

**OFFICE OF POLICY AND LEGAL ANALYSIS**

Date: April 13, 2021  
To: Joint Standing Committee on Health & Human Services  
From: Erin Dooling, Esq., Legislative Analyst

**LD 1135 An Act Regarding Substance Use Disorder Treatment Services and Increasing Reimbursement Rates for Those Services**

**SUMMARY:** This bill:

- Sec. 1-3: Requires that all substance use disorder services funded by DHHS conform to trauma-informed principles of care according to the United States Department of Health and Human Services, Substance Abuse and Mental Health Services Administration
- Directs DHHS to increase rates by January 1, 2022 for:
  - All outpatient services for substance use disorder under Section 65 by 25% (Sec. 4)
  - All services provided by substance abuse treatment facilities under Section 97, Appendix B (except for detoxification services) by 25% (Sec. 5)
- Sec. 5: Directs DHHS to reimburse detoxification services provided by substance abuse treatment facilities under Section 97, Appendix B according to a cost-based rate methodology (*currently fee for service*)
- Sec. 6: Directs DHHS to amend its rules by January 1, 2022 for substance abuse treatment facilities under Section 97, Appendix B in order to:
  - Increase the limit on the number of consecutive days allowed for a residential rehabilitation type I service to 45 days (*currently 28 days*)
  - Increase the limit on the term of residency for a residential rehabilitation type II service to 60 days (*currently 45 days*)
  - Remove the current limit of a single admission to halfway house services annually, but retain the limit on those services to 180 days in a year

## **SUGGESTED AMENDMENTS:**

- *Sponsor*: Consider implementing rate adjustments and rule changes by January 1, 2023

## **INFORMATION FROM TESTIMONY:**

- *DHHS*: Is the intent of Sec. 3 of the bill for DHHS to develop and provide training to support trauma-informed practices and principles?
  - *Alliance for Addiction and Mental Health Services*: Consider investing federal Covid relief money into the Department to develop and provide training to providers and clinicians to support trauma-informed practices and principles
- The Department is currently developing rules to update service limits in Section 97
- New draft rates for Section 97 were shared with providers on 3/29/21
  - *Alliance for Addiction and Mental Health Services*: Rate study in progress shows the need for an increase.
- Regarding proposed detoxification rate calculation, the Comprehensive Rate System Evaluation recommended that MaineCare transition away from cost settlement reimbursement approaches
- New draft rates for Section 65 for SUD Intensive Outpatient Program services were shared with providers on 3/26/21
  - *Alliance for Addiction and Mental Health Services*: Rate study in progress shows a need for an increase above 25%. 25% is in keeping with the consumer price index since the rates were set last. Timing of full Section 65 rate study may not begin until 2023.

## **ADDITIONAL RELEVANT INFORMATION:**

- Current DHHS rules:
  - Related to Sec. 4 of bill: MaineCare Benefits Manual, [Chapter III, Section 65](#), Behavioral Health Services
  - Related to Sec. 5 of bill: MaineCare Benefits Manual, [Chapter III, Section 97](#), Private Non-Medical Institution Services, Appendix B, Principles of Reimbursement for Substance Abuse Treatment Facilities
  - Related to Sec. 6 of bill: MaineCare Benefits Manual, [Chapter II, Section 97](#), Private Non-Medical Institution Services
    - Residential rehabilitation type I service (*page 33*)
    - Residential rehabilitation type II service (*page 37*)
    - Halfway house services (*page 35*)

**FISCAL IMPACT:** Not yet determined