AMERICAN SOCIETY OF ADDICTION MEDICINE August-September 1994

Health Care Reform Alert

A REPORT FROM THE EXECUTIVE VICE PRESIDENT

Addiction coverage is far from a certainty as the House and Senate move toward the decisive votes on health care reform... With the dust clearing from months of debate in committee and on TV talk shows, the results come down to this: the Clinton health reform plan has been declared dead by all parties, including the President. In its place, the President has endorsed two bills, offered by Sen. George Mitchell (D-ME) on behalf of the Senate leadership and by Rep. Dick Gephardt (D-IA) in the House (Hillary Rodam Clinton has expressed a preference for the version in the House). The Republican leadership has introduced various proposals, but not a comprehensive bill.

If any sort of health reform is to be adopted this year, it will happen like this: the Senate and House each will vote to approve a measure that represents a compromise version of their leaderships' proposals, with the additions and subtractions necessary to secure enough votes for passage. Then the leaders of the two houses will meet in Conference Committee, where their staffs will churn out revisions in an effort to get a "conference version" that can be approved by both houses and signed by the President. Obviously, this process could break down at any number of points (dictated both by the content of the various proposals and the political calculations of the key players), so that no compromise version is achieved, and no bill is voted on in this session. Alternatively, some sort of scaled-back, compromise bill could be voted in a marathon bargaining session just before Congress goes into recess (while widely referred to as the "August recess," this could happen later; its real purpose is to give members who are up for re-election this fall--all of the House and a third of the Senate--time to go home to campaign).

If a health reform bill passes, whether and what kind of addiction benefit it contains will hinge on a number of developments. It is possible, for example, that addiction coverage will be traded away in last-minute negotiations, either in exchange for another type of benefit (such as long-term care or a dental benefit) or to reduce the estimated cost of the overall benefit package (this possibility is enhanced by the consistently high price tags attached to addiction coverage by "official" cost estimators, even though their calculations have come under wide attack as seriously flawed). Second, addiction coverage could be incorporated into a compromise bill, but with such tight limits on access to care (or with such steep financial requirements for co-payments and lifetime dollar limits) that the coverage is of little value to most patients. Third, Congress could duck the politically risky process of specifying benefits by delegating the task to a federal commission, whose recommendations (like those of the infamous Base Closing Commission) would be reported in a package that must be voted "up or down" (that is, accepted or rejected, but not amended). Which of these scenarios would be best for the addiction field is difficult to say. The best option, of course, would be for Congress to adopt a measure that specifies comprehensive benefits for alcohol and other drug treatment as part of legislative language that mandates minimum health care coverage. As we go to press, this seems unlikely, but not impossible. More likely is a Congressional decision to adopt a pared-down benefit, or to leave the decision to a Commission.

ASAM needs to be heard on this issue: the time is now; the audience is your own Senators and Representative. While ASAM officers and staff will continue to meet with key members of Congress and their staffs, the real action now takes place in the floor votes and conferencing process. With the fall elections bearing down on them, and with many professing to feel overwhelmed by conflicting advice, Congress members are desperate to know what the electorate thinks. You can carry the message to your own Senators and Representative in just three letters or phone calls! **Or use the convenient Western Union method described on page 4.**

You can provide the key support for adoption of a comprehensive addiction benefit! Call or write to your Senators and Representative. If you need help in finding their names, addresses or phone numbers, call the Congressional Information Line at (202) 224-3121. All you have to provide is your zip code. *For help with the message, look inside this issue of **Health Care Reform Alert**.*

When you contact your Senators and Representative...

► Tell them why it's so important to have a comprehensive addiction treatment benefit. You may want to share your own experiences in caring for addicted patients, or use the simple fact sheet on the opposite page.

► Call your Senators' and Representative's home district office if you can; you're more likely to get a full hearing. Do introduce yourself as a constituent. Don't insist on speaking to the member; a bright, interested staff worker can carry your message very effectively.

► Don't worry about all the "Beltway jargon" you read in the papers and hear in TV reports; members of Congress have as much difficulty understanding "hard triggers" and "soft triggers" as the rest of the country. You'll be most effective if you explain your position in your own words.

► Let the ASAM office know who you contacted and how they responded. This will help us identify potential allies, as well as follow-up with Congress members who need to be further educated.

ASAM leadership and staff will continue to work hard to carry the message to the Congress and Administration as the debate unfolds. 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.

ASAM's Core Benefit Statement describes the minimum services that must be available. The Benefit includes:

Prevention through patient education on the harmful effects of the use of alcohol, tobacco and other drugs, as well as the risk factors for the development of chemical dependence.

Assessment and treatment services, including patient history, physical examination, mental status examination, screening and diagnosis, provision of treatment as is required of any chronic disease, management of acute exacerbations and relapses, and detoxification at appropriate levels of care.

A scope of benefits that includes:

-- Treatment provided in the most appropriate and cost-beneficial setting. Inpatient treatment should be used when justified by the severity of illness (for example, when the patient meets the criteria for Level III or IV placement of the *ASAM Patient Placement Criteria*).

-- Treatment in residential settings when significant social problems are the major factor determining the need for inpatient care, with appropriate cost-sharing between the health care and social service systems.

-- Treatment services involving additional care or consultation from other disciplines for patients with co-existing physical or psychiatric problems. Some patients with severe physical or psychiatric co-morbidities may require treatment in or referral to appropriate settings.

-- Maintenance and monitoring of linkages among all service systems, so that patients do not become "lost" in the referral process, and to make sure that they obtain appropriate followup care.

Benefit design should reflect a set of principles articulated by ASAM, which include:

► Eligibility should be based on competent diagnosis of substance use disorders by use of objective criteria such as the DSM-II-R/IVor ICD 9/10, and on medical necessity.

► Caps or limits on numbers of treatment visits, days or payments should be applied in the same manner as with any chronic disease.

► Coverage for alcohol, nicotine and other drug dependencies should be non-discriminatory on the same basis as any other medical care (this is the principle of "parity").

Covering addiction treatment is good health policy under any plan of health care reform, according to ASAM leaders, including President-Elect **David E. Smith, M.D.**, and Public Policy Committee member **David C. Lewis, M.D.** In a recent newspaper editorial column, Dr. Lewis and co-author Eric Klinenberg concluded that "without an adequate benefit for substance abuse treatment--a benefit that includes comprehensive coverage for the treatment of alcohol, tobacco and other drug problems--there can be no successful health care reform."

Substance abuse is the greatest public health problem in the U.S., Dr. Lewis and Mr. Klinenberg report, and it affects the nation's total health care system. The consequences of substance abuse, left untreated, include traffic crashes and other trauma, poor health, AIDS, family disintegration, dropping out of school, joblessness, underemployment, worker absenteeism, and reduced worker productivity. Even more devastating is the cost of substance abuse in individual lives, they add, pointing out 539,000 U.S. deaths are attributable to substance abuse each year: 419,000 from tobacco use, 100,000 from alcohol use, and 20,000 from illicit drugs. Between 25% and 40% of all general hospital patients are there because of complications related to alcoholism.

The financial toll of substance abuse also is staggeringly high, Dr. Lewis added. The total economic cost of tobacco, alcohol and other drug abuse to the U.S. economy exceeds $238 billion per year, with alcohol abuse accounting for $98.6 billion, tobacco for $72 billion and other drugs for $66.9 billion. Moreover, some studies estimate that we spend 15% of the entire national health care budget--about $140 billion annually--treating the medical complications of tobacco, alcohol and other drug abuse.

While some may argue that treating substance abuse as we treat all other chronic illnesses would be unaffordable under health care reform, there is a large body of research that shows significant cost savings from substance abuse treatment, Dr. Smith told the North Carolina Society of Addiction Medicine in June. Two landmark studies from the Institute of Medicine have addressed drug and alcohol treatment policies, he said.
One concentrated on analyzing the effectiveness of particular treatment approaches, while the other tested the value of matching patients with particular treatment modalities (as through the *ASAM Patient Placement Criteria*). Both concurred on the need for accurate assessments of alcohol or drug problems, treatment referrals based on the assessed need, continuity of care, and financing for a range of treatment modalities and sites to match the diversity of the population in need of care, Dr. Smith said. In fact, a recent study by the National Institute on Drug Abuse found that each dollar spent on addiction treatment saved $4 to $7 in reduced medical and social costs, and returned $3 in increased worker productivity; therefore, the study concluded, each $1 invested in treatment returns $7 to $10 to society.

In an era of health care reform, Dr. Lewis and Mr. Klinenberg concluded, "the message for citizens, communities, businesses and legislators preparing to vote is clear: addiction treatment represents a vital component of any health care cost containment strategy. We cannot afford to slash the substance abuse benefit."

Covering addiction treatment is good economic policy, says a new Harvard study, which ranks drug and alcohol treatment programs as among the most cost effective of hundreds of health care interventions per year of life saved. The sweeping study of cost-benefit estimates by the Center for Risk Analysis of the **Harvard School of Public Health** is the broadest comparison to date of the estimated return on dollars spent to avert premature deaths. Critics often discount risk-analysis studies as biased guesswork, but outside researchers say the Harvard study, begun in 1990, appears quite rigorous. The Harvard team used hundreds of studies to estimate cost-benefit ratios for 587 health interventions, ranging from heart transplants to prescribing cholesterol-lowering drugs. From these, the team calculated the cost per year of life saved and ranked the interventions on the basis of cost effectiveness. *(The ASAM office has a copy of the full report.)*

Drug and alcohol treatment, childhood immunizations and prenatal care are among the biggest life-saving bargains, the study shows. These interventions prevent medical problems and thus lower the cost of caring for sick people; thus, total costs can be more than offset by health-care savings, bringing per-life-year costs to less than zero.

Nor are the Harvard researchers the only ones reporting that addiction treatment is a cost-effective health care investment; in fact, 1994 has seen several important studies supporting the economic wisdom of including a comprehensive benefit in health care reform. For example, researchers at the Center of Alcohol Studies at **Rutgers University**, in a study for the President's Commission on Model State Drug Laws, concluded that "the potential of addiction treatment to significantly reduce medical care utilization is one of the strongest conclusions in the scientific literature."

Here's how to reach your Senators and Representative with one phone call:

To ensure that our message is heard, ASAM is working with other organizations to launch a special *Western Union Mailgram Campaign*. Just call Western Union toll-free at **1-800-641-1818** and ask for **Hotline Number 9545**. Western Union will automatically send the following mailgram in your name to your Senators and Representative. You don't even need to give their names; Western Union will automatically reach the right people. Western Union's total fee for all three Mailgrams is $10, which will be added to your phone bill.

If you want to do more, please follow up with a personal call or letter to your members of Congress. Urge your family, colleagues and patients to do the same. **But do it now, because time is running out.**

Mailgram Message

Dear [Your Senators' or Representative's name will appear here]

Please support Universal Coverage and keep comprehensive substance abuse treatment in health care reform. We can't afford to miss this chance to save billions of dollars in health, crime and social costs caused by untreated alcohol and drug problems. We must do this for our children and families.

I urge you to speak up in support of substance abuse treatment during the House [or Senate] debate on health care. Let the House [or Senate] know that:

***Alcohol and drug problems cost us tens of thousands of lives and 166 billion dollars in health and other costs each year---far more than universal health care coverage would cost.

***Treating substance abuse is our best way to reduce crime, welfare, AIDS, homelessness, child abuse, fetal alcohol syndrome, emergency room admissions, and accidents.

***Treatment works---over 7 million Americans are now in recovery from addictive diseases.

Thank you for considering my views. Please feel free to contact me for additional information on alcohol and drug abuse prevention and treatment in our state.

[Signed] Your name and address

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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