

Chairman Holmberg and members of the Senate Appropriations:

My name is Kurt Snyder, and I am the Executive Director of the Heartview Foundation. Heartview is a drug and alcohol treatment program established in 1964. We have one hundred twenty-five employees including an Opioid Treatment Program, outpatient programming, mental health services, and a 16-bed residential program in both Bismarck and Cando, ND. Heartview is currently offering Medication Assisted Treatment (MAT) to 291 individuals including some at North Dakota State Penitentiary in Bismarck and Dakota Women's Correctional in New England. At any given time, we have over 400 individuals in our care. We employ a psychiatrist, medical providers, psychologists, nurses, addiction counselors, mental health counselors, social workers, peer support specialists, case managers, and residential technicians. Last year we served individuals from 38 of the 53 counties of ND. Of our patient population, 67% are Medicaid or Medicaid Expansion. (20% Medicaid and 47% ME).

I am here today to voice our support for the re-authorization of Medicaid Expansion and The SUD Voucher. More specifically we support the following:

SUD Voucher

The SUD Voucher has been invaluable to providing access and care to so many citizens of North Dakota. And today, the need for substance use services is greater than ever as the opioid epidemic and COVID-19 devastate our communities. Therefore, we request that you fund the SUD Voucher at the level of the Governor's request. We are grateful for this program and we understand that the voucher needs to be the funding of last support. I have added some options for considerable cost savings and strategies to reduce reliance on the SUD Voucher.

- **Presumptive Eligibility** - The patients we serve at Heartview that are eligible for ND Medicaid or Medicaid Expansion currently experience a 3 to 4 month wait time for enrollment through Burleigh County. We estimate that if all Medicaid/ME eligible patients at Heartview were enrolled immediately upon entering services, we would reduce our utilization of the SUD Voucher by \$650,000 per year. In addition, those patients would also have benefit coverage for other medical needs. All of which would be federally matched dollars instead of the general fund dollars of the SUD Voucher. Community Medical Services, the opioid treatment program in Minot and Fargo conservatively estimates they would reduce utilization of the SUD Voucher by \$720,000 per year. The solution for immediate enrollment of these individuals is by identifying the Opioid Treatment Providers as "qualified entities" for the process of "presumed eligibility". Centers for Medicare & Medicaid Services give states broad discretion to identify "qualified entities". These "qualified entities" are then capable of making presumptive eligibility determinations based on an individual's household income and other requirements. Presumptive eligibility serves a dual purpose of providing immediate access to needed health care services while putting people on a path to ongoing coverage. This system already is utilized by the hospitals in ND. Please consider that Heartview's patient population is 20% ND Medicaid and 47% Medicaid Expansion.
- **One-Million-Dollar Grants** – Heartview Foundation supports the (3) one-million-dollar grant opportunities proposed by the House in HB1012. Heartview sees this as a viable path to develop much needed services in under-served regions of the state. Heartview Foundation-Cando, a 16-

bed residential facility, just celebrated 5 years and is a shining example of meeting the behavioral health needs in a rural community. This effort was made possible by an opportunity much like the proposed one-million-dollar grants. Heartview Cando and Towner County Medical Center have forged a successful partnership in Cando, ND that has resulted in Medication Assisted Treatment Services (Towner County Medical Center is serving over 70 individuals for opioid use disorders), mental health services, outpatient and residential addictions services to a community of 1,100 people in a very rural region of ND. Towner County Medical Center and the community of Cando invited the Heartview Foundation with funding support from Dakota Medical Foundation to purchase and renovate a building for a 16-bed residential unit. This building was formerly a 24-bed residential facility owned and operated by Center for Solutions. Heartview deliberately downsized the bed capacity in order to remain in compliance with the IMD restrictions in order to leverage the coverage of ND Medicaid and Medicaid Expansion. The one-million-dollar grants would allow the SUD providers to expand into underserved areas of the state with a one-time investment but would not substantially increase the reliance on the SUD Voucher.

Removing the Sunset Clause

- I have a number for you, **47**. 47% of our patient population is Medicaid Expansion. Almost ½ of our patient population is covered for only 2 years at a time. How can treatment providers plan expansion efforts into rural or underserved communities with such a vulnerable funding base? How can we be expected to meet the needs and demands of the opioid epidemic without confidence in our funding streams? The one-million-dollar grant opportunities require a 5-year commitment to provide services in that region for the grant to be forgiven. I would remind you that 47% of the Heartview Foundation patient population is only covered 2 years at a time. Any expansion efforts by our agency is complicated by the sunset clause. If the sunset clause is removed from Medicaid Expansion, we have no objection to the 5-year commitment. Please remove the sunset clause!

Retain Medicaid Expansion with a Private Insurance Carrier

We strongly oppose moving Medicaid Expansion under Medicaid for these main reasons:

- **Claims Processing** – If Medicaid Expansion is moved under the ND Medicaid umbrella 67% of our patient population would be subject to ND Medicaid’s claims processing. This terrifies me! ND Medicaid has testified on many occasions that clean claims are paid in a timely manner, which we agree upon. The problem, however, is that ND Medicaid denies 33% of Heartview claims, while other commercial payers average under 9%. Furthermore, reprocessing denied claims is extremely difficult with ND Medicaid. We often experience wait times of weeks, and sometimes months to even get a response from Medicaid on a single claim. The reprocessing effort of ND Medicaid is insufficient and continuously results in a backlog of unprocessed claims. In January 2019 ND Medicaid gave us a \$450,000 cash advance because we were having cash flow issues due to overwhelming outstanding Medicaid claims.
- **Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA)** - MHPAEA was meant to prevent health insurance plans from imposing less favorable benefit limitations on mental

health or substance use disorder benefits than on medical surgical benefits. Medicaid Expansion fully complies with MHPAEA. ND Medicaid does not. MHPAEA specifically restricts the use of annual limits. ND Medicaid has annual restrictions on Intensive Outpatient, Partial Hospitalization and High Intensity Residential. Parity also insures that “Medical Necessity” be the standard for authorizing services. Again, ND Medicaid does not follow parity in this respect. ND Medicaid does not utilize accepted clinical standards for authorizations but instead providers must request additional days of coverage that sometimes takes months for approval. If Expansion is moved under ND Medicaid over 67% of our patients would not have the important protections of this federal parity law. The law that prevents discrimination and stigma.

We Support an increase of rates for SUD Providers

- Last session there was an amendment that was intended to provide consistent reimbursement rates across providers. However, it turned out that reimbursement rates within substance use providers were not established equitably. ASAM Level 2.5, (which makes up over 50% of our revenue) was given a higher reimbursement rate to hospital-based programs with a lower rate for community-based programs. To give you an idea of the inequity of the amendment from last session, we were initially notified that we would be receiving a 59% increase effective July 1, 2019 (this provided conformity across all SUD providers). The hospital providers complained, and DHS capitulated to carve out a special rate for the hospital SUD providers for ASAM level 2.5. We were subsequently informed that we would not receive the 59% we were promised but rather only a 13% increase. I would argue that the quality of our care exceeds hospital-based programs because we offer all 3 FDA approved medications for opioid use disorder. I would also point out that even within the ND Medicaid Fee structure, there is no difference between hospital-based programs and community-based PHP programs, (Attached). **I would ask that community-based providers of ASAM level 2.5 receive the same current rate as the hospital-based ASAM level 2.5 within the Medicaid Expansion product.** Most Medicaid Expansion enrollees are childless adults working one or more jobs and in much-needed access to chronic disease management, mental health services and addiction treatment programs. As a result of the needs of this population they are overrepresented in our services (47% Medicaid Expansion). **Substance use providers need enhanced rates in order to continue to grow and meet the demands of our state.** The spend for substance use and mental health services when compared to the overall spend is minimal. However, the behavioral health needs of this population are overwhelming.

This concludes my testimony, and I would stand for any questions.

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**ND Medicaid
 Substance Use Disorder Treatment Services Fee Schedule
 as of 10/1/2020**

Inclusion or exclusion of a procedure code, supply, product, or service does not imply
 Medicaid coverage, reimbursement, or lack thereof.

Revenue Code	Code	Description	Medicaid Fee
--	--	ASAM Level 1	Professional Fee Schedule
--	H2035	ASAM Level 1 (group)	\$15.16
0906	H0015	ASAM Level 2.1	\$188.19
0913	S9475	ASAM Level 2.5	\$365.93
1003	H2034	ASAM Level 3.1*	\$33.46
1003	H0012	ASAM Level 3.2	\$177.12
1002	H2036	ASAM Level 3.5	\$564.57
1002	H0011	ASAM Level 3.7	\$705.71

* ASAM 3.1 will only be reimbursed if the member is concurrently receiving ASAM 2.1 or 2.5.