

Treatment for Substance Use Disorder: the Critical Role of Texas Medicaid

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The recent surge in opioid-related addiction and deaths across the United States is bringing new attention to long-standing inadequate access to publicly funded treatment programs for substance use disorder (SUD), especially for low-income and uninsured people. Today's need for SUD treatment and recovery support services is critical, with a record 63,600 people having died from drug overdoses nationwide in 2016.

All Texans living with substance use disorders should be able to access the treatment and supports they need, regardless of their income.

House and Senate committees of the Texas Legislature are studying access to SUD treatment. The committee discussions give Texans an opportunity to educate lawmakers, and for all of us to learn about the problem and how we can improve the futures of Texans with SUD, their families and their communities.

When low-income adults in Texas receive publicly funded treatment for a substance use disorder, their care generally comes from two potential funding sources¹: (1) Texas Medicaid and/or (2) the Substance Abuse Prevention and Treatment (SAPT) federal block grant. Unfortunately, only a fraction of those in need are treated by these programs today. This fact sheet provides an overview of the role of Texas Medicaid in addressing SUD among adults, and identifies promising policy solutions that could dramatically improve access to treatment and long-term recovery services for Texans with substance use disorders of all kinds.

Recent Addition of Substance Use Disorder Treatment to Texas Medicaid

At the direction of the Texas Legislature, the Health and Human Services Commission (HHSC) added to Medicaid a new, comprehensive substance use disorder (SUD) treatment benefit for adults in January 2011. The added coverage for SUD treatment came with the goal of reducing overall program spending related to untreated SUD among adults.² Prior to 2011, Texas Medicaid covered only limited treatments related to substance use disorders for adults.

Available Substance Use Disorder Treatment Services

The Medicaid SUD benefits available to adults and children today through Medicaid include:

- Assessment
- Outpatient treatment (e.g. individual and group counseling)
- Residential treatment

¹ Publicly funded SUD treatment is also provided for incarcerated Texans within the Texas Department of Criminal Justice prison system.

² 2018-19 General Appropriations Act, Senate Bill 1, 85th Legislature, Regular Session, 2017 (Article II, Health and Human Services Commission, Rider 29)

- Medicaid Assisted Treatment
- Residential detoxification
- Ambulatory detoxification (outpatient)

Only chemical dependency treatment facilities licensed and regulated by the state can provide services, except for Medication Assisted Therapy services, which licensed physicians can also provide.

Too Few Texans Are Eligible for Services

Very few poor and near-poor adults are eligible for Medicaid coverage in Texas. These are the only adults that Texas Medicaid covers today:

- Low-income pregnant women (coverage ends two months after birth)
- Low-income women with breast or cervical cancer (covered during treatment)
- Extremely low-income parents caring for children (Example: in a family of four with two parents and two children, parents must earn less than \$390 per month to get Medicaid coverage in 2018)
- Former foster care youth (from age 19 up to age 26)
- People age 65 and older, and people with significant disabilities, who are below or near poverty

Even serious mental health conditions and substance use disorders alone do not qualify an adult for Texas Medicaid (i.e., on the basis of a disability), until the person cannot work or is expected to die within a year.

The People Who Can Access Treatment

Texas has some of the most restrictive Medicaid eligibility rules for low-income adults in the nation, and this limits the ability of Texas Medicaid to provide SUD treatment services. Today, Texas Medicaid covers roughly 1 million adults. In 2015, **65,690** adults in Texas Medicaid had a diagnosed substance use disorder and **5,967** of them, or nine percent, received SUD treatment.³ This share of adults in Texas Medicaid with an SUD diagnosis who received treatment, while still quite modest today, has increased since Texas Medicaid added the SUD treatment benefit.

Because relatively few low-income adults with SUD qualify for Texas Medicaid, the limited pool of federal block grant funds available for treatment is the only alternative for many. As a result, **Texas treats more than six times as many adults through block grant funding as through Texas Medicaid.**⁴ However, it is important to note that though they out-perform Texas Medicaid in delivering treatment, these federal block grant funds only treat 5.8 percent of uninsured Texans in need.⁵

³ Texas Health and Human Services Commission, "Evaluation of Medicaid Spending and Outcomes for Substance Use Disorder Treatment," November 2017, <https://hhs.texas.gov/sites/default/files/documents/laws-regulations/reports-presentations/2017/substance-abuse-disorder-treatment-nov-2017.pdf>

⁴ In 2017, 39,726 low-income adults in Texas received block-grant-funded SUD treatment services in state fiscal and in 2015, 5,967 adults received SUD treatment in Texas Medicaid.

⁵ Texas Department of State Health Services, "Behavioral Health Services: Substance Use and Abuse Services," slide 3, January 29, 2018; and presentation by Mary Sowder, Program Services Director, Texas Department of State Health Services, to the Substance Use Disorder Coalition Workgroup on March 7, 2018.

Treatment is Cost-effective

According to HHSC, the cost of SUD treatment in Texas Medicaid was \$1,630 per person on average in 2015, and people who accessed SUD treatment through Medicaid saw a roughly equivalent reduction in their Medicaid costs for all other covered services.⁶ In other words, Texas Medicaid incorporated the new SUD treatment benefit without growth in overall per-person costs. This is because untreated substance use disorders increase the risk of other illness, often resulting in greater use of medical care and higher costs.

Opportunities for Improvement

As Texas tries to tackle the issue of substance use disorders across the state, here are steps state leaders can take to improve access to treatment services through Texas Medicaid:

- Accept federal dollars allocated to cover Texas low-income adults living in or near the poverty line, ensuring access to affordable health care that includes SUD treatment, as well as long-term recovery support services (see textbox: SUD Recovery Support Services). This will allow more currently uninsured adults to access needed SUD treatment, freeing up limited substance use block grant dollars for other priorities.
- Give high priority to building capacity for and improving access to recovery support services, by ensuring that people are connected to treatment and recovery supports in the community after treatment. In 2008, the federal Centers for Medicare and Medicaid Services (CMS) reports that two thirds of people enrolled in Medicaid nationwide with an SUD diagnosis did not receive any follow-up services within 14 days of discharge from an inpatient stay or residential detoxification.⁷ Contemporary best practices point to the need to look beyond a fee-for-service medical model to help people recover from substance use disorders. Medicaid should incorporate long-term disease management into treatment models and make access to ongoing recovery supports the norm and not the exception.⁸

⁶ Texas HHSC, "Evaluation of Medicaid Spending and Outcomes for Substance Use Disorder Treatment.

⁷Centers for Medicare and Medicaid Services, "Strategies to Address the Opioid Epidemic," State Medicaid Directors Letter # 17-003, November 1, 2017, <https://www.medicaid.gov/federal-policy-guidance/downloads/smd17003.pdf>.

⁸ Laurel Mangrum, Richard Spence, Maureen Nichols & Catherine Kaviani, August 31 2017. "Recovery Supports Services Project, Fiscal Year 2017 Interim Evaluation Report" UT Addiction Research Institute.

SUD Recovery Support Service

"Recovery from substance use and mental health disorders is a process of change through which individuals improve their health and wellness, live a self-directed life and strive to reach their full potential" – *Substance Abuse and Mental Health Services Administration (SAMHSA), 2012*

The understanding of what it means to recover from an SUD has shifted from an acute care or medical model of brief treatment episodes focused on stabilization, to a long-term sustained recovery model which encompasses the whole health and well-being of individuals.

Recovery supports include:

- Peer recovery coaches
- Parent groups
- Recovery homes or recovery schools
- Training around basic life skills like financial management, parenting, employment and stress management
- Educational support
- Recovery check-ups
- Connections to mutual aid support groups

Services include a wide array of non-clinical services and supports to help individuals initiate, support and maintain recovery from alcohol and other drug use problems.

Source: ¹ Laurel Mangrum, Richard Spence, Maureen Nichols & Catherine Kaviani, August 31 2017. "Recovery Supports Services Project, Fiscal Year 2017 Interim Evaluation Report" UT Addiction Research Institute.

- Investigate the ability to increase the number of residential treatment beds available for Medicaid participants in Texas, and the potential to make other SUD treatment delivery system improvements that provide a full continuum of care through long-term recovery supports [through a Medicaid waiver](#). Recent guidance from the CMS released in November 2017 encourages states to use Medicaid waivers to improve access to and quality of SUD treatment.⁹ Greater use of Medicaid funding for both treatment and recovery services will free more SAPT block grant dollars for other uses.
- Increase awareness among both health care providers and adults in Medicaid of the availability and scope of Medicaid SUD treatment services, to help increase the share of adults enrolled in Medicaid with an SUD diagnosis who get treatment beyond the current rate of fewer than one in ten.
- Incorporate metrics in Texas Medicaid Managed Care contracts consistent with those used for federal SUD treatment block grants, which are needed to evaluate whether people improve and are able to achieve long-term recovery once discharged from treatment.
- Study inconsistencies in methodology and adequacy of how SUD treatment and recovery service providers are reimbursed under the SAPT block grants versus Texas Medicaid, to identify how those systems may create disincentives for some providers to participate in either Medicaid or SAPT. Also identify whether the payment systems incentivize provisions of best practices including a continuum of recovery services.
- For Texans in need of SUD treatment—whether paid for by Medicaid, block grant, or private insurance—give high priority to building capacity to deliver treatment to people with a full range of co-occurring diagnoses or conditions and special needs, such as medical or mental health conditions requiring ongoing treatment, pregnancy, or the need to provide for children while a parent receives treatment.
- Evaluate the adequacy of current Texas insurance code and regulatory requirements for minimum coverage of SUD treatment, given the law was adopted in 1989, and identify which plans are exempt from this coverage standard. To minimize shifting of privately insured Texans onto Medicaid or SAPT block grant treatment programs, consider setting standards for commercial insurance consistent with best practices for treatment and recovery services available from Medicaid and SAPT.

CPPP will soon publish another fact sheet, on SUD treatment delivered under the Substance Abuse Prevention and Treatment (SAPT) federal block grant.

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⁹Centers for Medicare and Medicaid Services, “Strategies to Address the Opioid Epidemic,” State Medicaid Directors Letter # 17-003, November 1, 2017, <https://www.medicaid.gov/federal-policy-guidance/downloads/smd17003.pdf>.