

SUBSTANCE USE DISORDER TREATMENT
Rep. Pettersen and Sens. Priola and Jahn

SUPPORT HB 18-1136

Overview:

House Bill 18-1136 adds residential and inpatient substance use disorder (SUD) services as a benefit to the Colorado Medicaid program, improves coordination of services, and repurposes existing funds to improve service delivery and implement community action plans. The benefit is limited to persons who meet nationally recognized, evidence-based level of care criteria for residential and inpatient SUD treatment. The Department of Health Care Policy and Financing must seek necessary federal approval through a Section 1115 Waiver before implementing the benefit.

The Need for Treatment in Colorado

Medicaid currently covers outpatient SUD services, including individual or group counseling, case management, and drug screening and monitoring. Residential and inpatient SUD services, however, are not covered under Medicaid, creating a gap in the full continuum of care and a significant barrier in treatment for individuals living with SUD in Colorado. An estimated **142,000** Medicaid members are dependent on alcohol or have used illicit drugs. Medicaid members are also **twice** as likely to report not being able to access treatment, which is estimated at **39,000** Medicaid members.¹

HB 18-1136 would help Colorado:

1. Ensure Parity between Treatment for Physical and Behavioral Health Conditions

Medicaid has historically lacked inpatient and residential treatment benefits for members who suffer from SUD. This is in part due to the federal Medicaid Institutions for Mental Diseases (IMD) exclusion, enacted in 1965, which prohibits the use of Federal Medicaid dollars for care provided in mental health and SUD residential facilities. The IMD exclusion limits access to critical SUD treatment options, perpetuating a system where the delivery of behavioral health care services is treated very differently than the delivery of physical health care. While the treatment of behavioral health has continued to evolve since the creation of the Medicaid program, Medicaid in Colorado lags behind private insurance companies in terms of ensuring individuals receive similar coverage for behavioral health services as they do for physical health services. HB 18-1136 helps Colorado improve and integrate behavioral and physical health across the continuum of care, breaking down an antiquated barrier for Coloradans living with SUD.

2. Leverage New Federal Service Delivery Opportunities

Federal guidance issued in 2015 provides states with the opportunity to obtain Section 1115 waivers to offer new service delivery opportunities to ensure that the continuum of care is available to individuals with SUD.² States across the U.S. are taking advantage of these new federal opportunities to ensure parity. Four states have already launched this benefit under a Section 1115 waiver, a fifth state was recently approved, and seven other states have pending waiver applications.³ HB 18-1136 gives Colorado the opportunity to overcome the current limitations of the IMD exclusion and reform systems of care for individuals with SUD.

3. Improve Access to Appropriate Treatment Options

Health care providers are currently limited in their ability to provide the full continuum of needed SUD treatment for Medicaid members. Because the full continuum of care is not available to them, Medicaid members suffering from SUD often seek care from an emergency department or forgo care altogether. Acute care settings are not suitable for treating these patients. HB 18-1136 increases treatment options and gives providers the resources they need to help Medicaid members receive the right care at the right time.

4. Provide Cost-saving Opportunities in Medicaid

The creation of a residential and inpatient SUD Medicaid benefit could leverage federal matching Medicaid dollars to help offset the cost. Additionally, this benefit is estimated to result in 7,600 fewer emergency department visits and 1,700 fewer admissions within the first year of implementation.⁴ HB 18-1136 will not only lead to better care for Medicaid members living with SUD, but it will help lessen the financial burden on the State by meeting Colorado's unmet needs for SUD treatment.

¹ HCPF 2017 Inpatient SUD Treatment Report: <https://www.colorado.gov/pacific/sites/default/files/HCPF%202017%20Inpatient%20SUD%20Treatment%20Report.pdf>

² CMS 2015 Letter on New Service Delivery Opportunities for Individuals with SUD: <https://www.medicare.gov/federal-policy-guidance/downloads/smd15003.pdf>

³ HCPF 2017 Inpatient SUD Treatment Report: <https://www.colorado.gov/pacific/sites/default/files/HCPF%202017%20Inpatient%20SUD%20Treatment%20Report.pdf>

⁴ HCPF 2017 Inpatient SUD Treatment Report: <https://www.colorado.gov/pacific/sites/default/files/HCPF%202017%20Inpatient%20SUD%20Treatment%20Report.pdf>

SUPPORTING ORGANIZATIONS

- American Academy of Pediatrics, Colorado Chapter
- Center for Health Progress
- Centura Health
- Colorado Academy of Family Physicians
- Colorado Association of Addiction Professionals
- Colorado Association of Local Public Health Officials
- Colorado Behavioral Healthcare Council
- Colorado Center on Law and Policy
- Colorado Coalition for the Homeless
- Colorado Consumer Health Initiative
- Colorado Fraternal Order of Police
- Colorado Hospital Association
- Colorado Nurses Association
- Colorado Psychiatric Society
- Colorado Rural Health Center
- Colorado Society of Addiction Medicine
- Community Reach Center
- Denver Health
- HealthONE
- Healthier Colorado
- Health District of Northern Larimer County
- Mental Health Colorado
- Mental Health Partners
- SCL Health
- UC Health