Exploring Value-Based Payment for Substance Use Disorder Services in the United States

Substance Abuse and Mental Health Services Administration
U.S. Department of Health and Human Services

Webinar
November 13th, 2023
Webinar Overview

I. Opening Remarks

II. Report Findings

III. Panel Discussion

IV. Open Forum Q&A

V. Closing Remarks

Access the report now:
**Value-Based Payment (VBP)**

**Fee-For-Service** is a method in which doctors and other health care providers are paid for each service performed.

**Alternative Payment Model** (APM) is a payment approach that considers quality and cost-efficiency of care in determining payments to clinicians.

**Value-Based Payment** (VBP) is a type of APM that rewards health care providers with incentive payments for the quality of care they give to patients.
Use of VBP for SUD Services

- Evidence around the impact of VBP on SUD services is preliminary but has shown some reduction in health care costs and improved provider performance.

- VBP use for SUD services offers a means to improve the cost-efficiency and quality of care necessary to improve SUD patient outcomes.
Policy and Funding Approaches to VBP for SUD

• Many states are using Section 1115 Demonstrations Waivers or other waiver authority to set VBP goals across their Medicaid program.

• The SUPPORT Act Section 1003 demonstration enables states to use VBPs to expand capacity and increase the quality of SUD care.

• Private providers are partnering with managed care organizations to deliver value-based SUD care regionally.
Overview of State-by-State Review

- **8** states have well developed and ongoing VBP initiatives for SUD treatment and recovery services.
- **20** states have low or no evidence of VBP programs for SUD treatment and recovery services.
- **24** states have SUD performance measures for quality payment incentives in their Medicaid program.
To drive alignment in payment approaches across health care in the US, the CMS Innovation Center created the Health Care Payment Learning & Action Network APM Framework.

- This framework simplifies making comparisons and measuring progress.
- The state-by-state review for this report classifies state’s VBP use for SUD activity using this framework.
State Classification of VBP for SUDs

Category 1: Fee-for-Service – no Link to Quality & Value
Combination of Categories 1 and 2
Category 2: Fee-for-Service – Link to Quality & Value
Combination of Categories 2 and 3
Category 3: APMs
Built on Fee-for-Service architecture
Innovations in Implementing VBP for SUD Services

• Nonprofit SUD treatment provider entered into a VBP arrangement with private insurance that reimburses a flat fee for treatment and cost risk for readmission within 90 days of discharge.

• State Medicaid directed managed care organization plans to include enhanced payments to providers that become certified in and provide medications for opioid use disorder (MOUD). The state also required that managed care organizations develop at least one VBP model designed to improve access to MOUD.

• State legislature passed a bill to establish a pilot program contracting performance-based residential SUD treatment facilities throughout the state.

• Independent practice alliance furnished enhanced payments to primary care providers that provide MOUD and withdrawal management services.
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<th>Challenges</th>
<th>Care Fragmentation</th>
<th>Quality Measures</th>
<th>Workforce &amp; Training</th>
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| **Challenges** | • Behavioral and physical health care typically take place in different care silos, with different administrative and regulatory structures | • Limited existing SUD treatment quality measures  
• Lack of consensus on which ones can be tied to improved patient outcomes and savings | • Current shortage of SUD providers  
• Providers need training to adopt VBP and funding for necessary professional development is limited |
| **Potential Solutions** | • Increase partnership and coordination between state Medicaid leaders and mental health agencies to align efforts, funding, and infrastructure | • Develop consensus on measures that can be linked to improved outcomes and reduced costs | • Support legislative action that increases professional development funding for SUD treatment providers |
## Challenges and Potential Solutions (cont.)

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<th>Challenges</th>
<th>Underinvestment</th>
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<td>• There are unique patient privacy</td>
<td>• SUD services are chronically under-funded</td>
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<td>regulations for sharing data about</td>
<td>• This underlies all other challenges to implementing VBP for SUD services</td>
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<td>SUD treatment</td>
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<td>Potential Solutions</td>
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<td>• The Department of Health and</td>
<td>• Allocate opioid settlement funds and state-level SAMHSA funds to support</td>
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<td>Human Services has proposed</td>
<td>SUD infrastructure development to support the costs of implementing VBP,</td>
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<td>legislative changes that would</td>
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Report Conclusions

Payment models that prioritize care quality and provide coordinated, multilevel treatment are likely to improve the outcomes of individuals with SUD and reduce the health care costs of these disorders.

Issues with care fragmentation, workforce insufficiencies, infrastructure, outcome measurement, and underinvestment could be improved with further guidance from federal and state stakeholders. With this support, the potential for widespread future adoption of VBP for SUD is promising.
Panel Discussion
Open Forum Q&A
SAMHSA’s mission is to lead public health and service delivery efforts that promote mental health, prevent substance misuse, and provide treatments and supports to foster recovery while ensuring equitable access and better outcomes.

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