Rate Review Recommendations
Special Connections Residential Rates
March 28, 2019

Background

Mental Health Colorado and Signal Behavioral Health Network have prepared this analysis with the goal of offering additional information for consideration by the rate review committee. The Special Connections program was established in 1991 and was among the early benefits for substance use disorders in the Colorado Medicaid program. Created under a 1915b waiver, Special Connections was designed to treat substance use disorders in pregnant women thus improving outcomes for both the parent and her child. The program included a limited number of service codes for outpatient treatment. It was later expanded to include residential treatment for pregnant and postpartum women with substance use disorders.

Nearly a decade later, an outpatient substance use disorder benefit was added to the fee for service program and this larger benefit incorporated into the behavioral health capitation program in 2015. Because the rates paid by the Behavioral Health Organizations was higher than the fee for service rates in the Special Connections programs, many providers discontinued the use of the Special Connections outpatient codes. Currently, very few outpatient services are billed to the Special Connections fee for service program. However, since the substance use benefit under the behavioral health capitation program does not include residential treatment, providers have continued to bill the residential treatment rate.

Because outpatient services for pregnant women are available under the behavioral health capitation program and comparable rates are easily available for outpatient services, we have not addressed outpatient codes in this document but instead focus on residential treatment rates.

Rationale

Nearly half of all births in Colorado are covered by Medicaid. This constitutes approximately 27,000 Medicaid births each year. Based on prevalence of alcohol and drug use during pregnancy[i], it is estimated that 2000-3000 pregnant women enrolled in Medicaid require assessment and treatment during pregnancy. Assuming that 10% of these women require a residential level of care, approximately 200-300 pregnant women require residential treatment each year.

The state currently has 56 residential beds that serve Special Connections clients in addition to other parenting women. There are currently four facilities located in Denver, Greeley and Pueblo. The average wait for pregnant women enrolled in Medicaid in these residential programs is 8-12 weeks. The current rates under Special Connections are cited as a reason for the inadequate network of specialty providers.

Despite the costs of treatment for this population, Substance Abuse and Mental Health Services Administration (SAMHSA) estimates that residential treatment programs serving women and children produced nearly $4 in savings for every dollar spent[ii]. These cost savings resulted from improving health outcomes for mothers and their children; reducing out of home placements in the child welfare system and reducing incarceration. When a parent with a substance use disorder does not access treatment during the prenatal period, health payers bear the cost burden[iii]. Nationally, the cost of care for newborns experiencing withdrawal symptoms grew from 461 million in 2003 to nearly $316 million in 2012. In Colorado the rates of Neonatal Abstinence Syndrome jumped by 83% between 2011 and 2015[iv] and accidental drug overdose is the number one cause of maternal deaths in the state[v]. Despite the escalating need in the state, the residential treatment capacity for pregnant women has been stable or declined in the past decade. This is attributed, in large part, to low rates.

Data Available

Two different sources of cost data were used to arrive at the program costs presented below. One of the programs was a start-up that has built a bottom up budget and the other uses actual expenditures in a program that has provided this service for more than two decades. The range of rates using these two different methodologies is modest when normalizing for similar sized programs and lengths of stay. Building costs and food are not included in the treatment costs since Medicaid covers treatment but not the room and board portions of residential treatment. Room and board is covered by the Office of Behavioral Health (S9976)

We provide two rates—the rate for the level of care described by the American Society of Addiction Medicine (ASAM) as medically monitored residential treatment that has nursing staff on site 24 hours a day/365 days per year and clinically-managed residential treatment that has medical oversight but does not have 24-hour medical staffing (aligned with description in H0018 or H0019).

Summary costs per day by level of Care	Current	Program #1	Program #2
Medically- managed -treatment only*	-	$522	
Clinically-managed – treatment only	$192.10	$417	$392

*5.0 FTE nursing staff and associated expenses estimated at an additional $105/day

The cost breakdown for these services is found in the table below.

Detailed cost per day- clinically managed	Program #1	Program #2
Personnel expense	$323	$326
Client-related expense	$19	$23
Business-related expense	$11	$15
Administrative expense	$65	$28
Total treatment costs	**$417**	**$392**
Room and board costs	**$78**	**$85**
Total treatment + room and board	**$495**	**$477**

Recommendations

The current treatment rates of $192.10 per day is not reflective of the costs of delivering services and the inadequate rate appears to be influencing a shortage of providers statewide. As a result of inadequate Medicaid rates for this service, pregnant women who are seeking treatment for a substance use disorder are waiting, in some cases an entire trimester of their pregnancy, to access care. Based on national data on cost avoidance associated with this type of treatment, we believe that the lack of network adequacy is likely to be driving poor health outcomes and costs to the state. Therefore, we recommend an adjustment of the Special Connections residential daily rates to cover the costs of delivering these services.

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[i] Compton et al., (2007). Prevalence, correlates, disability and comorbidity of DSM-IV drug abuse and dependence in the United States: Results from the national epidemiologic survey on alcohol and related conditions. Arch Gen Psychiatry, 64(5), 566-576.

[ii] Werner et al., (2007). Family-Centered Treatment for Women with Substance Use Disorders

[iii] Corr & Hollenbeak (2017). The economic burden of neonatal abstinence syndrome in the United States. Addiction, 112(9), 1590-1599.

[iv] Myers, L. (2017). *Scope of the problem: Opioid and other substance use disorders.* [PDF document]. Retrieved from https://leg.colorado.gov/sites/default/files/cdphe_scope_of_the_problem_7.10.17.pdf

[v] Colorado Department of Public Health and Environment. (2014). [PDF]. *Maternal mortality prevention program*. Retrieved from https://www.colorado.gov/pacific/sites/default/files/PF_Maternal-Mortatility-fact-sheet.pdf