

# RTI International Budget Impact Report

The Kennedy Forum Parity Advocates Meeting  
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Slide 1

# Crosswalk to ASAM Criteria (1)

| ASAM Level  | Medicare Coverage  | Medicare Gaps   |
|---|--|---|
| Level 0.5 – Early Intervention                                  | SBIRT<br>Alcohol Misuse Screening and Counseling;<br>Annual screening for potential SUDs;<br>Initiation of MOUD in EDs   | <b>Providers:</b> <ul style="list-style-type: none"> <li>• <del>Licensed Professional Counselors</del></li> <li>• Licensed &amp; Certified Substance Use Disorder Counselors</li> <li>• Peer Support Specialists</li> </ul> |
| Level 1 – Outpatient Services                                   | Counseling and treatment in offices and hospital outpatient departments;<br>Office-based counseling and care management;<br>Opioid Treatment Programs;<br>Telehealth | Providers (see above)<br><b>Settings:</b> 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<br>Partial Hospitalization Programs for SUD primary diagnosis<br>Providers (see above)<br>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<br>Missing providers (previous slide)<br>Missing settings (previous slide) |
| Level 4 – Medically Managed Intensive Inpatient Services | Hospital-based intensive inpatient SUD treatment in hospital settings             | Missing providers (previous slide)<br>190-day lifetime limit on inpatient psychiatric treatment                          |
| Withdrawal Management                                    | Office- and hospital-based withdrawal management                                  | Missing intermediate levels of care<br>Missing providers (previous slide)<br>Missing settings (previous slide)           |
| Misc.  |   | Crisis continuum services<br>Contingency management  |

# Challenging the “Cost Concerns”

- Congress is conscious of the cost of adding new benefits to Medicare
- RTI International conducted an analysis of the predicted cost of making critical changes to Medicare:
  - Residential Treatment
  - Intensive Outpatient Treatment
  - Substance Use Disorder Counselors
- They analyzed:
  - Number of Medicare beneficiaries that would use each service and the cost of each service
  - Cost offsets from expanding access to SUD treatment: reducing comorbid conditions and hospitalizations/emergency department visits

# Projecting Number of Medicare Beneficiaries that Would Use Each Service

| Sex and Service Type             | Sensitivity                |                           |                           |
|----------------------------------|----------------------------|---------------------------|---------------------------|
|                                  | All Ages                   | Age 65+                   | Age 18-64                 |
| <b>Female</b>                    |                            |                           |                           |
| Number of beneficiaries with SUD | 513,399                    | 277,356                   | 236,043                   |
| Residential treatment            | 17,723<br>(4,389-31,535)   | 10,029<br>(4,153-15,906)  | 7,694<br>(236-15,629)     |
| IOP treatment                    | 34,065<br>(15,168-53,276)  | 11,255<br>(5,037-17,473)  | 22,810<br>(10,131-35,803) |
| Counseling services              | 31,707<br>(8,669-55,157)   | 9,953<br>(3,559-16,346)   | 21,754<br>(5,110-38,810)  |
| <b>Male</b>                      |                            |                           |                           |
| Number of beneficiaries with SUD | 1,155,927                  | 641,915                   | 514,012                   |
| Residential treatment            | 57,913<br>(20,281-96,167)  | 20,376<br>(7,798-32,953)  | 37,538<br>(12,483-63,214) |
| IOP treatment                    | 81,964<br>(40,040-124,588) | 25,236<br>(11,509-38,963) | 56,728<br>(28,531-85,625) |
| Counseling services              | 27,183<br>(5,920-49,347)   | 19,712<br>(5,406-34,018)  | 7,471<br>(514-15,329)     |

Residential: 75,637  
 IOP: 116,029  
 Counseling: 58,869

Parish, W. and Mark, T.L. *The Cost of Adding Substance Use Disorder Services and Professionals to Medicare*, August, 2022.  
[https://www.lac.org/assets/files/LAC\\_Medicare\\_Budget\\_Impact\\_Report\\_08\\_08\\_2022-submitted.pdf](https://www.lac.org/assets/files/LAC_Medicare_Budget_Impact_Report_08_08_2022-submitted.pdf)

# Cost of Adding These Benefits to Medicare

| Medicare Spending Changes  | Change in Medicare Spending (Range) |                              |                               |
|--|-------------------------------------|------------------------------|-------------------------------|
|  | Per Year                            | 5-Year                       | 10-Year                       |
| Increases in direct spending   |                                     |                              |                               |
| Providing coverage for residential treatment for substance use disorder          | \$935<br>(\$88-\$2,904)             | \$4,281<br>(\$403-\$13,299)  | \$7,975<br>(\$751-\$24,771)   |
| Providing coverage for intensive outpatient treatment for substance use disorder | \$928<br>(\$298-\$1,921)            | \$4,251<br>(\$1,365-\$8,797) | \$7,918<br>(\$2,543-\$16,386) |
| Allowing certified drug counselors to bill Medicare                              | \$66<br>(\$12-\$184)                | \$302<br>(\$53-\$844)        | \$563<br>(\$99-\$1,572)       |
| <b>Total (a)</b>   | <b>\$1,929</b>                      | <b>\$8,834</b>               | <b>\$16,455</b>               |

Cost in millions of dollars

Parish, W. and Mark, T.L. *The Cost of Adding Substance Use Disorder Services and Professionals to Medicare*, August, 2022.  
[https://www.lac.org/assets/files/LAC\\_Medicare\\_Budget\\_Impact\\_Report\\_08\\_08\\_2022-submitted.pdf](https://www.lac.org/assets/files/LAC_Medicare_Budget_Impact_Report_08_08_2022-submitted.pdf)

# Cost Offsets from Expanding Access to Substance Use Disorder Treatment

Limit focus to a subset of conditions that can be caused by SUD and potentially preventable when SUD is treated

- Depression
- Anxiety
- Infectious Diseases (HIV, HepC)
- Cardiac Conditions (i.e. atrial fibrillation)
- Bone-related disorders (osteoporosis, hip/pelvic fracture)
- Dementias
- Liver Disease

Additional cost offsets from preventing hospital and Emergency Department visits

# Cost Offsets from Expanding Access to Substance Use Disorder Treatment

| Medicare Spending Changes   | Change in Medicare Spending (Range) |          |           |
|---|-------------------------------------|----------|-----------|
|   | Per Year                            | 5-Year   | 10-Year   |
| Cost offsets  |                                     |          |           |
| Resulting from reduced incidence of comorbid conditions                   | -\$1,296                            | -\$5,933 | -\$11,051 |
| Resulting from reduced hospital/ED spending associated with treating SUDs | -\$271                              | -\$1,241 | -\$2,312  |
| Total (b)   | -\$1,567                            | -\$7,175 | -\$13,364 |

Cost in millions of dollars



# Key Findings

- Predicted costs and usage:
  - Residential - \$935 million per year to treat 75.6K beneficiaries
  - IOP - \$928 million per year to treat 116K beneficiaries
  - Counselors - \$66 million per year to treat 58.9K beneficiaries
- Total cost is \$1.9 billion
- Total cost offsets are predicted to be \$1.6 billion, from reduced incidence of comorbid psychiatric and medical conditions and hospitalizations/ED visits
- Net cost would be \$362 million, or .04% of Medicare's budget

# Relevant Legislative Proposals

- House Ways & Means and Senate Finance Committee introduced legislation to add Mental Health Counselors and Marriage & Family Therapists to Medicare
  - We are advocating for the addition of substance use disorder counselors, but these will be covered in some states
- House Ways & Means Committee introduced legislation to add Intensive Outpatient benefit to Medicare
- Representative Underwood and Senator Durbin sent a [letter](#) to CMS urging pathways to residential treatment

# Relevant Regulatory Proposals

- CMS amended the supervision requirements for auxiliary personnel (including licensed professional counselors and SUD counselors) to deliver behavioral health services to Medicare beneficiaries without the supervisor on site
- CMS requested comments on IOP in this year's annual rulemaking and may consider these comments in future rulemaking

# Resources

William Parish & Tami L. Mark, The Cost of Adding Substance Use Disorder Services and Professionals to Medicare, RTI International (Aug. 2022),

[https://www.lac.org/assets/files/LAC\\_Medicare\\_Budget\\_Impact\\_Report\\_08\\_08\\_2022-submitted.pdf](https://www.lac.org/assets/files/LAC_Medicare_Budget_Impact_Report_08_08_2022-submitted.pdf).

William Parish, et al., Substance Use Disorders Among Medicare Beneficiaries: Prevalence, Mental and Physical Comorbidities, and Treatment Barriers, Am. J. Preventative Medicine (Mar. 2022),

<https://www.sciencedirect.com/science/article/abs/pii/S0749379722001040>.

Deborah G. Steinberg & Ellen M. Weber, Medicare Coverage of Substance Use Disorder Care: A Landscape Review of Benefit Coverage, Service Gaps and a Path to Reform, Legal Action Center (Feb. 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>.

# Resources

Deborah G. Steinberg & Ellen M. Weber, Modernize Medicare to Treat Substance Use Disorders: A Roadmap for Reform, Legal Action Center (Oct. 2021), <https://www.lac.org/assets/files/Roadmap-for-Reform-Medicare-SUD-2021.10.15-akformatted.pdf>.

Deborah G. Steinberg & Ellen M. Weber, The Path to Parity: Applying the Parity Act to Medicare to Improve Access to Substance Use Disorder and Mental Health Care, Legal Action Center (June 2022), <https://www.lac.org/assets/files/Path-to-Parity-MAPP-2022.06.14.pdf>.

LAC comments to CMS proposed rules and other resources on the Medicare Addiction Parity Project available at <https://www.lac.org/major-project/mapp>.

# *Thank you!*



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