



SUD and Health Care Reform: What Are the Key Changes Being Considered by Congress and the Trump Administration?

Substance Use Disorders Crash Course

June 13, 2017

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Overview



1. Background - How are SUD services covered by health insurance today?
 2. How would the American Health Care Act impact SUD services?
 3. Is the Trump Administration's Department of HHS doing anything differently regarding SUD services?
 4. How would the Trump Administration's executive budget proposal impact SUD services?
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How are SUD services covered by health insurance today?



As background, opioid addiction has become a major national crisis – over 50,000 people died from opioid related deaths in 2016; that number is expected to increase. It is the leading cause of death for persons under 50 years old. Opioid related inpatient stays increased 64% and emergency department visits increased 99% between 2000 and 2014.*

Key laws currently governing coverage and treatment for SUD services include:

- Essential Health Benefits under ACA: services for SUD (including treatment for opioid addiction) are required to be covered along with mental health benefits as “essential health benefits” or “EHB” by individual and small group insurance plans; annual and lifetime limits are prohibited for EHB for such plans as well as large group plans (fully insured or self-insured)

*Kaiser Family Foundation May 2017: ‘6 Things to Know About Uninsured Adults with Opioid Addiction’

How are SUD services covered by health insurance today?



- Medicaid Expansion under ACA: 32 states (including DC) have expanded Medicaid to childless adults under the ACA. 30% of adults with opioid addiction have coverage under Medicaid. Expansion coverage must include SUD benefits and beneficiaries with SUD are considered “medically frail” and are entitled to additional protections
- Federal parity law (MHPAEA): generally requires that limits on mental health/SUD benefits offered by private insurers be no more restrictive than those applied to medical benefits. Parity rules apply to Medicaid including managed care plans with compliance required by this coming October.
- 21st Century Cures Act: In a rare bipartisan measure, the 21st Century Cures Act signed in December allocated \$1 billion in grant spending to treat opioid addiction (for fiscal years 2017 and 2018).

How are SUD services covered by health insurance today?



- Medicaid managed care final rule: Allows for coverage of SUD crisis residential services that were previously subject to IMD exclusion (“in lieu of” services to SUD patients in inpatient or a sub-acute facility providing); and
- Medicaid 1115 Waivers: 1115 demonstration waivers to develop a full continuum of care for individuals with SUD, including coverage for short-term residential services not otherwise covered by Medicaid.



How would the American Health Care Act impact SUD services?

- The American Health Care Act (AHCA), as passed by the U.S. House of Representatives, would impact how SUD services get covered in multiple ways:
 - It would give states the ability to request waivers from the federal government (HHS) to:
 - change the list of “essential health benefits” (e.g., to eliminate mental health and SUD services) for that state
 - remove the current ACA prohibition on taking pre-existing conditions (like SUD) into account for insurance coverage for that state (so those with preexisting conditions would pay more for insurance than those without or may be denied coverage altogether)
 - It would freeze Medicaid expansion in 2020 and transform Medicaid overall into a capitation based program (i.e., a defined contribution plan instead of a defined benefit plan) - that would likely ultimately force states to limit eligibility or benefits under Medicaid



How would the American Health Care Act impact SUD services?

- The Congressional Budget Office (CBO) estimates that 23 million people will lose insurance by 2026 under the AHCA as passed by the House. Its report said:
 - “ Services or benefits likely to be excluded from the EHBs in some states include maternity care, mental health and substance abuse benefits, rehabilitative and habilitative services, and pediatric dental benefits. In particular, out-of-pocket spending on maternity care and mental health and substance abuse services could increase by thousands of dollars in a given year for the nongroup enrollees who would use those services. Moreover, the ACA’s ban on annual and lifetime limits on covered benefits would no longer apply to health benefits not defined as essential in a state.” (CBO Cost Estimate, May 24, 2017)
- Note that the AHCA would not change parity requirements under MHPAEA, but such parity requirements apply only if there are mental health/SUD benefits offered in the first place



How would the American Health Care Act impact SUD services?

- U.S. Senate: The U.S. Senate is currently considering how to modify the AHCA, with indications it is taking the opioid crisis into account in considering such changes, including: 1) extending the period to unwind Medicaid expansion, 2) revising the preexisting conditions waiver that is allowed by the House version, and 3) increasing tax credits for persons with lower incomes
 - Senator Rob Portman of Ohio, which has been impacted greatly by the crisis, stated: “So many people on Medicaid and expanded Medicaid rely on that funding for their treatment for substance abuse. This is clearly an issue where you don’t want to make matters worse by reducing access to treatment.” (WSJ June 11, 2017)
 - “In their own ACA repeal bill, Senators Susan Collins of Maine and Bill Cassidy of Louisiana would allow states to decide whether to maintain or jettison ACA requirements and subsidies. But it would keep one benefit mandatory: coverage for mental health and addiction treatment.” (WSJ June 11, 2017)

What is the Trump Administration's Dept of HHS doing differently regarding SUD services?



- HHS advised states in a March 2017 letter that it will use its Section 1115 Medicaid expansion waiver authority to approve provisions related to “training, employment and independence”.
- Shortly after that letter, the AHCA was amended to include an option allowing states to condition Medicaid eligibility (for nondisabled, nonelderly, nonpregnant adults) on satisfaction of a work requirement.
- HHS is currently reviewing various state requested 1115 waivers to add such work requirements ranging from referrals to work search programs to requiring a certain number of hours of work per week
- Other state Medicaid waiver requests to HHS that would likely impact individuals needing SUD services include: 1) drug screening requirements - Wisconsin would be first state to require drug testing for health benefits unless a person agrees to go right into treatment, and 2) NEMT (non-emergency medical transportation) – SUD treatment is one of the most frequent uses of NEMT; multiple states have sought waivers to limit .

How does President Trump's executive budget proposal impact SUD services?



- President Trump's budget proposal increases drug treatment spending by about 2 percent, with an increase of around \$200 million to the over \$10 billion the federal government already spends; but this increase takes into account the funding already approved by Congress in the 21st Century Cures Act – without that funding, there would actually be a cut in spending on drug treatment under such proposal.
- An earlier draft of the budget eliminated most of the budget for the Office of National Drug Control Policy; after receiving significant backlash, it was mostly reinstated in a subsequent draft
- Proposed cuts of \$400 million to SAMHSA budget, major cuts to Medicaid and cuts to various other agencies and programs that currently address drug addiction

Questions?



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Presenter: Karen L. Cavalli

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