



# PINNACLE TREATMENT CENTERS

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October 6, 2016

**VIA ELECTRONIC MAIL**

The Honorable Sylvia Burwell  
Secretary, Department for Health and Human Services  
200 Independence Ave, NW  
Washington, D.C. 20201

RE: Kentucky HEALTH

Dear Secretary Burwell:

Thank you for the opportunity to provide comments on Kentucky HEALTH, Kentucky's 1115 demonstration waiver proposal. We support the Governor's desire to ensure the long term sustainability of the Medicaid expansion waiver.

Pinnacle/Recovery Works provides substance use disorder ("SUD") treatment services in eight states and has been providing care in Kentucky for the past five years. It continues to increase its geographic footprint as well as the services it provides. Recovery Works provides services ranging from medical detox to intensive outpatient care, including sober houses and relationships with entities that provide work training opportunities. It also operates a free-standing chemical dependency treatment facility in Georgetown, Kentucky. Recovery Works treatment centers are in Georgetown, Elizabethtown, Mayfield, and South Shore, Kentucky. Recovery Works provides medication assisted treatment including methadone, suboxone, drug and alcohol rehabilitation and other services in the continuum of substance abuse care and treatment based from those centers.

We appreciate that Kentucky, in its waiver, has maintained the full array of services available for SUD treatment. Prior to the implementation of the ACA Medicaid expansion in January 2014, the average age of those seeking treatment at Recovery Works was 35 to 50 and payment was approximately 85% commercial insurance. Following the advent of the Medicaid expansion, the rate of Medicaid coverage increased to 80% and the average age of individuals seeking treatment moved to the mid-20s. Many of those now receiving Medicaid through the expansion were previously covered by commercial insurance through their employer or a parent's health insurance plan.

Because individuals in SUD treatment programs generally have difficulty coping with life's challenges, they often fail to keep up with obligations such as paying bills. It is likely that many, if not most, of the individuals in active treatment for SUD will fail to make their premium payments and therefore be disenrolled from the Medicaid program. As the waiver currently provides, these individuals would be locked out for a period of time and subject to additional

requirements for re-enrollment. Disengaging an individual from active treatment is harmful and jeopardizes future treatment. We suggest that a Medicaid eligible individual seeking treatment, or in active treatment, be enrolled in Medicaid throughout the duration of the active treatment process. The individual can enroll or re-enroll in Medicaid during, or at the end of, active treatment. To impose rigid adherence standards on this generally non-compliant population is a significant barrier to care.

If the premium requirements for a person seeking treatment or in active treatment aren't waived, another issue arises regarding the payment to the provider for services rendered when a beneficiary is in a suspension period either due to disenrollment or eligibility issues. Kentucky's current eligibility and enrollment system does not provide real time information and, because there is no retroactive eligibility, a provider may be providing services without understanding that it will not, and cannot, be paid. When an individual presents himself/herself for SUD treatment, waiting for an eligibility determination can delay, or even end an individual's effort to obtain services. We suggest presumptive eligibility for individuals seeking SUD treatment. The provider should then be able to depend on reconciliation of the payment mechanism to ensure payment for services rendered. We also suggest that a deemed status as medically frail be provided to a Medicaid eligible individual or enrollee who presents for treatment for as long as the person is in active treatment, similar to the deemed status of those in hospice or with HIV/AIDS. In the alternative, there must be a simple, quick and objective process to determine when a person is medically frail.

Under this waiver, copayments can no longer be waived. In Kentucky, copayments are often waived because they are difficult to collect and the medically necessary services must be provided. While the copays are nominal, they are often difficult to collect, and of course, the cost of collection, or attempts to collect, cost more than the copayment itself. The issues and consequences that arise for not collecting, or the inability to collect, the copayments must be addressed.

Another part of the waiver addresses the IMD exclusion and seeks to pilot a program in the Kentucky SOAR 54 county region. We support seeking a waiver for the IMD exclusion and suggest that the pilot project be considered in a broader sense. It appears that the pilot program anticipates using beds in existing psychiatric or acute care hospitals and not in a community based environment that includes chemical dependency or detox beds in an AODE. Certainly, the community based services are less expensive and are limited to SUD. It is also possible that individuals may need more than a 30-day active stay to address certain issues and therefore, the 30 day limitation should be subject to a medical necessity override. Pinnacle/Recovery Works is happy to assist the Cabinet in the development of the pilot program. It is currently the only provider in Kentucky providing a full range of treatment services for this population.

Recovery Works urges the Cabinet to continue with its managed care reforms. The MCOs should continue to be encouraged to improve quality and align incentives across their delivery systems and engage in innovative processes to ensure comprehensive and thorough treatment for SUD.

The Honorable Sylvia Burwell

October 6, 2016

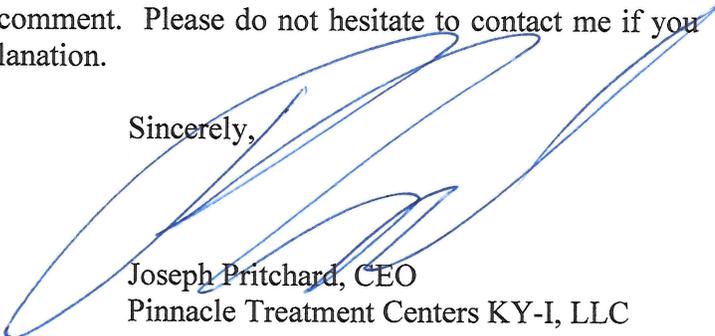
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There appears to be some confusion among a couple of the MCOs and the Department for Medicaid Services as to where partial hospitalization treatment can be provided and how it can be reimbursed. If the Department for Medicaid Services deems it necessary, please consider adding to the waiver request that partial hospitalization services can be provided in SUD treatment centers other than inpatient hospitals and community mental health centers. Recovery Works provides this level of care. Partial hospitalization is considered a necessary part of the continuum of substance abuse recovery care. Commercial payers reimburse for this treatment so there should be no barrier for Medicaid.

Thank you for the opportunity to comment. Please do not hesitate to contact me if you need additional information or further explanation.

Sincerely,



Joseph Pritchard, CEO  
Pinnacle Treatment Centers KY-I, LLC