CRITICAL ISSUES STILL PENDING FOR ADDICTION CARE UNDER PPACA IMPLEMENTATION

1. Who will be able to access addiction treatment?
2. What will be included in the essential addictions benefits package?
3. What will the reimbursement rates for addiction treatment be?

POLICY RECOMMENDATIONS

1. **Maximum access** – Establish a sliding fee scale for those between 133 and 200 percent of poverty level.
2. **Widest Array of Services** – Adopt a basic benefits package that includes all levels of care as defined by the American Society of Addiction Medicine-Patient Placement Criteria.
3. **Fair and Equitable Rates** – Ensure that the reimbursement rates for addiction treatment are fair, based on real costs, and comparable to those of other illnesses.
4. **Implementation of a Chronic Care Model** – Develop a funding mechanism to adequately finance a wide array of Recovery Support Services.
5. **A Real Increase in Resources** – Retain existing funding levels for addiction services, as new sources of reimbursement for addiction treatment become available through Health Care Reform.

The National Council on Alcoholism and Drug Dependence-New Jersey (NCADD-NJ) works with and on behalf of individuals, families, and communities affected by alcoholism and drug dependence. The organization's role is to advocate and educate the best and most cost effective approach to treatment, recovery and prevention. NCADD-NJ is one of only eight sites across the country selected by Open Society Foundations to generate state and local understanding of the issues of addiction treatment. With knowledge and action, positive change does happen. This is the fourth brochure in the series on health care reform legislation and addiction treatment.

To learn more about the elements of health care reform covered in this brochure, see resource links at NCADDNJ.org.

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NCADD-NJ HEALTH CARE REFORM SERIES

THE FUTURE OF ADDICTION CARE IN NJ

NCADD NEW JERSEY

ADDICTION IS A DISEASE. LET'S TREAT IT THAT WAY.

Addiction treatment stands to emerge much altered by the provisions of the nation's health care reform, the Patient Protection and Affordable Care Act (PPACA).

Once fully implemented, the PPACA's impact on addiction will be seen on two important fronts: 1) It will extend the reach of treatment in requiring both public and private health insurance plans to cover addiction care; and 2) It will move addiction treatment into the realm of primary care.

New Jersey's Need Assessment

More than **800,000** New Jersey residents meet the criteria for a substance use disorder, according to the most recent analysis by New Jersey's Division of Mental Health and Addiction Services. Five (5) to seven (7) percent of those in need have been able to get treatment. New Jersey is significantly lower than the national average of 10 percent who get treatment. Each year, more than 50,000 New Jersey residents have sought treatment and were denied because: 1) their insurance plan did not cover it; or 2) the applicant could not afford a portion or all of the expense; or 3) there was a lack of treatment capacity. In New Jersey, 65 percent of the state's budget for addiction services is dedicated to inpatient care.

NEW JERSEY STATISTICS

NJ population in need of addiction services:	9%
NJ population who have access to care:	5-7%
Nationally, those in need who have access to care:	10%

Reform's Impact on Addiction

The PPACA holds enormous promise for addressing the state's addiction treatment shortfall in that it will significantly increase the number of insured, including many covered under expanded Medicaid. The expansion will allow approximately 44,000 more citizens of New Jersey to access treatment for alcohol or drug problems. The increase is due to the inclusion of addiction treatment in the reform's Essential Benefits Package in both private and public health plans. Furthermore, treatment for addiction under the PPACA must be done on equal terms with medical/surgical coverage, a result of the Mental Health Parity and Addiction Equity Act's provisions being incorporated into the reform.

In the public sector, some estimates anticipate a doubling of beneficiaries with behavioral health disorders, including addiction. An influx of federal Medicaid dollars beginning in 2014 will ease the burden on states and localities, reversing a trend of their having to absorb more and more of this expense. The year 2014 is the watershed in health care reform, as many of the law's most important provisions take effect then. For one, Medicaid will begin covering people, including childless adults, at or below 133 percent of the federal poverty level. The significantly expanded funding role of Medicaid will mean that it will have more authority over treatment services in terms of credentialing, payment and performance practices.*

The specific services that will be required under the law will be determined by regulations that are still in the works, but they must be the same as those provided under an employer plan.* Typically, these include hospital-based detoxification and rehabilitation, outpatient treatment, and detoxification in non-hospital settings, services already covered in New Jersey. They are often unused, however, because of the extremely low rate of Medicaid reimbursement in the state. The PPACA addresses this with the requirement that the Medicaid reimbursement rates compare to Medicare's higher rates.

Other important features of the federal law include:

- The requirement that all individuals be covered by health insurance either through Medicaid, basic health plan, health insurance exchanges, or employer covered health insurance.
- The development of health insurance exchanges, which assist with insurance plan choices for individuals who are not eligible for Medicaid and are not covered by an employer plan. Consumers will be able to access information on different plans' coverage and expense through a website.
- The inclusion of addiction care within federally qualified health centers, which provide medical care to Medicaid and Medicare recipients. This will mean the number of addiction patients served by these centers will significantly increase. The centers are to receive additional $11 billion in dedicated funds through the PPACA from 2011-15.

* The Looming Expansion and Transformation of Public Substance Abuse Treatment under the Affordable Care Act, by Jeffrey A. Buck

THE FUTURE OF ADDICTION CARE IN NJ

Joining Addiction with Primary Care

PATIENT-CENTERED CONTINUUM of CARE

The PPACA, with its focus on holistic medical care, remedies the long-standing practice of having addiction treated in settings that are remote from general medicine. Among the vehicles within the PPACA that are intended to foster care integration are medical homes. Medical homes are health care provider networks providing coordinated care for all health issues, including addiction and mental health. The name medical home suggests that all services may exist under one roof, but more commonly they are linked practices not located in a single building. They will receive matching federal funds in their first two years of operation. (The holistic model and holistic treatment are discussed at length in the previous brochure in this series, Key Elements of Health Care Reform.)

Prevention and early intervention of chronic illnesses such as addiction are essential to the success of health care reform. One tool that can greatly aid in this goal with respect to addiction is broadened use of Screening Brief Intervention and Referral to Treatment (SBIRT). The integration of SBIRT into the primary care environment would help achieve the PPACA's goal of reining in health care costs by preventing full-blown cases of addiction and the array of health problems and expenses they give rise to.

An issue linked to bringing addiction into primary care is the establishment of 10 addiction medicine residencies, which several medical schools introduced in the summer of 2011.

Advances in Addiction Medicine

As a complement to moving addiction into the primary medicine under the PPACA, the science of addiction treatment continues to see advances. The National Institute on Drug Abuse (NIDA) has made much use of brain imaging to illustrate the effect of prolonged drug or alcohol use on the brain and how it changes one's behavior. Furthermore, the American Society on Addiction Medicine has released a new definition of addiction that emphasizes it being a brain disease, a finding that draws heavily from NIDA research (for definition, visit www.asam.org).