



DATE: February 19, 2019
TO: Human Services Committee
FROM: Ben Shaiken, Manager of Advocacy & Public Policy, The Alliance
RE: H.B. 7090 An Act Concerning Inequitable Methadone Maintenance Rates Under the Medicaid Program

Good afternoon Senator Moore, Representative Abercrombie, Senator Logan, Representative Case and distinguished members of the Human Services Committee:

My name is Ben Shaiken, Manager of Advocacy & Public Policy at the Connecticut Community Nonprofit Alliance (The Alliance). The Alliance is the statewide advocacy organization representing nonprofits, with a membership of more than 300 community organizations and associations. Nonprofits deliver essential services to more than half a million people each year and employ almost 14% of Connecticut's workforce.

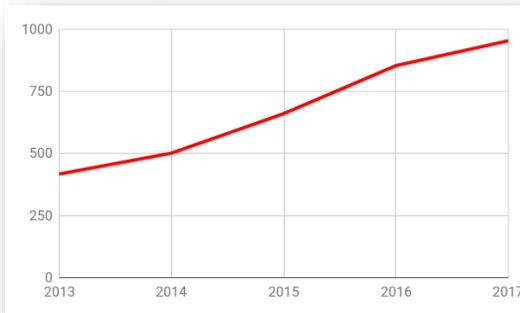
Thank you for the opportunity to testify with regard to H.B. 7090 An Act Concerning Inequitable Methadone Maintenance Rates Under the Medicaid Program. H.B. 7090 would direct the Department of Social Services (DSS) to amend the state Medicaid plan to establish the minimum rate be paid equitably across all providers, including those that already hold licenses.

Currently, Methadone Maintenance Treatment (MMT) providers across Connecticut are paid different reimbursement rates depending on their contracts. **Any provider who becomes licensed by the State to provide MMT after January 1, 2017 is paid a higher rate than some existing providers' rates.** This coupled with years of cuts to grant funding and stagnant rates, has the potential to destabilize the service-delivery system, putting in jeopardy the life-saving treatment of thousands of Connecticut residents.

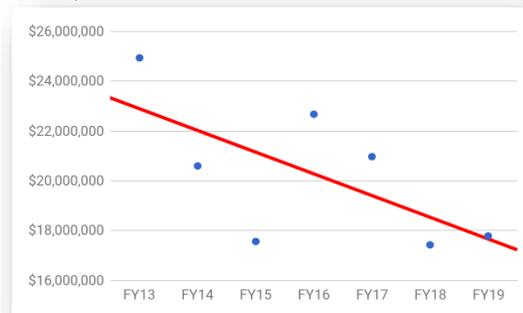
MMT is an evidence-based treatment method that helps people recover from an opioid addiction. It is one of several Medication Assisted Treatment (MAT) methods approved by the Food and Drug Administration that has consistently demonstrated improved treatment outcomes for people with opioid use disorders, as compared to detoxification followed by abstinence, which has comparatively little success in reducing illegal or nonmedicinal opioid use.

In Connecticut, MMT is provided by nine community nonprofits located around the state. Providers accept commercial insurance and Medicaid, and DMHAS grant funding has historically covered part of the cost of care for those who are uninsured, underinsured or experience gaps in coverage. Yet since Fiscal Year 2013, DMHAS **grant funding for substance abuse services has been cut by 29%**. During that same time, the need for services continued to rise, as indicated by a **130% increase in opioid-related overdose deaths**.

Accidental Drug Related Deaths in CT



Grants for Substance Abuse Services Line Item Funding



Issues related to cuts to grant funding are exacerbated by the fact that provider Medicaid rates for behavioral health services do not cover the costs of care. A 2015 study found that Connecticut behavioral health providers lose money on nearly every service hour they bill to Medicaid across nearly all billing codes, resulting in tens of millions of dollars in annual losses. MMT is one service-type in a complicated and comprehensive service delivery system and must be considered as part of a continuum of treatment and care.

The last ten years of state budgets have included significant cuts to the behavioral health system and other services delivered by nonprofits. **The Alliance respectfully requests that legislature make it a priority this year to protect and fully fund community nonprofit services.** This includes maximizing federal reimbursement by increasing Medicaid rates across the mental health and substance abuse treatment system to cover the full cost of providing services and restoring cuts that have been made to grant funding for services not reimbursable under Medicaid or provided to people who are un- or under-insured. **Simply shifting dollars from one part of the system to another will not solve the inherent issues associated with an underfunded system on the verge of destabilization as it tries to address an increasing need for services across the state.**

Given the reductions in funding of the system, the spike in deaths from opioids and the inequity in the way providers are reimbursed it is clear the substance abuse treatment system needs a substantial influx of new funding. All providers should be paid rates that cover their costs of delivering services. MMT providers who are currently paid below the rates a new provider would be paid should have their rates increased to at least the level a new provider would receive.

Thank you for your consideration of this important issue.