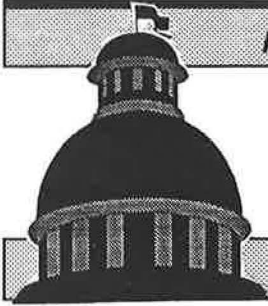
AMERICAN SOCIETY OF ADDICTION MEDICINE NOV/93



# Health Care Reform Alert

A REPORT FROM ASAM HEADQUARTERS

## The future of Addiction Medicine...

is at stake in the debate over health care reform. Whether and what kind of addiction medicine (ADM*) services are included in a reform package, and who will deliver those services, will be "locked in" once legislation is adopted. The time to enlighten lawmakers and thus assure the future of addiction medicine is now.

While ASAM has not taken a position for or against any health care plan currently under discussion, our "litmus test" for reform is this: (1) Does the coverage offered conform to the ASAM Core Benefit, and (2) Will ADM physicians be able to provide necessary, effective and efficient care without undue restrictions on their clinical judgement? (For a copy of the Core Benefit, see the March-April issue of *ASAM News*, pages 4-5, or contact ASAM headquarters.)

ASAM leadership and staff will continue to work with the Administration and the Congress to be sure health system reform embodies access to appropriate services for patients with alcohol and other drug dependencies and related disorders. However, we cannot do this job alone. Only an engaged, energetic ASAM membership can carry the message about addiction medicine to all the Administration and Congressional leaders who will have a hand in the decisions yet to be made.

To help you sort through the implications of the Clinton plan and competing proposals now under discussion, as well as to keep you informed of developments related to health care reform in your state, ASAM is launching *Health Care Reform Alert* as a regular supplement to your *ASAM News.* You will find this special section in every bi-monthly issue of the newsletter. In the months that the newsletter is not published, *Health Care Reform Alert* will be sent to you directly.

Every news report in *Health Care Reform Alert* will let you know what you can do to shape the final plan for health care reform -- who to write or call and how to get your message through to key decisionmakers. Working together, we can assure the future of addiction medicine and the care our patients so desperately need.

** NOTE: ADM is the specialty code designated by the American Medical Association for Addiction Medicine.*

## Inclusion of addiction coverage has won plaudits for the Clinton plan...

Although the addiction benefit in the Administration's proposed *Health Security Act* (see story on the following page) has been reduced from what was promised in the President's September 22nd address to the Congress, the plan's drafters point out that they've overcome considerable opposition to including such benefits at all.

Addressing a November 2nd meeting of the Mental Health Liaison Group, Tipper Gore and Bernie Arons, M.D. (acting head of the Center for Mental Health Services and a key figure in shaping the Administration's plan) pointed out that "the next two months is not about the details; the next two months is about whether the plan lives or dies." Noting that "we are waging a battle of public opinion," they highlighted the need to build a case for including addiction and mental health benefits in any plan for reform.

Timing is important, they said. Between now and the time Congress breaks for the holidays, other issues such as NAFTA and the Crime Bill will be in the spotlight. Over the holiday break, Congress members will be at home, where they will be heavily lobbied by various groups urging that addiction and mental health coverage be dropped from the plan as a so-called "cost-saving measure."

*ACTION NEEDED: Between now and the first of the year, contact your Congressional Representative and Senators to tell them that it is critical to have an addiction benefit in the final plan for health care reform. Let them know that you intend to follow this issue and that you can provide helpful information. (The November-December issue of ASAM News has a "must-read" article by ASAM member Beth Howell, M.D., on "How to Communicate with Congress.")*

## Addiction benefits in the American Health Security Act...

released by the President October 27th include *30 days' inpatient* coverage per year, *120 days' intensive nonresidential care*, and *30 days'outpatient therapy* within a year of the inpatient treatment.

Problem areas include:

- *Intensive non-residential services*, previously proposed as mandatory, would be provided at the direction of the individual health plan.

- "Penalty-free" *outpatient visits* would be limited to 30 during the 12-month period following residential or intensive non-residential treatment. Additional outpatient visits would be available but, for every four visits over 30, the patient's inpatient and residential benefit would be reduced by one day.

- For every two days of *outpatient services* used, patients' inpatient and residential benefits would be reduced by one day. (Up to 30 days of inpatient benefits could be lost in this manner.)

- *Out-of-pocket expenses* for outpatient care (including co-payments and co-insurance) would not count toward annual maximums defined by the plan.

There are some positive features, however:

\+ *Family members* of people in addiction treatment would be eligible for so-called "collateral services" -- presumably including family therapy.

\+ An additional 60 days of *intensive non-residential treatment* each year would be available to patients whose physicians determine that such care is medically necessary or appropriate.

\+ Some *outpatient co-payments* could be applied toward annual limits on out-of-pocket spending.

\+ More than one *hospital detoxification* episode would be allowed if the patient's physician "determines that there is a substantial chance of success."

\+ The National Health Board would be charged with defining specific items and services such as clinical prevention for high-risk populations, leaving open the possibility that *some sort of addiction prevention measures could be provided in the plan.*

The amount that patients would pay to receive addiction services would be as follows:

$ *Inpatient and outpatient residential treatment:* $0 co-payment, 20% co-insurance (that is, 20% of the total cost of care).

$ *Intensive non-residential treatment:* $0 co-payment, 20% co-insurance.

$ *Outpatient treatment* (except collateral services, case management and psychotherapy): $10 co-payment, 20% co-insurance.

$ *Collateral services and outpatient psychotherapy:* $25 co-payment until January 1, 2001, $10 thereafter; 50% co-insurance until January 1, 2001, 20% thereafter.

$ *Case management:* $0 co-payment, 0% co-insurance.

*ACTION NEEDED: Let President Clinton and the sponsors of competing plans know that the ASAM Core Benefit ought to be reflected in their approaches to health care reform. Write to them at the addresses below. (A sample letter will appear in the Executive Vice President's report in the November-December issue of ASAM News.)*

## Addiction coverage in current plans for health care reform...

| PRINCIPAL SPONSOR | BILL TITLE | ADDICTION COVERAGE |
|---|---|---|
| President Bill Clinton<br>The White House<br>Washington, D.C. 20500 | American Health Security Act | Covered as part of mandatory core benefit package; see details on opposite page. |
| Rep. Jim McDermott (D-WA)<br>1707 Longworth House Office Bldg.<br>Washington, D.C. 20515<br>FAX (202) 225-9212 | HR 1200 | Probably covered under basic plan. Employers and/or individuals also may buy additional benefits. |
| Rep. Jim Cooper (D-TN)<br>125 Cannon House Office Bldg.<br>Washington, D.C. 20515<br>FAX (202) 225-4520 | HR 3222<br>Bipartisan Group on Health Reform | Benefits to be determined by a new Federal Health Care Standards Commission; Congress to vote entire package "up or down." |
| Sen. John Chafee (R-RI)<br>567 Dirksen Senate Office Bldg.<br>Washington, D.C. 20510 | Senate Republican Task Force | Covered as part of standard benefit package. Additional coverage can be purchased through a Medical Savings Account. |
| Rep. Robert H. Michel (R-IL)<br>2112 Rayburn House Office Bldg.<br>Washington, D.C. 20515<br>FAX (202) 225-9249 | HR 3080<br>House Republican Proposal | Includes three alternate plans; coverage for the basic plan to be determined by the National Association of Insurance Commissioners. |
| Sen. Phil Gramm (R-TX)<br>370 Russell Senate Office Bldg.<br>Washington, D.C. 20510 | (untitled) | If covered by a plan already in force (employers must offer three options, including the current plan and a managed care or catastropic plan). |

## Crime Bill funding for treatment, prevention...

remains as Congress moves toward enacting a Clinton Administration-sponsored measure. HR 3131 (sponsored by Rep. Jack Brooks, D-TX) passed the House November 9th, while S 1488 (offered by Sen. Joseph Biden, D-DE) is being debated in the Senate.

Although debate over gun-control provisions has dominated press coverage of the bills, major treatment and prevention components of both House and Senate versions include:

- A schedule that would place all eligible federal prisoners in 9- to 12-month residential treatment programs by the end of 1997.
- $100 million to states to fund residential treatment programs in state prisons.
- A declaration that the National Drug Control Strategy contain a long-term goal of treatment on demand for all who need it.

The Department of Health and Human Services has quibbled with assigning the funds to the Department of Justice, but generally supports the additional treatment funding. Meanwhile, the Congressional Black Caucus, led by Rep. Craig Washington (D-TX) is preparing its own crime legislation, which may contain additional treatment and prevention funds.

*ACTION NEEDED: Contact the sponsors (and your own Congress members) to let them know you support the bills' expanded funding for treatment. Reach Rep. Jack Brooks at 2449 Rayburn House Office Bldg., Washington D.C. 20515; FAX (202) 225-1584 and Sen. Joseph Biden at 221 Russell Senate Office Bldg., Washington D.C. 20510; FAX (202) 224-0139.*

## The Clinton Administration's first National Drug Control Strategy...

strongly endorses drug treatment, albeit without promising any significant increase in resources. Entitled "*Breaking the Cycle of Drug Abuse*," the interim document (to be followed by a fuller report in February 1994) calls for "Americans to change their thinking about drug treatment," which the strategy contends has been definitively proved to be effective. Initiatives proposed in the strategy include:

- Targeting treatment resources to hard-core users, pregnant drug users, and offenders in criminal justice settings.
- Targeting research funds to behavioral and biomedical research, most notably those projects that study treatment effectiveness and costs, new medications development and improved prevention approaches.
- Reducing drug-related violence through coordination between law enforcement and treatment programs, especially for youthful offenders.

In a stirring departure from past drug strategy documents, which rarely mentioned physicians, the 1993 document notes that "the role of health care professionals is critical." It goes on to say that "there is a moral and social obligation for physicians...to protect their patients by warning them about the perils of substance abuse and by providing proper guidance to and care for those who are already addicted. To ensure that those in the health care professions are trained to treat substance abusers, professional accrediting organizations and associations should ensure that such knowledge is required as a prerequisite to accreditation or certification." [pp. 8-9]

## Funding for Treatment and Prevention in the Administration's FY 1995 budget...

to carry out the Strategy remains the real test of the President's commitment to addiction care. The FY 1995 budget figures are being finalized this month. The budget sets the tone for next year's appropriations process. We must let the Administration know we cannot wait another year for new and substantial support for ADM services.

*ACTION NEEDED: Write to the President (sending a copy to your Congress members) with the following message: (1) We applaud the emphasis on treatment and prevention as the cornerstone of the new National Drug Strategy; (2) addiction medicine welcomes the challenge for health care professionals to become involved; and (3) the FY 1995 appropriation should support the services outlined in the ASAM Core Benefit.*

**From James F. Callahan, D.P.A., ASAM Executive Vice President and CEO**

**For more information, phone ASAM at (202) 244-8948 or FAX (202) 537-7252**

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