

# HMA

Medicare  
Insights

New Medicare Benefit: Opioid Use Disorder Treatment

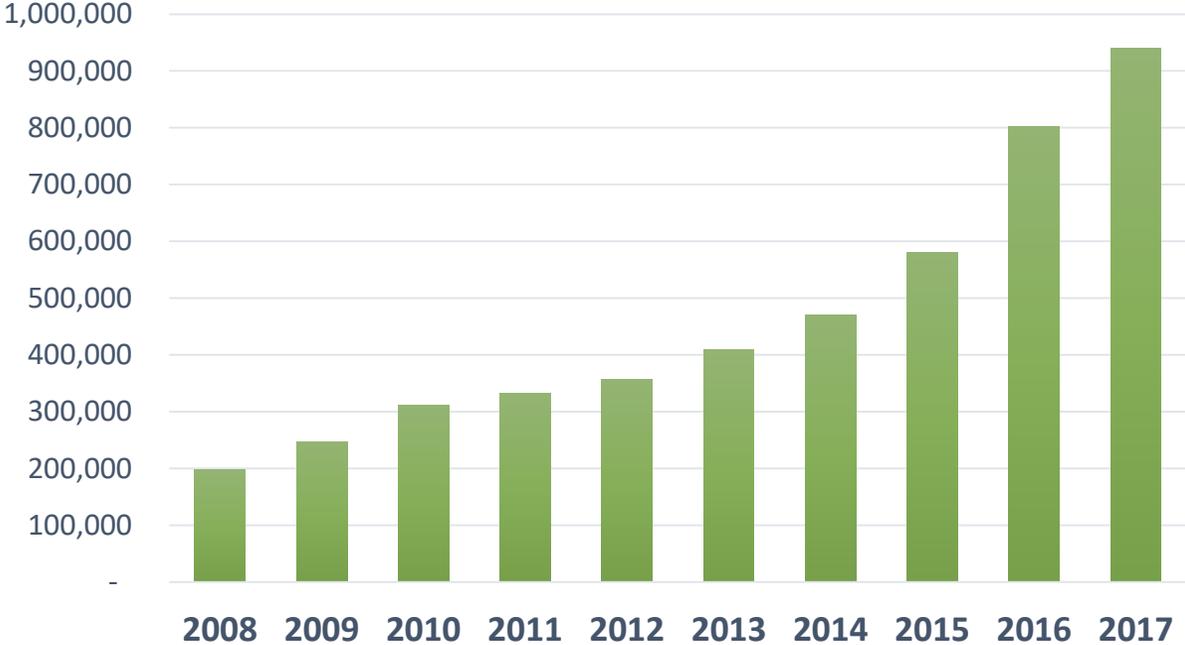
November 13, 2019

# New Medicare Benefit: Opioid Use Disorder Treatment

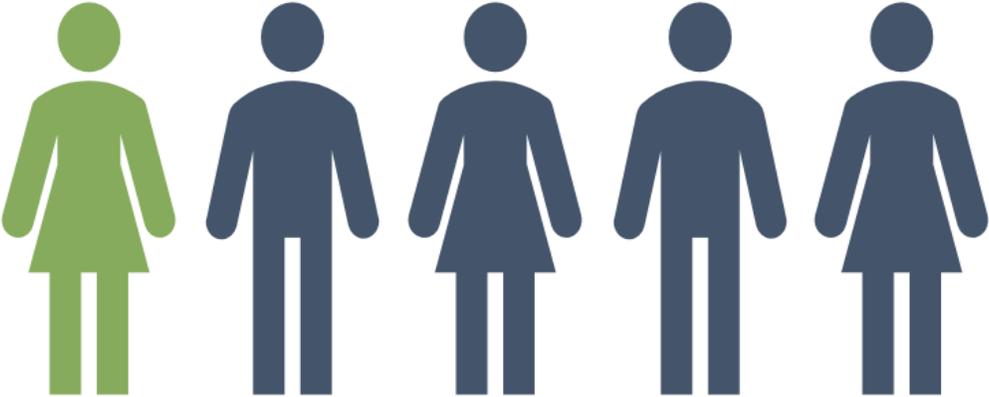
- **Opportunity:** Beginning January 1, 2020, Medicare beneficiaries may receive—and providers can be paid for—opioid use disorder (OUD) treatment that includes counseling, as well as medication-assisted treatment (MAT) and related items and services. This benefit was established by Congress in the SUPPORT Act of 2018 and is now implemented by the Centers for Medicare & Medicaid Services (CMS).
  
- **Key Summary Points:**
  1. Medicare beneficiaries, including those dually eligible for Medicare & Medicaid, are the fastest growing group of OUD patients.
  2. Services will be covered by a bundled payment, either weekly or monthly depending on type of provider, that can repeat as long as a patient needs treatment.
  3. Patients who seek treatment must choose 1 of 2 provider pathways for all of their OUD services:
    - a) Opioid Treatment Programs (OTPs) (i.e., methadone clinics)
    - b) Physicians + other health professionals
  4. Counseling occurs either in-person or via two-way audio-visual telehealth services (e.g. FaceTime, Skype).
  5. Based on early guidance, MA plans have already created 2020 benefit packages that provide a level of access to OTP services that is “consistent with prevailing community patterns of care.” Now that the new benefit is final, MA will need to cover both OTP & Physician OUD treatment for 2021.

# Background: Medicare Beneficiaries have a Growing Need for OUD Treatment

### The Number of FFS Medicare Beneficiaries Diagnosed with OUD Increased by 377% Over the Last Decade



### Only 1 of 5 People with OUD Receive Specialty Addiction Treatment

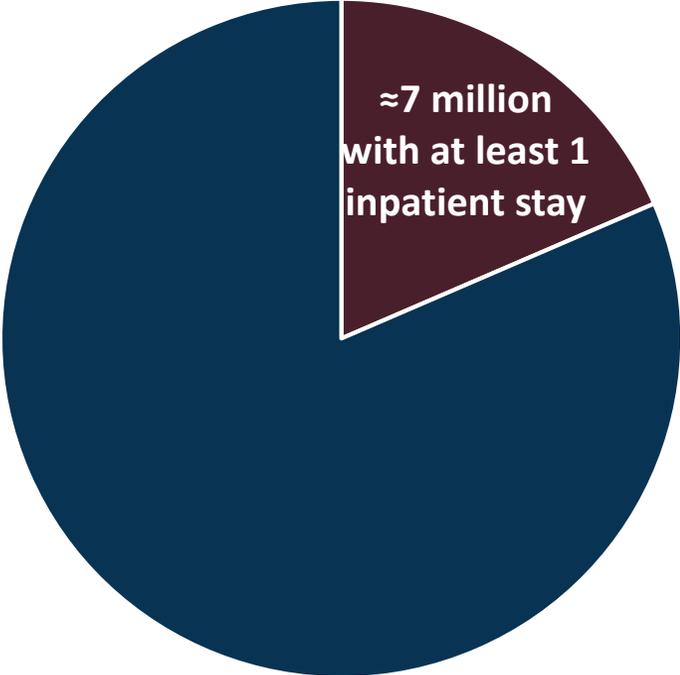


**These estimates may understate Medicare beneficiaries' need for OUD treatment because they reflect only FFS enrollment.**

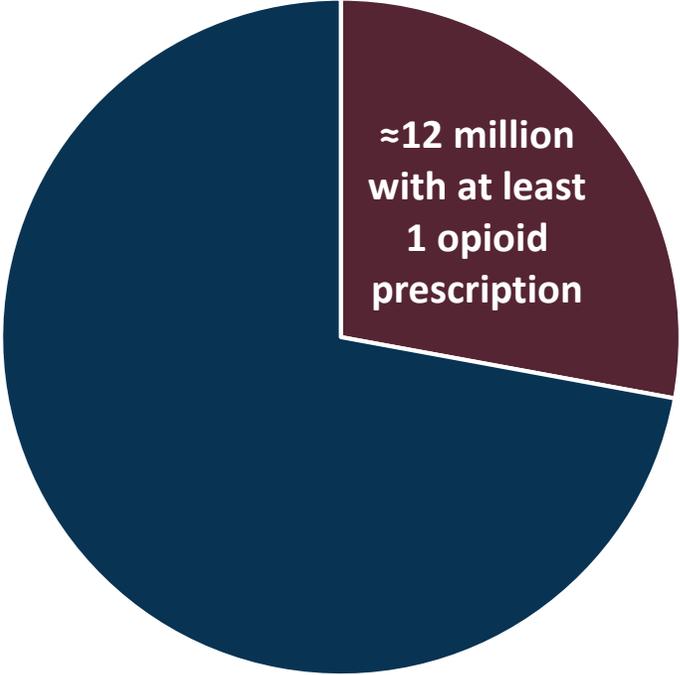
Source: HMA Analysis of CMS Chronic Condition Data Warehouse (CCW) Data Tables, 2019 and SAMHSA/HHS: An Update on the Opioid Crisis, 2018

# Background: Data Suggest that Many More Medicare Beneficiaries could be Diagnosed with OUD and Require Treatment in the Future

**19% of FFS Medicare Beneficiaries May Have Received Opioids While in the Hospital, 2017**

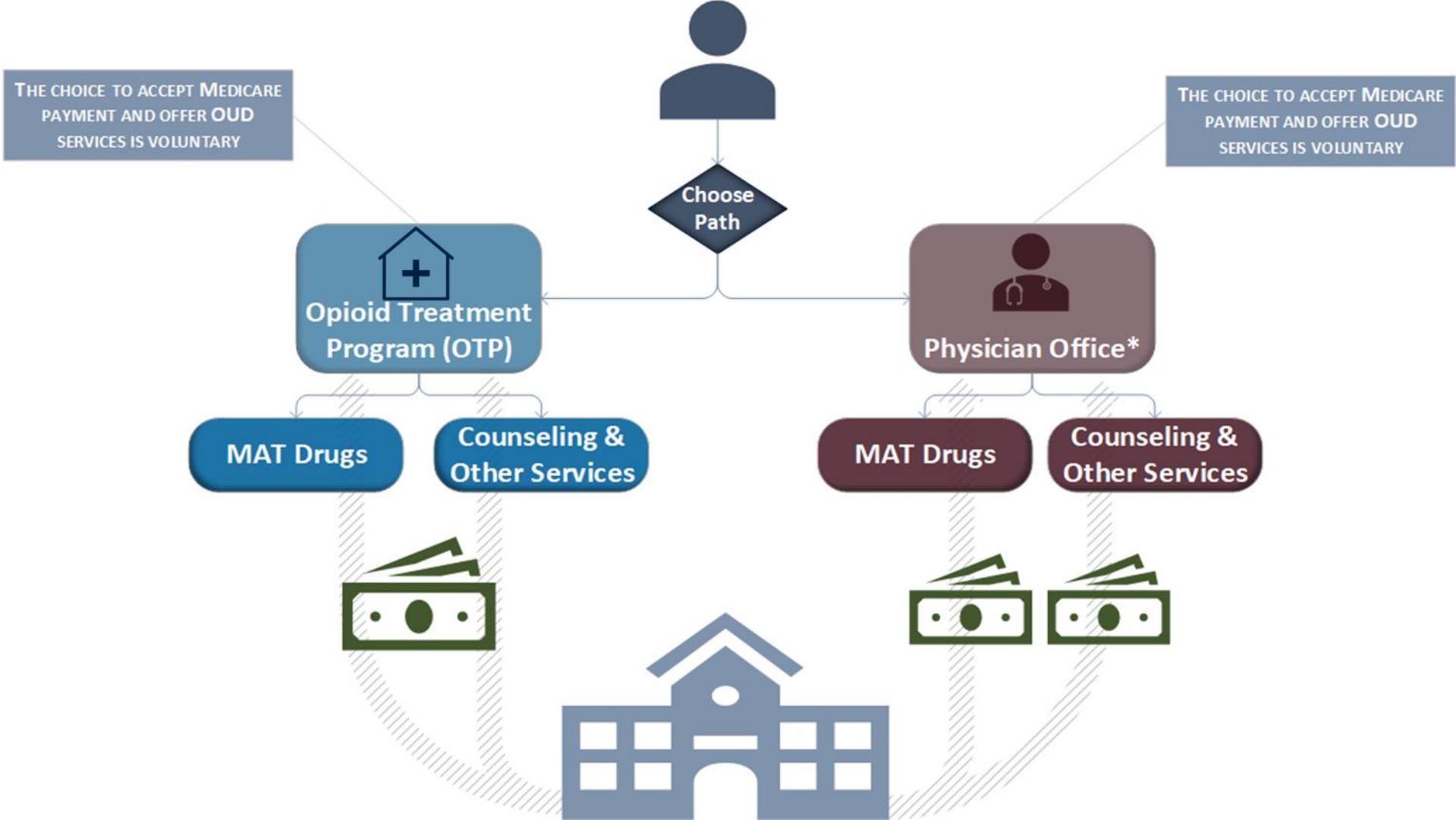


**28% of Medicare Part D Enrollees Had At Least One Opioid Prescription, 2017**



Source: MedPAC Data Book, 2019 and CMS, Table 27 in 2019 Call Letter; Note: Hospice and cancer patients excluded from opioid utilizer counts

# To Improve Access, CMS Designed the new OUD Benefit so that Medicare Beneficiaries who Seek Treatment May Elect 1 of 2 Treatment Pathways



\* "Physician Office" providers may include any provider location paid under the Medicare Physician Fee Schedule (e.g., hospital outpatient departments).

# Pathway 1: Opioid Treatment Programs (OTPs)

## Provide

- All FDA-approved MAT
- Substance use counseling
- Individual & group therapy
- Toxicology testing
- Periodic assessments
- Intake activities

## Must

- Maintain SAMHSA certification
- Enroll as a Medicare provider
- Comply with Medicare risk screenings

## Can

- OTPs are the only providers permitted by the Controlled Substances Act to dispense methadone for MAT

## Receive

- A weekly bundled payment that ranges from \$162 to \$5,546\*

\*Payment rates are before geographic adjustment and large variation due in part to drug choice.



# Pathway 2: Physicians and other Health Professionals

## Provide

- ✓ Only 2 FDA-approved MAT: buprenorphine & naltrexone
- ✓ Substance use counseling
- ✓ Individual & group therapy
- ✓ Intake activities

## Must

- ✓ Bill Medicare separately for MAT
- ✓ Coordinate the services of providers included in the bundled payment

## Can

- ✓ Include any type of professional that meets state requirements
- ✓ Practice in an office, outpatient department, & other settings

## Receive

- ✓ A monthly bundled payment that ranges from \$310 to \$409\*

\*Payment rates are before geographic adjustment.



# CMS Encourages Both MAT and Physician Providers to Employ Telehealth as Part of the Bundled Services

OTPs & physicians are both permitted to use telehealth or see patients in-person for counseling and therapy services

OTPs & physicians may use telehealth to partner with counseling and therapy service providers in distant locations

When telehealth services are used, all OUD treatment services, including the telehealth, are covered by the bundled payment

Patients may access OUD telehealth services from their own homes or any location other than a renal dialysis facility

# Current Issues with Medicare OUD Treatment and Opportunities for Implementation, Expansion, and Refinement

Issue	Opportunity
<p>Currently there are 1,700 OTPs</p> <ul style="list-style-type: none"> <li>Most are in urban areas</li> <li>Medicare beneficiaries don't all have ready access to an OTP</li> </ul>	<p>With Medicare as a new funding stream, OTPs may be financially successful in more areas, which would increase beneficiaries' access to these services.</p>
<p>Physicians are responsible for all services included in the new payment bundle, but those who have experience with providing MAT (or are interested in doing so) may not currently employ health professionals who can provide counseling services.</p>	<p>The new benefit's funding and flexibility will enable physicians to choose between:</p> <ul style="list-style-type: none"> <li>Expanding their practice by hiring, or</li> <li>Partnering with health professionals who have experience providing counseling services, including via telehealth.</li> </ul>
<p>Patients with conditions other than OUD aren't covered by the new benefit.</p>	<p>Once Medicare, providers, and beneficiaries gain experience with the new OUD treatment benefit, it could serve as a model for future legislative changes, such as creating a similar benefit for other substance use disorders and behavioral health conditions.</p>

# Key Questions for Analysis of the New Medicare OUD Treatment Benefit

- How can OTPs ensure that they are complying with Medicare's (including Medicare Advantage plans') requirements to take advantage of new revenue opportunities?
- How can physicians and other health professionals who are interested in offering OUD treatment to their Medicare patients get started?
- How many physicians and other health professionals will choose to begin to offer the new benefit?
- How can all OUD and physician providers best make use of new telehealth flexibilities?
- How can Medicare Advantage plans maximize the value of the new OUD treatment benefit for their enrollees?
- As integrated plans begin to incorporate the new OUD treatment benefit, how can the new Medicare funding stream alleviate strain on other funding sources, such as Medicaid?

# Questions? Contact One of the Following HMA Medicare Practice Experts

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