



House Resolution Number 590

Combating Barriers to Addiction Treatment in Pennsylvania

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Remarks of Paul Bacharach, President & CEO
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Introduction

As President & CEO of Gateway Rehab, I appreciate the opportunity to provide some brief comments on the barriers to accessing treatment of addictive disease in Pennsylvania. Gateway Rehab is the largest addiction treatment provider in Southwestern Pennsylvania, with 210 non-hospital residential treatment beds, four halfway houses, and nine outpatient locations. Gateway Rehab admits approximately 5,000 patients annually to its addiction treatment programs.

Addiction is a chronic disease that we should approach in the same manner as other lifelong medical conditions, such as diabetes. We need to address this chronic illness with intensive evidence-based treatment programs and recognize that management of the disease does not end after 28 days of residential rehab or a few months of intensive outpatient counseling. We must manage addictive disease on a lifelong basis through both counseling and peer support. Moreover, in many cases, there will be exacerbations of the disease, as there may be with a diabetic's blood sugar level from time to time.

However, there are barriers to providing adequate addiction treatment in Pennsylvania. Improvement in accessing treatment that Medicaid expansion and the Affordable Care Act affords has been handicapped by the complex, inequitable and inefficient system of determining reimbursement rates for services provided to patients funded through public programs. Additionally, the deductible and copayment responsibilities associated with private and Affordable Care Act insurance programs create significant barriers to care. Additionally, outdated privacy regulations are another barrier to providing adequate addiction treatment in Pennsylvania. Let me explain in further detail.

Reimbursement Rates Detoxification and Inpatient Services

Approximately 80 percent of the patients we currently admit to our main residential facility have severe dependencies to opioids. Because of this, they must go through a medically monitored process of detoxification in the facility's 28-bed unit. Unfortunately, the reimbursement rates paid for uninsured patients covered by Single County Authorities (SCA), and the larger percentage of patients covered through the HealthChoices managed-care organizations, remain far below the cost of delivering safe and effective clinical services.

Consequently, Gateway Rehab loses between \$100 and \$150 per day providing detox services to publicly funded patients. When we apply that deficit to the 6000 days of care provided to these patients, we incur annual losses in excess of \$750,000. It is an unsustainable situation for Gateway Rehab, and the rationale behind many other treatment facilities limiting access to publicly funded patients or not accepting any county or HealthChoices patients at all.

Detox services are the front door to treatment in the same way that emergency departments are typically the primary entry point to hospitals. The capacity to expand access is severely limited given the economic realities of providing detox services to publicly funded patients. The primary strategy to increase access and eliminate waiting lists to the intensive residential services that these patients require necessitates that HealthChoices payments be brought up to a level that at least covers the basic cost of service delivery.

The Commonwealth, healthcare providers and first responders have done an admirable job in making the life-saving medication Narcan available in our communities. However, the lack of access to detox programs undermines the effectiveness of this effort. A person who has had an overdose reversed by Narcan immediately experiences painful physical and psychological withdrawal symptoms. Our Medical Director, Dr. Neil Capretto, describes these severe withdrawal symptoms as being 10 times worse than symptoms of the flu. At this point, the person has two choices: seek immediate detox services or use heroin or opioids again to relieve the symptoms of withdrawal. If no detox beds are available, they are left with one apparent choice.

Accordingly, my suggestion is that an independent actuarial study be undertaken to determine the cost of providing detox services in conformity with regulations of the Department of Drug and Alcohol Programs, Department of Health, and Department of Human Services.

Reimbursement Rates Outpatient Services

To a lesser degree, the same issue applies to non-hospital residential rehabilitation and outpatient services. As previously noted, addiction is a chronic condition that requires care beyond the typical 28-day residential program. To be truly effective, patients must maintain engagement for months of outpatient treatment and then participate in long-term strategies to manage their disease, such as active participation in 12-step fellowships like Alcoholics and Narcotics Anonymous.

As with the detox example previously cited, the reimbursement rates for publicly funded patients in the outpatient setting are inadequate to cover the cost of care while meeting the regulatory requirements in the Commonwealth. There is conclusive evidence that the length of time in treatment is directly correlated with successful recovery; however, there is little incentive for providers to offer outpatient counseling to publicly funded patients. The failure to support outpatient programming significantly diminishes the cost benefit of residential treatment. In my opinion, we squander far too much of the funding expended for residential services if it is not linked to longer-term treatment after the inpatient stay.

To help patients achieve true long-term recovery, we need to pay more attention to adequately funding outpatient and extended-care services.

High Deductibles and Copayments

Another issue to consider: high deductibles and copayments, typically associated with the Affordable Care Act and private insurance, significantly handicap those seeking treatment.

The vast majority of patients being admitted for treatment after months or years of prescription drug and opioid addiction do not have the resources available to pay deductibles that can cost many thousands of dollars. And, long-term treatment is significantly impeded if the patient is responsible for paying \$20-\$40 per day in programs that may be occurring three to five days a week. The patients either do not access the services or drop out of treatment prematurely due to lack of funds or the demands of other financial priorities.

Deductibles and copayments are an effective way of reducing unnecessary utilization of services; however, in the case of treating chronic addictive disease, it is counterproductive. The cost of deductibles

and copayments for extended treatment services is a significant barrier – driving people out of treatment before they are fully capable of managing their lives and addictive disease.

Privacy Regulations

Lastly, I would suggest that Pennsylvania look closely at the outdated privacy regulations (PA Code 255.5) that often get in the way of providing coordinated care between multiple providers. The regulations create a significant barrier for providers because it limits the ability to share the appropriate information with other healthcare organizations to ensure a collaborative system of care. This code does not reduce the stigma that people with substance use problems face and may well be a contributing factor to this impediment to seek treatment.

In conclusion, if Pennsylvania is committed to providing an integrated continuum of services for patients with addictive disease, I believe that it is imperative that a comprehensive review of the arbitrary and inadequate reimbursement systems for publicly funded patients served by SCAs and medical assistance managed-care organizations be undertaken in the Commonwealth. As well, we need to control deductible and copayment obligations to reduce the untoward effect of impeding access to treatment. Lastly, privacy regulations should be revised to be more consistent with HIPAA.

In short, modernization of the system is imperative to provide access to effective long-term treatment services for patients with addictive disease.

Thank you for listening. I appreciate the opportunity to offer these thoughts this morning.