

# Legislative Analysis



## MEDICAID REIMBURSEMENT FOR ALCOHOL USE DISORDER TREATMENT

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<http://www.house.mi.gov/hfa>

**House Bill 5408 (H-1) as reported from committee**  
**Sponsor: Rep. Abdullah Hammoud**  
**1st Committee: Health Policy**  
**2nd Committee: Ways and Means**  
**Complete to 12-5-20**

Analysis available at  
<http://www.legislature.mi.gov>

### SUMMARY:

House Bill 5408 would amend the Social Welfare Act to require the Department of Health and Human Services (DHHS) to establish a fee-for-service payment for services related to a primary diagnosis of alcohol use disorder as specified in the most recent Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association. Services treating the disorder could be provided by a health care provider with prescription authority under the Public Health Code or a *nonphysician practitioner*.

*Nonphysician practitioner* would mean an individual licensed or certified in Michigan to provide nonphysician behavioral health services, including behavioral health services identified in DHHS's behavioral health fee schedule.

When a Medicaid beneficiary had a primary diagnosis of alcohol use disorder, those providers would qualify for fee-for-service reimbursement for services, including evaluation and management services and consultation services.

MCL 400.109f

### FISCAL IMPACT:

The fiscal impact of this bill on the state and local units of government, at this time, is indeterminate. The state Medicaid program does presently include a fee schedule for a number of alcohol use disorder services either through the medical services portion of the state Medicaid program or through the specialty prepaid inpatient health plans (PIHPs), which are local units of government. Any changes on total costs or savings would be partially reimbursed with federal funds. The Federal Medical Assistance Percentage (FMAP) for FY 2020-21 is 64.08%, which then requires the state to identify the remaining 35.92% of and total costs or savings.

### BRIEF DISCUSSION:

Proponents advanced the bill as not only a way to help those struggling with substance use disorders, but also as a fiscally responsible decision. According to a study cited by one supporter (and also cited in a recent surgeon general's report), each dollar spent on

substance use disorder treatment saves \$4 in health care costs and \$7 in criminal justice costs.<sup>1</sup>

## **POSITIONS:**

A representative of the Michigan Society of Addiction Medicine testified in support of the bill. (9-24-20)

The following entities indicated support for the bill:

Michigan Association of Treatment Court Professionals (9-24-20)

Unite to Face Addiction Michigan (9-24-20)

Michigan Academy of Family Physicians (9-24-20)

Michigan Academy of Physician Assistants (10-13-20)

Michigan Council of Nurse Practitioners (10-13-20)

Michigan State Medical Society (12-1-20)

Michigan Catholic Conference (12-1-20)

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.

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<sup>1</sup> <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1681530/>  
<https://addiction.surgeongeneral.gov/sites/default/files/surgeon-generals-report.pdf>