

Agency Response to Economic Impact Analysis

The Agency has reviewed the Economic Impact Analysis prepared by the Department of Planning and Budget regarding the regulations concerning Addiction and Recovery Treatment Services (ARTS) (12 VAC 30-130-5000 et seq.) and agrees with parts of the overall conclusions.

The regulatory changes provided for in this action establish the coverage of addiction and recovery treatment services, based on the American Society of Addiction Medicine (ASAM) Patient Placement Criteria and evidence-based best practices, in response to the Commonwealth's crisis of substance use of overwhelming proportions. In 2014, 80% of the people who died from drug overdoses (986 people) died from prescription opioid or heroin overdoses. Virginia's 1.1 million Medicaid/FAMIS members are affected disproportionately by this substance use epidemic as demonstrated by DMAS' claims history data showing 216,555 Medicaid members with substance use diagnoses in SFY 2015. DMAS has complied with its Appropriations Act mandate, as partially set out below, using an ad hoc advisory committee, established in the Code of Virginia 2.2-4007.02, comprised of affected entities.

DMAS was directed, by the referenced Appropriations Act mandate *2016 Acts of the Assembly*, Chapter 780, Item 306 MMMM,"

"2. The Department of Medical Assistance Services shall make programmatic changes in the provision of all Substance Abuse Treatment Outpatient, Community Based and Residential Treatment services (group homes and facilities) for individuals with substance abuse disorders in order to ensure parity between the substance abuse treatment services and the medical and mental health services covered by the department and to ensure comprehensive treatment planning and care coordination for individuals receiving behavioral health and substance use disorder services. The department shall take action to ensure appropriate utilization and cost efficiency, and adjust reimbursement rates within the limits of the funding appropriated for this purpose based on current industry standards. **The department shall consider all available options including**, but not limited to, service definitions, prior authorization, utilization review, **provider qualifications**, and reimbursement rates for the following Medicaid services: substance abuse day treatment for pregnant women, substance abuse residential treatment for pregnant women, **substance abuse case management** (*emphasis added*), opioid treatment, substance abuse day treatment, and substance abuse intensive outpatient. The

department shall have the authority to implement this change effective upon passage of this Act, and prior to the completion of any regulatory process undertaken in order to effect such change."

This regulatory action has a direct, specific impact on the health, safety, and welfare of the Commonwealth's Medicaid individuals. Substance use disorders are complex illnesses to resolve and therefore demand that treating professionals be appropriately educated and certified. This new Medicaid coverage is designed to save lives.

The Department developed its case management provider qualifications with the assistance and input of an ad hoc advisory group, as supported by the *Code of Virginia* § 2.2-4007.02, comprised of members of the affected entities, local Community Services Boards and Behavioral Health Authorities as well as the Department of Behavioral Health and Developmental Services. This ad hoc advisory group supported DMAS' efforts to tailor these provider requirements to better meet the needs of individuals with substance use and addiction disorders.

In developing its case management provider qualifications, DMAS considered the impact on Licensed Practical Nurses (LPNs) cited by DPB. There are only a small number of LPNs currently rendering substance abuse case management services in CSBs. DMAS is significantly increasing the payment rate to CSBs for case management services to enable these local agencies to hire professionals who meet higher education and certification standards.

Securing the CSAC-Assistant certification will be very easy for these affected LPNs. They may apply for and obtain their CSAC-A certifications from the Board of Counseling before April 1, 2017, so they can continue providing substance use case management services for Medicaid reimbursement. The LPNs already meet the majority of education and experience requirements (by virtue of being an LPN) for the CSAC-A and will have adequate time to submit documentation to the Board of Counseling and pass the CSAC-A exam which is offered year round.