

Understanding Medicare's Coverage of Substance Use Disorder Treatment

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QIN Sharing Call



LEGAL ACTION CENTER

Breaking Barriers. Defending Dignity.

Agenda

1. Background
2. Medicare's Coverage and Gaps of Substance Use Disorder Treatment
3. Policy Proposals to Improve Coverage

Background

Why Focus on Medicare?

- Covers over 62 million individuals, a growing number of whom are being diagnosed with substance use disorders (SUDs)
- Not subject to the Mental Health Parity and Addiction Equity Act (the Parity Act)
- Sets standards for other types of insurance, like Medicaid and commercial insurance
 - Reimbursement rates
 - Network adequacy standards
- Shifts costs to other players (including states and individuals) when coverage is inadequate

Prevalence Study

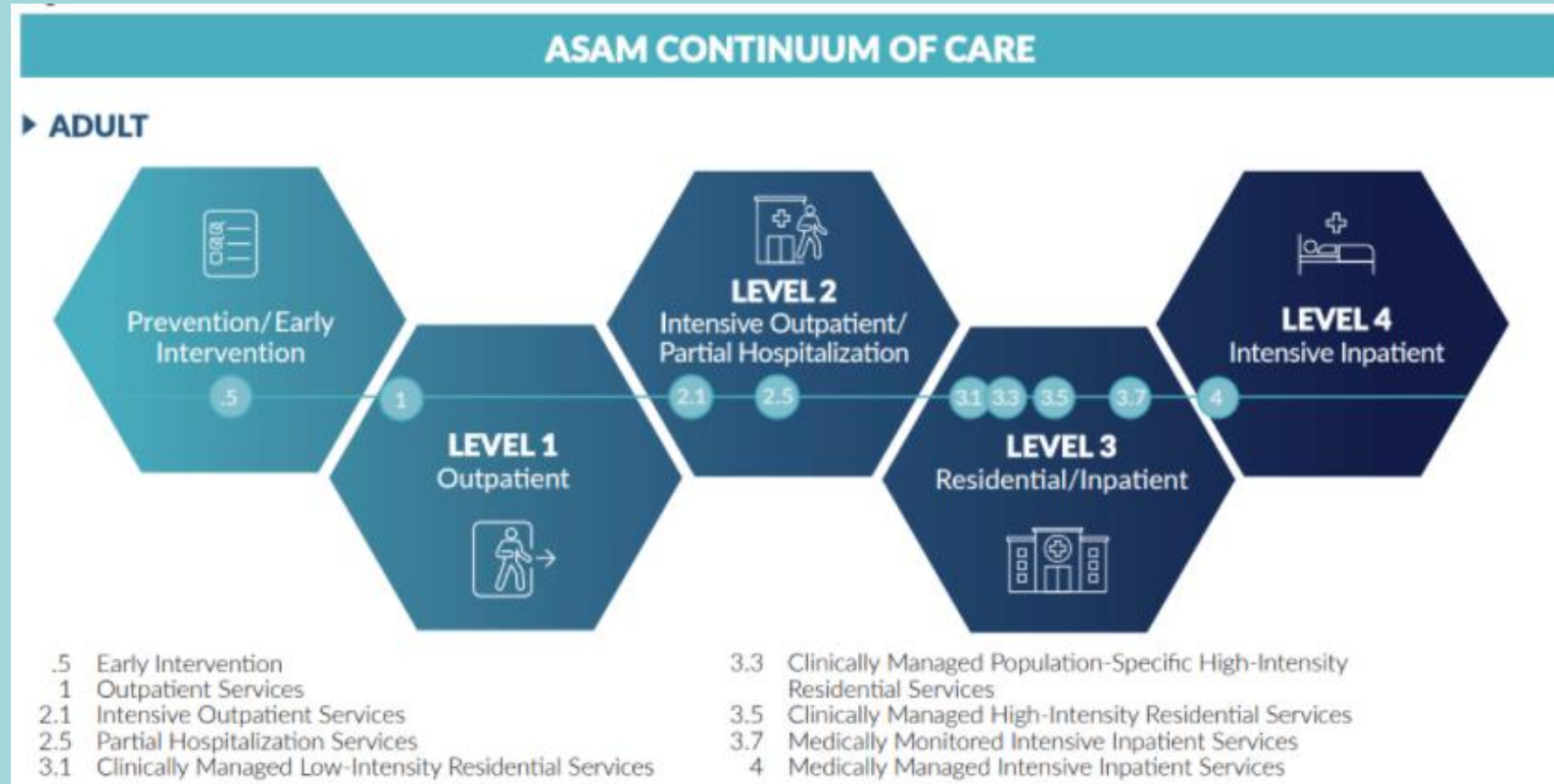
- Approximately 1.7 million Medicare beneficiaries had a diagnosed substance use disorder (SUD) in 2015-19, according to the NSDUH
 - 2020 NSDUH data is even higher: at least 3.4 million people ages 65+, and less than 10% received treatment that year, but the metrics were different so it's not a direct comparison
- Only 1 in 10 (11%) received any past year SUD treatment – worse among older adults (6%) than people eligible for Medicare due to disability (18%)
- 38% of those 65+ who did not receive SUD treatment reported financial barriers, including insurance not covering care, as a reason for not getting treatment (28% of those under 65)
- Medicare beneficiaries with SUDs were more than twice as likely to have past-year serious psychological distress as those without substance use disorders, and past-year suicidal ideation was significantly higher

Racial Justice & Equity

- **Access to SUD treatment in Medicare is very inequitable:** Asian/Pacific Islander (10%), Hispanic (12%), and Black beneficiaries (13%) are less likely to receive medications for opioid use disorder (MOUD) than white beneficiaries (17%) <https://oig.hhs.gov/oei/reports/OEI-02-20-00390.pdf> (2020 data)
 - Medicare beneficiaries were more likely to be prescribed MOUD in office-based settings, rather than OTPs (less than 4% of those prescribed MOUD), which translated to most people getting buprenorphine (95%)
 - Asian/Pacific Islander, Hispanic, and Black beneficiaries were less likely to receive MOUD in office-based settings than white beneficiaries and more likely to receive MOUD from OTPs.
- Disparities by age: Only 8% of Medicare beneficiaries 65+ with OUD received MOUD compared to 25% of beneficiaries younger than 65
- Disparities by gender: 19% of male beneficiaries compared to 13% of female beneficiaries with OUD received MOUD

Medicare's Coverage and Gaps of Substance Use Disorder Treatment

American Society of Addiction Medicine (ASAM) Continuum of Care



Crosswalk to ASAM Criteria (1)

ASAM Level	Medicare Coverage	Medicare Gaps
Level 0.5 – Early Intervention	SBIRT Alcohol Misuse Screening and Counseling; Annual screening for potential SUDs; Initiation of MOUD in EDs	Providers: <ul style="list-style-type: none"> Licensed Professional Counselors Licensed & Certified Substance Use Disorder Counselors Peer Support Specialists
Level 1 – Outpatient Services	Counseling and treatment in offices and hospital outpatient departments; Office-based counseling and care management; Opioid Treatment Programs; Telehealth	Providers (see above) Settings: community-based freestanding substance use disorder treatment facilities
Level 2 – Intensive Outpatient/Partial Hospitalization Services	Partial Hospitalization Programs in hospital outpatient departments and Community Mental Health Centers	Intensive Outpatient Programs Partial Hospitalization Programs for SUD primary diagnosis Providers (see above) Settings (see above)

Crosswalk to ASAM Criteria (2)

ASAM Level	Medicare Coverage	Medicare Gaps
Level 3 – Residential/ Inpatient Services	Medically Monitored Intensive Inpatient Services in hospital settings (Level 3.7)	Level 3.1, 3.3, and 3.5 residential treatment Missing providers (previous slide) Missing settings (previous slide)
Level 4 – Medically Managed Intensive Inpatient Services	Hospital-based intensive inpatient SUD treatment	Missing providers (previous slide) 190-day lifetime limit on inpatient psychiatric treatment
Withdrawal Management	Office- and hospital-based withdrawal management	Missing intermediate levels of care Missing providers (previous slide) Missing settings (previous slide)
Misc.		Crisis continuum services Contingency management

Other Barriers to SUD Care

- Insufficient access to providers
 - Inadequate reimbursement rates, and discriminatory rate setting, for SUD and mental health providers
 - Limited networks of SUD and mental health providers (Part C)
 - Shortage of culturally effective SUD providers
- Lack of standardized medical necessity criteria
- Utilization management practices (Parts C and D)
- Telehealth limitations
- Custody exclusion

Policy Proposals to Improve Substance Use Disorder Care in Medicare

Amendments to the Social Security Act

- Require Medicare to cover the full continuum of SUD treatment
 - Intensive Outpatient Programs
 - Partial Hospitalization Programs
 - Residential Treatment Programs
 - Crisis Services
 - Contingency Management
- Require Medicare to cover the full range of provider types that make up the addiction treatment workforce: Licensed Professional Counselors, Licensed and Certified SUD Counselors, Peer Support Specialists
- Require Medicare to cover community-based SUD treatment facilities
- Apply the Parity Act to Medicare

Application of the Parity Act to Medicare

- No coverage exclusions
 - If MH/SUD benefits are provided in one classification (inpatient, outpatient, emergency, prescription drugs), then benefits must be provided in all classifications
 - If services are available for medical/surgical conditions (i.e. residential rehabilitation for a physical injury), then comparable services must be available for MH/SUD conditions (i.e. residential SUD treatment)
 - No other barriers that exclude coverage or limit it – such as excluding providers or settings that deliver care
- No quantitative/frequency limitations
 - Eliminate the 190-day lifetime limit on inpatient psychiatric hospitalizations

Application of the Parity Act to Medicare

- Network adequacy
 - Medicare Advantage Plans would have to use comparable and no more stringent criteria in network admission and credentialing for MH/SUD providers as they do for medical/surgical providers
 - Medicare Advantage Plans would have to use comparable and no more stringent criteria for setting reimbursement rates for MH/SUD providers as they do for medical/surgical providers
- Utilization Management
 - Prior authorizations, continuing authorizations, step therapy, dosage limits, same day service limitations, and other such practices would have to be comparable and no more stringent for MH/SUD as they are for medical/surgical benefits (mostly applies to Medicare Advantage and Part D plans)

Regulatory and Sub-Regulatory Actions - Centers for Medicare & Medicaid Services

- Require use of standardized, evidence-based medical necessity criteria
- Establish reimbursement for ASAM levels of care
- Eliminate discriminatory utilization management practices
- Eliminate discriminatory reimbursement rate setting
- Make telehealth flexibilities permanent
- Require network adequacy standards and reporting for SUD providers
- Eliminate the custody exclusion for beneficiaries in the community

Grassroots Advocacy



Share Your Story:
Help Us Improve Medicare Coverage of Substance Use Disorder Treatment

The Legal Action Center is collecting stories from people who use Medicare and who have not been able to get the substance use disorder (alcohol or drug addiction) treatment they need. Please let us know about problems you've had. If you are a friend, family member, or health care provider of someone who needs treatment, you can also answer these questions on their behalf. The stories will be used to encourage policymakers to make treatment better and easier to access.

Do you have lived experience of substance use disorder challenges, including alcohol or drug addiction, in Medicare?

Are you a health care provider who faces barriers to getting substance use disorder treatment for your patients with Medicare?

We want to hear from you!

Your name or other identifying information will not be shared with anyone.

Story template available here: <https://forms.gle/MrvujpQZC9m1ta5q9>

If you have questions about this template or would like to share your story in another way, please contact Deborah Steinberg at dsteinberg@lac.org.

- We are collecting stories from people with lived experiences to use in our policy development and advocacy
- We are partnering with advocates from key states to send letters to their delegates (Texas had over 75 signatories)

Making Progress!

- The [President's FY 2023 Budget](#) calls for application of the Parity Act to Medicare, as well as expansion of provider types covered under Medicare and elimination of the 190-day inpatient psychiatric limit.
- Multiple Congressional committees, including [House Ways & Means](#) and [Senate Finance](#), have held hearings on how to improve Medicare's coverage of mental health and substance use disorder treatment.
- The Senate Finance Committee released a report, [Mental Health Care in the United States: The Case for Federal Action](#), which highlighted similar recommendations (and cited our Landscape Review).
- The Government Accountability Office (GAO) released a report, [Mental Health Care: Access Challenges for Covered Consumers and Relevant Federal Efforts](#), identifying similar barriers to care.

Resources

Steinberg DG, Weber EM. Medicare Coverage of Substance Use Disorder Care: A Landscape Review of Benefit Coverage, Service Gaps and a Path to Reform. Legal Action Center 2021.

<https://www.lac.org/resource/medicare-coverage-of-substance-use-disorder-care-a-landscape-review-of-benefit-coverage-service-gaps-and-a-path-to-reform>.

Legal Action Center. Modernize Medicare to Treat Substance Use Disorders: A Roadmap for Reform 2021.

<https://www.lac.org/assets/files/Roadmap-for-Reform-Medicare-SUD-2021.10.15-akformatted.pdf>.

Parish, WJ, Mark, TL, Weber, EM, & Steinberg, DG. Substance use disorders among Medicare beneficiaries: Prevalence, mental and physical comorbidities, and treatment barriers. American Journal of Preventative Health. 2022

Weber, EM. Bipartisan Support to Advance Mental Health & Addiction Parity in Medicare Gives Hope to Advocates & Millions of Beneficiaries Currently Unable to Access & Afford the Care They Need. Legal Action Center 2022. <https://www.lac.org/news/bipartisan-support-to-advance-mental-health-addiction-parity-in-medicare-gives-hope-to-advocates-millions-of-beneficiaries-currently-unable-to-access-afford-the-care-they-need>.

Thank you!



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If you have any questions,
you can contact us at
212-243-1313.