

**CONFIDENTIAL**  
**LEGISLATIVE BILL REVIEW FORM: 2015**

Bill Number: H.20

Name of Bill: [An act relating to licensed alcohol and drug abuse counselors as participating providers in Medicaid](#)

Agency/ Dept: Department of Vermont Health Access Author of Bill Review: Ashley Berliner

Date of Bill Review: 5/26/15 Related Bills and Key Players: VDH/ADAP; OPR

Status of Bill: (check one): ☐ Upon Introduction ☐ As passed by 1<sup>st</sup> body ☒ As passed by both

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**Recommended Position:**

☒ Support ☐ Oppose ☐ Remain Neutral ☐ Support with modifications identified in #8 below

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**Analysis of Bill**

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**1. Summary of bill and issue it addresses.** *Describe what the bill is intended to accomplish and why.*

This bill requires that the Department of Vermont Health Access (DVHA) grant authorization to licensed alcohol and drug abuse counselors (LADCs) acting within their scope of practice to participate in Medicaid as a provider delivering clinical and case coordination services to Medicaid beneficiaries consistent with federal law. This is regardless of whether the LADC is a preferred provider; LADCs who are in private practice would be allowed to participate in Medicaid. This change would be effective October 1, 2015. DVHA is required to seek an amendment to the Medicaid State Plan to add LADCs as a Medicaid reimbursable provider.

This bill also requires the Alcohol and Drug Abuse Programs (ADAP) and the Secretary of State's Office of Professional Regulation (OPR) to develop a plan to move the LADCs from the purview of ADAP to that of OPR by January 15, 2016.

**2. Is there a need for this bill?** *Please explain why or why not.*

Yes. There is a shortage of clinicians available to treat Medicaid beneficiaries with substance use disorders. This bill allows more qualified providers to treat Medicaid beneficiaries and bill for substance abuse clinical services. Currently, Medicaid recipients have access to mental health care provided by private practitioners, such as Licensed Independent Clinical Social Workers (LICSWs) and Licensed Clinical Mental Health Counselors (LCMHCs). This bill requires that Medicaid beneficiaries have access to substance abuse treatment services from any private practitioner, including LADCs.

Legislative action was not required to open the Medicaid network to LADCs; however, as DVHA opens the network there may be new expenditures which would require additional state funds to reimburse for the services provided by LADCs.

**3. What are likely to be the fiscal and programmatic implications of this bill for this Department?**

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## **Fiscal impact to DVHA**

### **SFY 2016**

- Effective date of 10/1/15 (Months impacted: 9)
- Gross: 119,662
  - State share: \$54,287
  - Federal share: \$65,375
- An appropriation was not granted for SFY16. DVHA has reduced one of its administrative contracts and will be prioritizing the funds to cover the expected increase in utilization.

### **SFY 2017**

- Months impacted: 12
- Gross: \$159,549
  - State share: \$71,753
  - Federal share: \$87,796
- **DVHA will not be able to absorb any additional costs related to this bill beyond SFY16. Any increase in utilization in SFY17 will need to be funded through legislative appropriation.**

DVHA assumes that most Medicaid beneficiaries served by LADCs will represent a cost shift from licensed mental health professionals. Also, DVHA assumes that there will be only a slight increase in the number of LADCs practicing independently. Beyond the SFY2016 budget, new state and federal funds will be needed to cover the additional expenditures of new patients seen by the LADCs, without dual licenses, in private practice entering the system.

The estimate of new funds is based on data from DVHA's Performance Improvement Project (PIP) aimed at improving the initiation and engagement rates in drug and alcohol treatment. The PIP runs from July 2014 to July 2015. Data from the first 7 months of the PIP indicates beneficiaries initiated treatment 54 times and services were provided by 11 of the 25 therapists enrolled in the project. Of the 11 therapists, only 1 was a LADC without any other license. Based on utilization in the PIP, the following data and assumptions were used to estimate **new funds** needed to open the network to all LADCs:

- The PIP is implemented in three counties (Rutland, Addison, and Bennington) representing a total of 41,347 Medicaid beneficiaries in these counties or an estimated 23.19% (41,357/178,289) of total adult Medicaid beneficiaries statewide.
- In the seven months of the PIP, the total claims paid were \$21,583.04.
- Assuming that \$21,583.04 was total paid claims for 23.19% of the total adult Medicaid population, then \$93,070.39 would be the total paid claims for 100% of the total Medicaid population in seven months.
- Over 12 months, the total paid claims for all Medicaid adults in Vermont would be \$159,549.
- It is important to note that this fiscal estimate assumes payment only for the billable service codes; it does not include the incentive payment included in the PIP.

## **Programmatic impact to DVHA**

The fiscal impact assumes federal financial participation. DVHA will need approval from the Centers for Medicare and Medicaid Services (CMS) of an amendment to the Vermont's Medicaid State Plan in order to

add LADCs as authorized Medicaid providers. CMS approval of this amendment would secure federal funds to pay for the federal share of this new practitioner category.

There are implementation considerations for DVHA, including enrolling new providers, submitting a State Plan Amendment, and defining billing requirements.

**4. What might be the fiscal and programmatic implications of this bill for other departments in state government, and what is likely to be their perspective on it?**

The Vermont Department of Health (VDH), Alcohol and Drug Abuse Program (ADAP) was in favor of this bill because it expands the provider network, improving access to alcohol and drug abuse services for Medicaid beneficiaries. ADAP and OPR will experience a need for increased staff time and administrative costs as they develop the transition of licensing responsibilities from ADAP to OPR.

**5. What might be the fiscal and programmatic implications of this bill for others, and what is likely to be their perspective on it? (for example, public, municipalities, organizations, business, regulated entities, etc)**

Concept is overall favorable.

**6. Other Stakeholders:**

**6.1 Who else is likely to support the proposal and why?**

LADCs who are not dually licensed as mental health practitioners and/or are practicing independently support this bill as it provides them with the ability to bill Medicaid.

**6.2 Who else is likely to oppose the proposal and why?**

None known at this time.

**7. Rationale for recommendation:** *Justify recommendation stated above.*

DVHA supports this bill because it expands the provider network, improving access to alcohol and drug abuse services for Medicaid beneficiaries.

**8. Specific modifications that would be needed to recommend support of this bill:** *Not meant to rewrite bill, but rather, an opportunity to identify simple modifications that would change recommended position.*

N/A.

**9. Gubernatorial appointments to board or commission?**

No.

**Secretary/Commissioner has reviewed this document:**  **Date:** 5/27/15

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