

Implementation of Medicaid Substance Abuse Benefit for Adults

In 2009, the Texas Legislature authorized the Health and Human Services Commission (HHSC) to implement a comprehensive substance abuse treatment benefit for adults in Medicaid who have a substance abuse disorder (2010-11 General Appropriations Act (Article IX, Section 17.15, of S.B. 1). Although the substance abuse treatment benefit targets adults, HHSC will also clarify existing substance abuse treatment coverage for children.

The LBB's 2009 *Texas State Government Effectiveness and Efficiency* report found that less than a quarter of adults with a diagnosis of substance abuse received treatment in 2006. The report also found that individuals with substance abuse disorder have twice the medical expenses (e.g., hospital emergency room costs) of those without a substance abuse disorder and that these costs can be better managed with treatment. In calling for development of the benefits, the Texas Legislature assumed the treatment of substance abuse problems will result in a savings to the Medicaid program and offset any cost associated with the new benefit. Once the benefits are made available, HHSC will send data to the Legislative Budget Board (LBB). The legislation establishing the new benefits says HHSC may not continue to provide the treatment services if the LBB determines the services result in an increase in Medicaid spending.

The anticipated effective date for the adult substance abuse benefits is September 2010. The new benefits require approval by the Federal Center for Medicare and Medicaid Services (CMS). If approved by CMS, the proposed comprehensive Medicaid substance abuse treatment services include:

- Detoxification
- Limited residential treatment,
- Outpatient detoxification,
- Medication assisted treatment,
- Specialized residential services for women
- Outpatient chemical dependency counseling

These benefits will be provided through fee-for-service Medicaid, as well as Primary Care Case Management (PCCM) and Medicaid managed care health plans. Substance abuse treatment providers will be reimbursed either through the Medicaid managed care health plans, or the Texas Medicaid Health Partnership (TMHP) if the client is enrolled in PCCM or receives fee-for-service Medicaid. Providers are required to enroll as a Medicaid provider, and must be credentialed by the Medicaid HMOs to receive reimbursement from a Medicaid HMO.

The implementation of this benefit is a multi-step process. The process includes:

- State plan amendment (SPA) and federal waiver amendments.
 - Waivers and SPAs must be approved by CMS. Waivers are exceptions to the usual Medicaid requirements granted to a state by CMS. HHSC will need to amend the waivers for its Medicaid managed care programs. Every state that participates in the Medicaid program must have a state plan that outlines the benefits covered in their

state's Medicaid program, eligibility requirements, rates and more. Benefit changes require a state plan amendment.

- Rules development and adoption.
 - Rules will need to be developed that clarify the substance abuse benefit. Opportunity for public input will be provided during the rule development process.
- Rate setting.
 - The adoption of rates requires the development of rates for each service included in the substance abuse benefit. Opportunity for public input will be provided during the rule development process.
- Policy development and implementation.
 - Medical policy and system changes will need to be developed and identified for the implementation of substance benefit services.
- Provider enrollment into Medicaid.
 - Providers will be required to enroll in Medicaid to deliver services to Medicaid consumers and receive reimbursement.
- Contract Amendments.
 - Managed care contracts will need to be amended.
- System modifications.
 - Programming changes will be needed to implement the substance abuse benefits.

HHSC, in coordination with the Department of State Health Services, has developed a substance abuse benefit summary that is available for stakeholder review and comment. The draft benefit summary document is posted on the HHSC website. Comments will be accepted until November 6, 2009, 6:00 PM, Central Standard Time. For more information, visit the HHSC homepage at: www.hhsc.state.tx.us/index.shtml