appeal to Connector to drop co-pays for detox denied
- Considerable enrollment criteria – IDs, Home address, time
- Considerable churning/dis-enrollment among plans
- **No major cost shifting, except OP**
- Varying administrative capacity to handle claims among providers – Burdensome and costly
- SSA share of purchase shrinking

# Observations/Questions

- Are more people getting treatment? Appears to be NO. Need for All-payer database
- Federal Block Grant still critical for unenrolled/uninsured, capacity development
- Revised payer of last resort policy
- Who remains uninsured? Why?
- Where are they coming from? CJ referrals?
- Does greater consumer choice require enhanced program marketing? Early evidence suggests YES!
- What is our capacity/competencies to play in a managed care world?
- What are provider competencies relative to network development. PA, UR, billing and talking the language of managed care
- Revised RFR requirements related to these competencies
- Role and authority of state agencies? Insurance Purchaser? Developer of Services?
- Relationship with state Medicaid Office



# What is Access to Recovery?

- ATR is a 4-year SAMHSA grant funded program awarded to the MA Department of Public Health/Bureau of Substance Abuse Services
  - Advocates for Human Potential (AHP) is the ASO
- Goal: Help people who have a problem with drugs or alcohol start or continue on the road of recovery
- Target Population: Individuals who have been incarcerated or have a history of involvement with the criminal justice system
  - Hampden County (Springfield area) and Suffolk County (Boston area)
- We are in year 1 of the grant (10/1/10-9/31/11)



# Basic Premise of ATR

Government realized that traditional clinical interventions may not be sufficient to aid the individual in the recovery process

- There are multiple pathways to recovery
- Non-traditional organizations can also provide vital support for people in recovery
- Therefore, a combination of both clinical treatment and a system of recovery support services – the wrap around services- is crucial to supporting the recovery of people with substance use disorders
- ATR pays for many services not currently covered by 3<sup>rd</sup> party health insurance or the SSA and other government funded programs

# How does ATR pay for the services?

Everything is processed via the computer through an electronic Voucher Management System

- Services are paid for by electronic vouchers
- No paper vouchers or money ever changes hands
- Vouchers are authorized for specific services and for a specific number of units of service



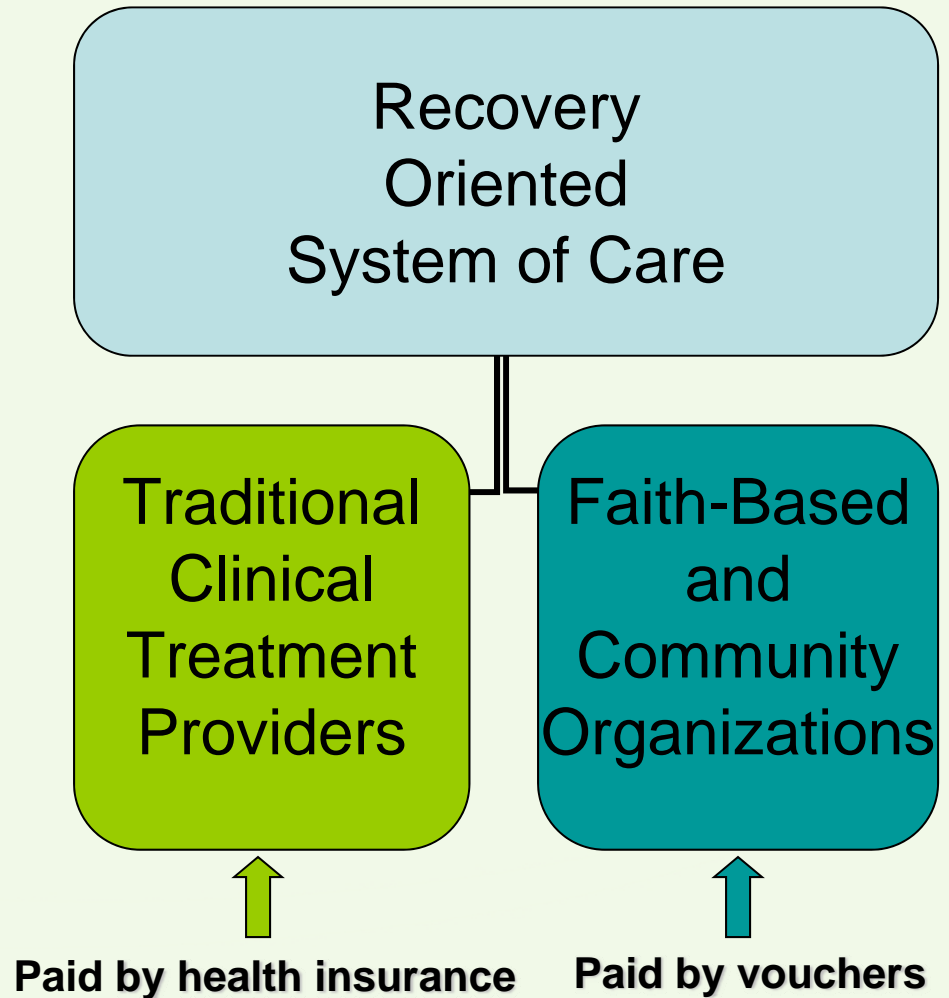


# Summary of Key Points about ATR

ATR pays for Recovery Support Services that have been non-reimbursable up until now.

Important points:

1. Client is at the center and had choice of services and providers
2. Money follows the client





# New way of paying for services

No contracting with provider organizations

- Prospective providers must be approved by the State to become part of the provider network
- Once approved, the client then exercises free choice in selecting service providers from this network
- All providers must use voucher system to bill for services delivered

# Implications under Health Reform

## 1. Client empowerment

- Develop a service delivery system that supports clients being in charge of their recovery
- Instead of the money going in advance to providers, the money goes with the clients to whomever they choose

## 2. Integration of the service delivery system

- Develop a Recovery Oriented System of Care where services are coordinated and reimbursable and under one umbrella
- Reimbursement comes from both health insurance and a voucher type system

# Issues we have found

With providers:

1. Hard to understand this new way of doing business
2. Uneasy about not having “upfront money” for planning

With clients:

1. Client empowerment works best when client is invested in recovery and can think about the changes that are necessary
2. Many SUD clients are still uninsured and therefore not covered by health insurance



**MA ATR**  
Access to Recovery

# Questions?

| <b>DPH/BSAS</b><br><i>MA Department of Public Health/Bureau of Substance Abuse Services</i>  | <b>AHP</b><br><i>Advocates for Human Potential</i>  |
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