

NYS Chemical Dependence Services and Detoxification Reform

**Presentation to the Commission on
Health Care Facilities in the 21st
Century**

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Chemical Dependence Treatment Services

Categories of Care

- Detoxification Services
- Inpatient Services
- Residential Services
- Outpatient Services
- Methadone

Chemical Dependence Treatment Services

Categories of Care

■ Inpatient Services

- For patients unable to receive treatment on an outpatient basis
- Requires chemical use disorder diagnosis
- Intensive management of chemical dependence symptoms and medical management/monitoring of physical or mental complications
- Services provided in both hospital and free-standing settings
- Lengths of stay are primarily in the 20 to 40 day range
- Almost 40% of Medicaid days of service are provided in Hospital Settings
- Example – St. Luke's-Roosevelt Hospital Center

Chemical Dependence Treatment Services

Categories of Care

■ Residential Services

- For patients needing 24 hour treatment support
- For patients not in need of acute hospital or psychiatric care or chemical dependence inpatient services
- Requires chemical use disorder diagnosis
- Three levels of care listed from highest to lowest service intensity
 - intensive residential treatment (Therapeutic Community)
 - community residential services (Halfway House)
 - supportive living services (Transitional Housing)
- Services provided in free-standing, non-hospital settings – not Medicaid eligible
- Length of stay - 4 months in a community residential service, up to 2 years in the other residential levels of care

Chemical Dependence Treatment Services

Categories of Care

■ Outpatient Services

- For patients able to abstain outside of a 24 hour structured setting
- Requires chemical use disorder diagnosis
- 2 levels of care – Clinic and Outpatient Rehab (day service)
- Free-standing or hospital-based
- Length of treatment generally up to a year – frequency of service decreases over time
- 1/3 of outpatient Medicaid is billed in hospitals
- Example - Glens Falls Hospital

Chemical Dependence Treatment Services

Categories of Care

■ Methadone Services

- Medical service designed to manage heroin addiction
- Methadone administered in conjunction with other rehabilitative assistance including medical care, counseling, and support
- Controls physical problems of heroin dependence
- Delivered primarily on an ambulatory basis
- Provided in free-standing and hospital settings
- Hospitals represent over 40% of Medicaid billed
- Example – Beth Israel Medical Center

Chemical Dependence Treatment Services

Categories of Care

■ Detoxification (Crisis) Services

- For patients in physical withdrawal - or at risk of withdrawal - from alcohol or other drugs
- These services are often provided early in a person's course of recovery and are relatively short in duration, typically in the three to five day range

NYS Detox (Crisis) Services

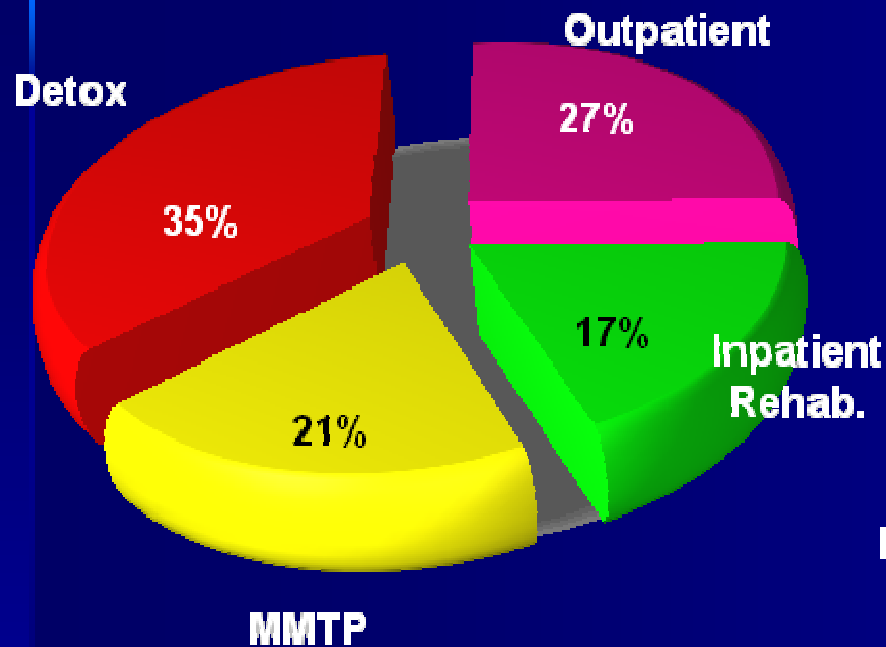
- A. **Medically Managed Detox:** Services offered in acute inpatient hospital settings to patients requiring the most intensive level of service. For patients with medical or psychiatric complications.
- B. **Medically Supervised Withdrawal – Inpatient:** Services offered in an inpatient or residential setting to those requiring 24 hour supervision/support.
- C. **Medically Supervised Withdrawal Outpatient:** General detoxification offered in an outpatient setting to those with stable social support.
- D. **Medically Monitored Withdrawal Residential:** Detox for patients in mild withdrawal or situational crisis. No Medicaid reimbursement.

NYS Detox Facts:

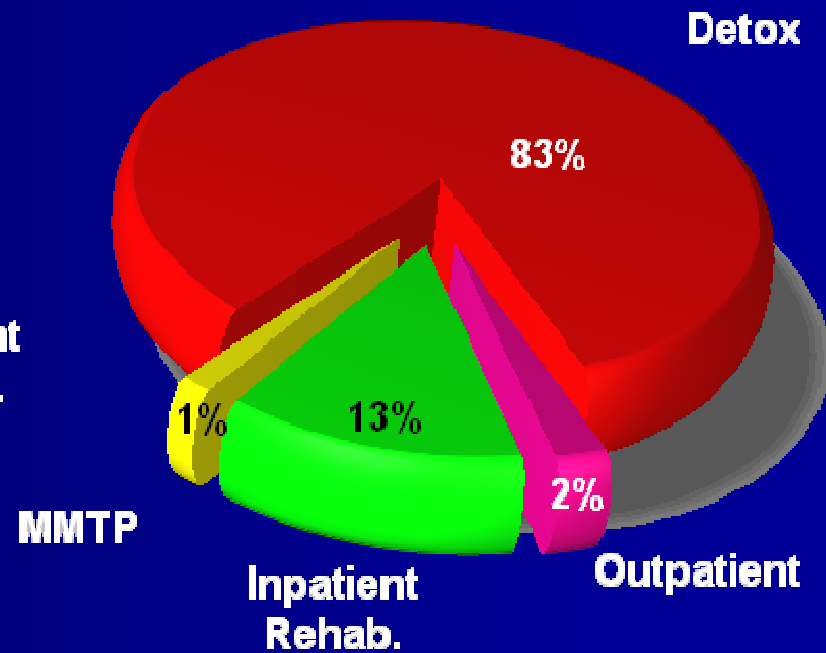
- 85% of Detox in NYS is done in Hospitals
 - Note: Other states use hospital-based detox primarily for medically or psychiatrically complicated cases.
- 60% of detox cases in NYS Hospitals are billed to Medicaid as uncomplicated cases
- 80% of all hospital cases are not linked to follow-up treatment
- 44% of all hospital detox Medicaid cases end up going back to detox as the next level of care

Detoxification Cost and Visit Data

OASAS Medicaid Recipients SFY 04-05



All Recipients (148,317)



Highest Cost 1500
Recipients (Top 1%)

OASAS Chemical Dependence Crisis Services

Medicaid Programs (SFY 04/05 Data):

Service Type	Total Medicaid Billings	Medicaid Days / Visits	Average Rate Per Day / Visit
Medically Managed Withdrawal (DRG Detox)	\$319,883,637	245,686	\$1,302
Medically Supervised Withdrawal - Inpatient	\$21,663,379	58,789	\$368
Medically Supervised Withdrawal - Outpatient	\$446,847	3,802	\$118

Non-Medicaid Programs (CY 2005 Data):

Service Type	Total Reimbursement	Days of Service	Average Rate Per Day
Medically Monitored Withdrawal	\$19,267,171	135,308	\$142

Hospitals Providing Detoxification Services in New York State

By DOH Region - Showing Capacity and Medicaid Utilization

(SFY 04/05 Data)

DOH Region	Number of Hospitals		Capacity		Total Capacity	Medicaid Patients (see note 2)	Medicaid Days of Service	Medicaid Utilization (see note 3)
	With Certified Beds	With Scatter Beds	Certified Beds	Scatter Beds (see note 1)				
New York City	22	32	619	116	735	33,912	190,205	71%
Hudson Valley	7	18	153	22	175	5,555	29,626	46%
Nassau-Suffolk	4	19	41	15	56	2,367	11,172	55%
Western	1	19	17	9	26	1,106	5,350	56%
Northeast	2	17	28	4	32	851	3,503	30%
Central	2	18	20	3	23	753	4,326	50%
Finger Lakes	1	15	10	4	14	377	1,371	28%
NY-Penn	1	2	8	0	8	94	553	19%
State-Wide	40	140	896	173	1,069	45,015	246,106	63%

Note 1: Based on Medicaid billings (for hospitals without certified capacity) and a 90% utilization factor.

Note 2: Totals are "duplicated". Patients are counted once for each hospital they are treated by.

Note 3: This figure does not include patients with insurance, private pays, or charity cases.

New York City Hospitals Providing Detoxification Services By County - Showing Capacity and Medicaid Utilization (SFY 04/05 Data)

DOH Region	Number of Hospitals		Capacity		Total Capacity	Medicaid Patients (see note 2)	Medicaid Days of Service	Medicaid Utilization (see note 3)
	With Certified Beds	With Scatter Beds	Certified Beds	Scatter Beds (see note 1)				
Bronx	3	5	104	12	116	5,954	31,118	74%
Kings	6	10	125	29	154	7,160	41,492	74%
New York	7	8	211	40	251	11,339	65,904	72%
Queens	4	8	76	35	111	5,105	28,875	71%
Richmond	2	1	103	1	104	4,354	22,816	60%
TOTAL	22	32	619	116	735	33,912	190,205	71%

Note 1: Based on Medicaid billings (for hospitals without certified capacity) and a 90% utilization factor.

Note 2: Totals are "duplicated". Patients are counted once for each hospital they are treated by.

Note 3: This figure does not include patients with insurance, private pays, or charity cases.

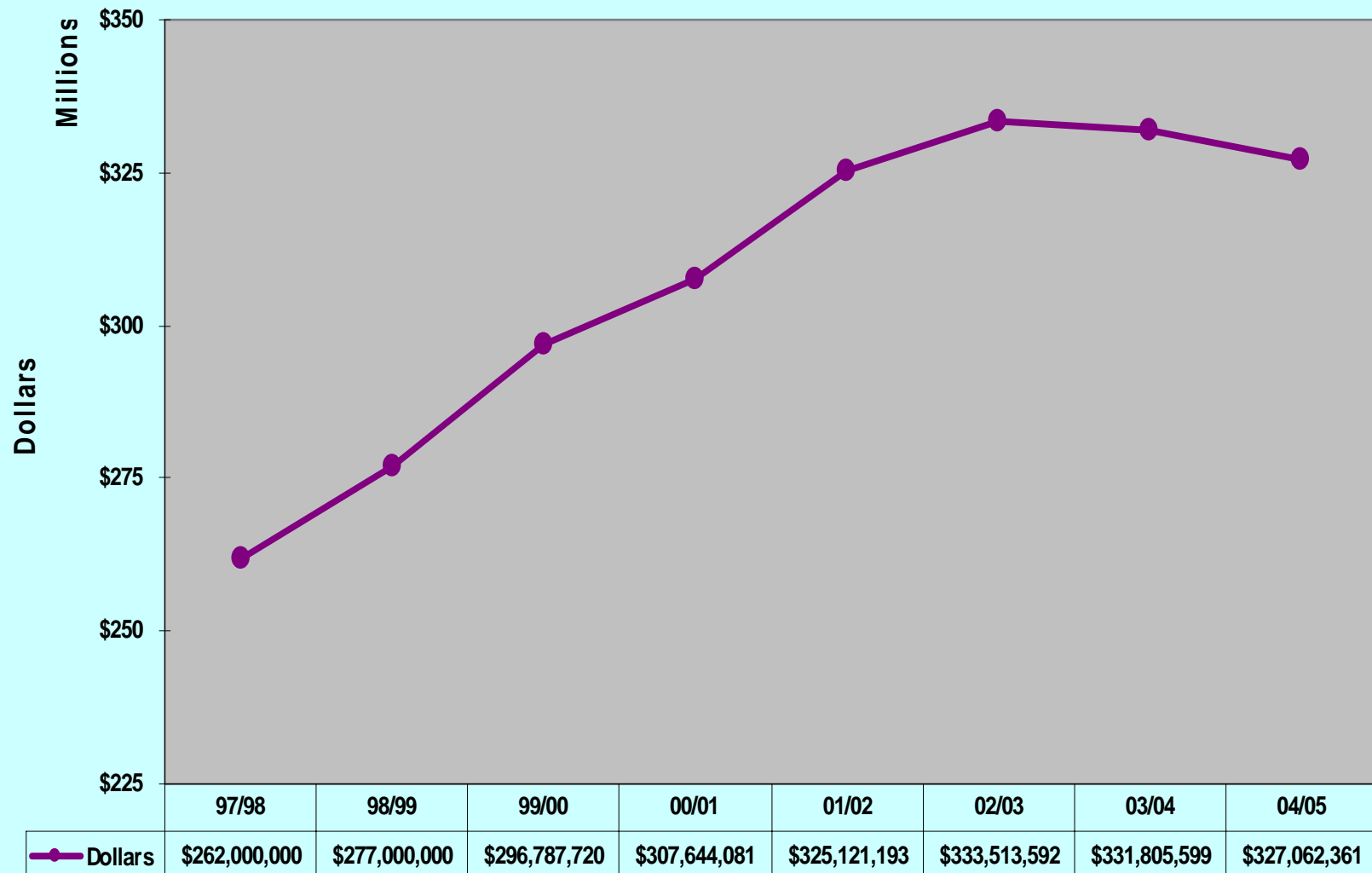
RECIPIENTS OF HOSPITAL MA DETOX SERVICES - CALENDAR YEAR 2004

(A)	(B)	(C)	(D)	(E)
DRG Detox Recipient Cohort	Detox Dollars	Cohort as Percent of all DRG Detox Recipients	Dollars as Percent of all DRG Detox Billings	Average DRG Detox Dollars Per Recipient
Top 100	\$ 12,805,019	0.3%	4.2%	\$ 128,050
Top 500	\$ 40,859,739	1.7%	13.4%	\$ 81,719
Top 1,500	\$ 81,721,947	5.2%	26.9%	\$ 54,481
Top 3,000	\$ 121,026,849	10.4%	39.8%	\$ 40,342
Top 5,000	\$ 157,418,192	17.4%	51.8%	\$ 31,484
All 28,729 Hospital Detox Recipients	\$ 303,879,423	100.0%	100.0%	\$ 10,577
All 33,220 Detox Recipients	\$ 325,041,041			\$ 9,784

Hospital-based DRG detox comprises 86.5% of the recipients and 93.5% of the dollars in the detox system.

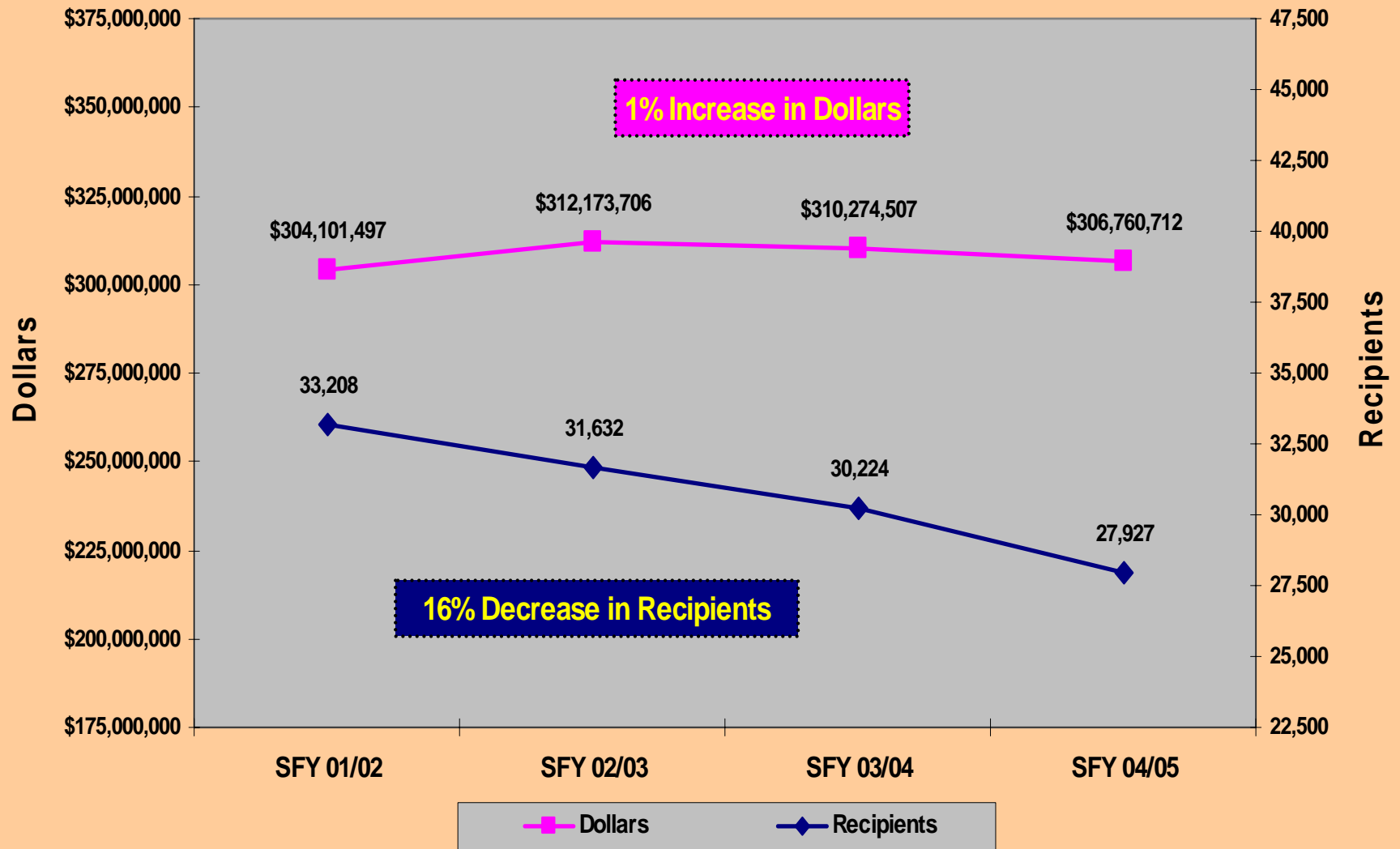
NYS Medicaid Expenditures for Detox

Detox Medicaid Dollars for SFY 97/98 to SFY 04/05
(Hospital and Community-Based Combined)



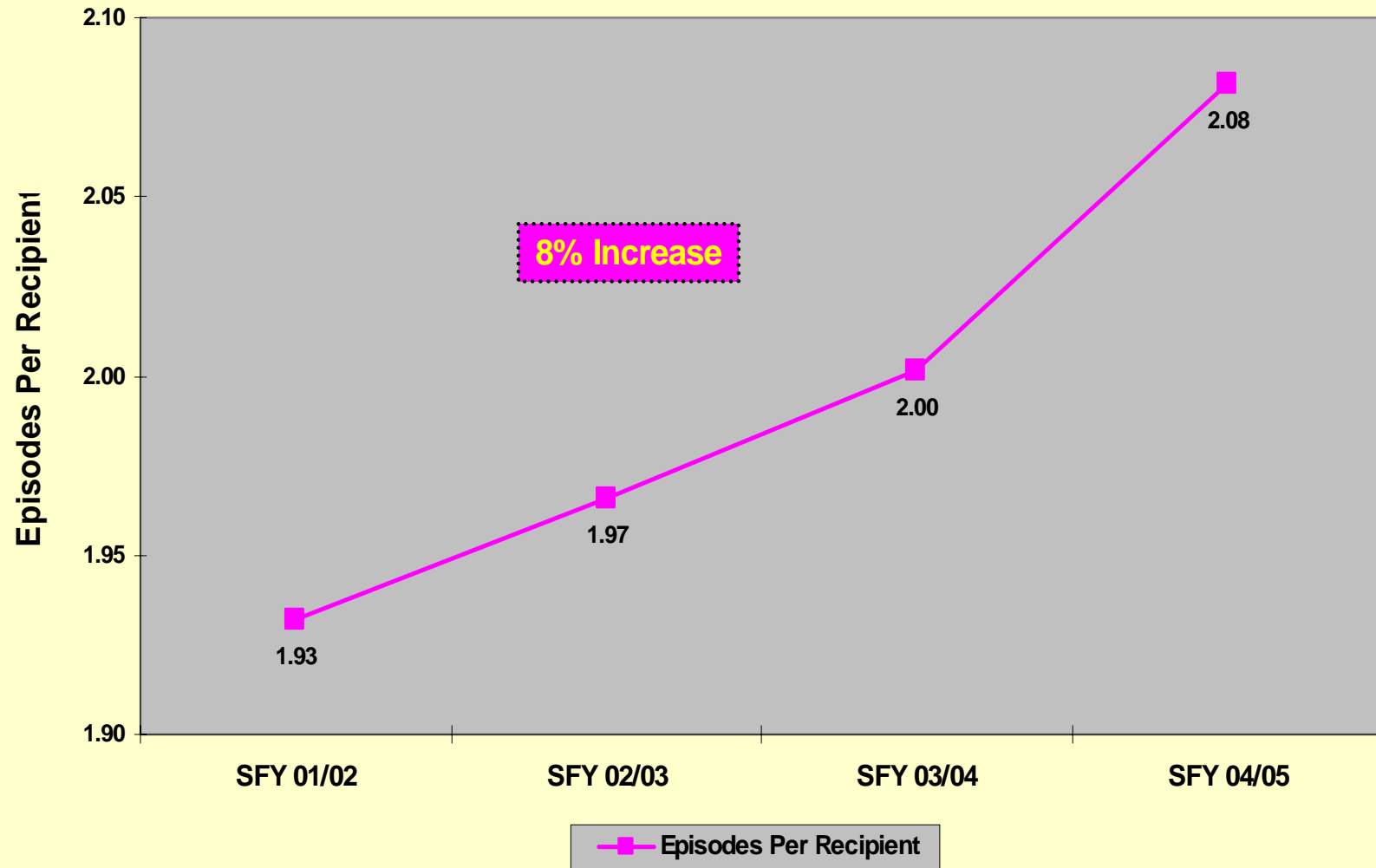
Hospital Detox MA Patterns

Hospital DRG Detox - Medicaid Dollars and Recipients



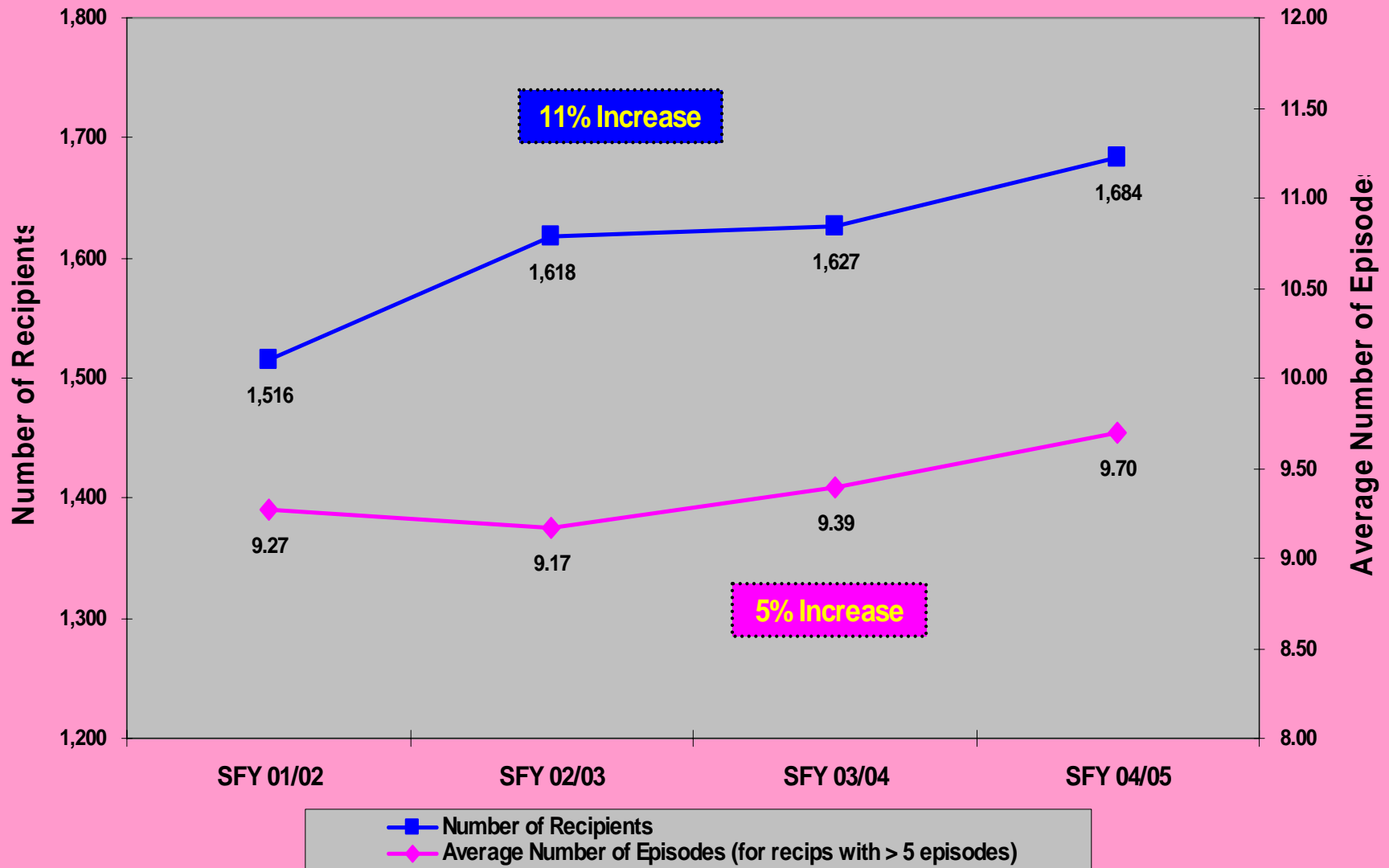
Hospital Detox MA Patterns

Hospital DRG Detox MA Billings - Episodes Per Recipient



Hospital Detox MA Patterns

Medicaid Recipients With More Than 5 Episodes Of Hospital Detox



Top 25 Detox Recipients – (SFY 03-04)

Rank	RRP	MH	HIV	Detox Days	Detox	All CD Services	All Medicaid	All CD as % of All Medicaid	Detox as % of Total AOD
1	x	x		204	\$ 240,743	\$ 241,774	\$ 248,068	97%	100%
2	x	x	x	143	\$ 231,160	\$ 231,160	\$ 239,705	96%	100%
3	x	x		101	\$ 195,820	\$ 195,820	\$ 211,698	92%	100%
4	x	x	x	161	\$ 195,772	\$ 197,689	\$ 232,638	85%	99%
5	x	x		149	\$ 191,213	\$ 240,871	\$ 276,927	87%	79%
6	x	x	x	132	\$ 171,242	\$ 171,534	\$ 175,089	98%	100%
7	x	x		135	\$ 170,047	\$ 171,187	\$ 220,481	78%	99%
8		x		119	\$ 166,884	\$ 174,884	\$ 181,270	96%	95%
9	x	x		117	\$ 166,016	\$ 166,577	\$ 173,421	96%	100%
10	x	x	x	104	\$ 165,409	\$ 167,643	\$ 356,453	47%	99%
11	x	x		95	\$ 162,922	\$ 163,969	\$ 170,994	96%	99%
12	x	x	x	123	\$ 160,282	\$ 184,653	\$ 200,114	92%	87%
13		x	x	147	\$ 159,454	\$ 159,454	\$ 184,229	87%	100%
14	x	x		162	\$ 155,939	\$ 184,301	\$ 200,408	92%	85%
15	x	x		142	\$ 152,782	\$ 161,473	\$ 169,524	95%	95%
16	x	x		124	\$ 148,189	\$ 148,623	\$ 160,739	92%	100%
17		x		101	\$ 146,218	\$ 154,381	\$ 260,452	59%	95%
18		x		110	\$ 145,098	\$ 145,098	\$ 149,603	97%	100%
19	x	x		134	\$ 144,987	\$ 201,135	\$ 232,694	86%	72%
20	x	x		102	\$ 144,239	\$ 144,339	\$ 146,449	99%	100%
21	x	x	x	117	\$ 143,348	\$ 143,600	\$ 174,558	82%	100%
22	x	x	x	98	\$ 142,067	\$ 142,889	\$ 148,703	96%	99%
23	x	x		93	\$ 140,895	\$ 140,895	\$ 142,332	99%	100%
24		x		92	\$ 138,981	\$ 146,728	\$ 147,399	100%	95%
25	x	x		179	\$ 138,655	\$ 139,691	\$ 149,774	93%	99%
Top 25	20	25	8	3,184	\$ 4,118,361	\$ 4,320,368	\$ 4,953,723	87%	95%
Top 500	288	481	114	32,675	\$ 40,332,670	\$ 44,234,555	\$ 55,978,130	79%	91%

Top 25 Detox Recipients – (SFY 04-05)


Rank	RRP	MH	HIV	Detox Days	Detox	All CD Services	All Medicaid	All CD as % of All Medicaid	Detox as % of Total AOD
1	x	x		279	\$ 295,569	\$ 311,921	\$ 324,485	96%	95%
2	x	x	x	223	\$ 292,737	\$ 303,096	\$ 311,421	97%	97%
3	x	x		162	\$ 245,571	\$ 247,772	\$ 328,054	76%	99%
4	x	x		191	\$ 225,735	\$ 258,782	\$ 261,769	99%	87%
5	x	x		143	\$ 214,584	\$ 215,476	\$ 214,919	100%	100%
6	x	x	x	192	\$ 213,318	\$ 215,768	\$ 228,064	95%	99%
7	x	x	x	181	\$ 210,056	\$ 236,395	\$ 253,638	93%	89%
8	x	x		178	\$ 207,650	\$ 209,019	\$ 216,401	97%	99%
9	x	x		100	\$ 207,008	\$ 207,008	\$ 315,098	66%	100%
10	x	x		169	\$ 206,628	\$ 207,384	\$ 224,576	92%	100%
11		x		111	\$ 195,636	\$ 198,615	\$ 201,653	98%	99%
12	x	x		91	\$ 195,155	\$ 195,155	\$ 241,125	81%	100%
13	x	x		162	\$ 189,094	\$ 205,052	\$ 205,937	100%	92%
14	x	x		154	\$ 188,002	\$ 188,002	\$ 192,009	98%	100%
15	x	x	x	132	\$ 186,004	\$ 186,004	\$ 240,962	77%	100%
16	x	x	x	161	\$ 176,787	\$ 199,931	\$ 208,266	96%	88%
17	x	x	x	134	\$ 173,006	\$ 173,296	\$ 175,909	99%	100%
18	x	x		137	\$ 170,144	\$ 173,452	\$ 175,765	99%	98%
19	x	x		135	\$ 168,689	\$ 168,689	\$ 180,429	93%	100%
20	x	x		124	\$ 166,708	\$ 173,005	\$ 233,974	74%	96%
21	x	x		178	\$ 165,825	\$ 169,210	\$ 192,269	88%	98%
22	x	x	x	121	\$ 165,340	\$ 177,893	\$ 256,300	69%	93%
23	x	x		141	\$ 164,973	\$ 170,057	\$ 176,271	96%	97%
24	x	x		138	\$ 162,774	\$ 164,097	\$ 185,376	89%	99%
25	x	x		91	\$ 161,781	\$ 177,547	\$ 186,379	95%	91%
Top 25	24	25	7	3,828	\$ 4,948,772	\$ 5,132,627	\$ 5,731,053	90%	96%
Top 500	373	482	121	33,527	\$ 44,826,912	\$ 49,346,352	\$ 63,024,371	78%	91%

#1 Detox Recipient 03-04

204 Detox Days



KEY

 = Hospital

"6" = Admissions

CRISIS DISCHARGES - FOR THE SIX MONTHS JAN. 2004 - JUN. 2004
 (Including both Medicaid and non-Medicaid Patients)

Service	Total Discharges	Linked to Treatment (within 30 days)	Not Linked to Treatment
Medically Managed Detox	62,332	20%	80%
Medically Supervised Withdrawl - Inpatient	9,714	43%	57%
Medically Supervised Withdrawl - Outpatient	619	41%	59%
Medically Monitored Withdrawl	23,482	24%	76%
ALL DETOX SERVICES	96,147	24%	76%

Medicaid Detox Discharges and Follow-up Care

Detox Service	Number of Episodes (see note)	Next Episode of Treatment ¹				Detox or No Additional Service
		Detox	Inpatient Rehab	Outpatient	No Additional Service	
Hospital Detox	20,625	8,980	2,714	2,456	6,475	15,455
		44%	13%	12%	31%	75%
Community Based Detox - Inpatient	3,935	1,316	1,548	441	630	1,946
		33%	39%	11%	16%	49%

¹ MA detox discharges for Jan. 2004 - Jun. 2004, with next MA episode of treatment through June 2004.
Excludes MMTP (methadone) services

Governor's Detox Proposal

- Phase-down DRG payment rate for uncomplicated detoxification over a 3 year period starting at 75% of current payment
- Establish Medically Supervised Withdrawal capacity in hospitals
- Audit Medicaid claims against OASAS admission criteria
- Develop financial incentives for patient placement post discharge (Warm Handoff)

Industry Reaction to Proposal

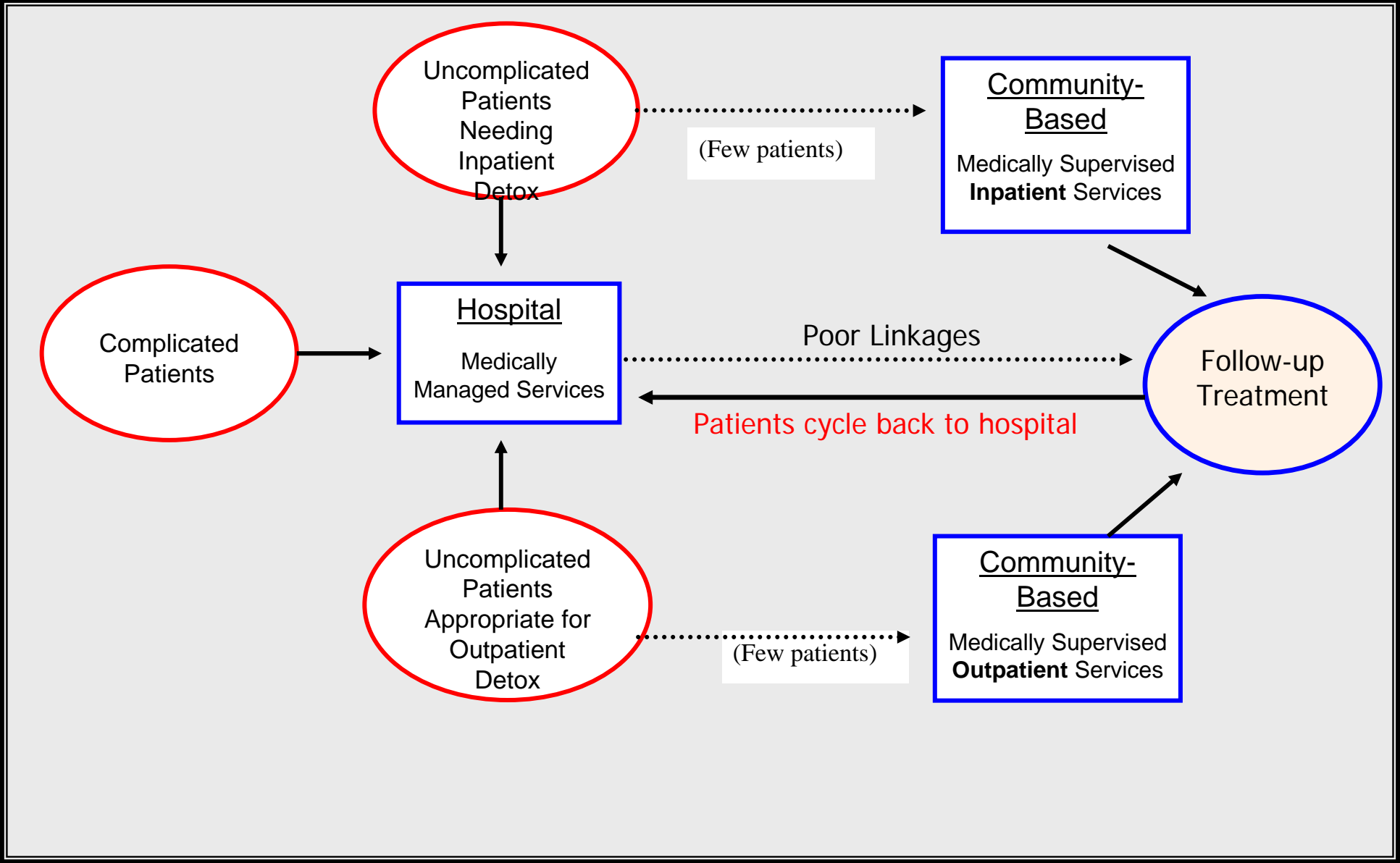
- DRG payment phase-down will hurt hospitals and reduce capacity
- State should implement a new service for extended observation/triage beds for detox
- Audits of claims should be limited
- Approve of financial incentives for patient placement post discharge (Warm Handoff)

Final Proposal

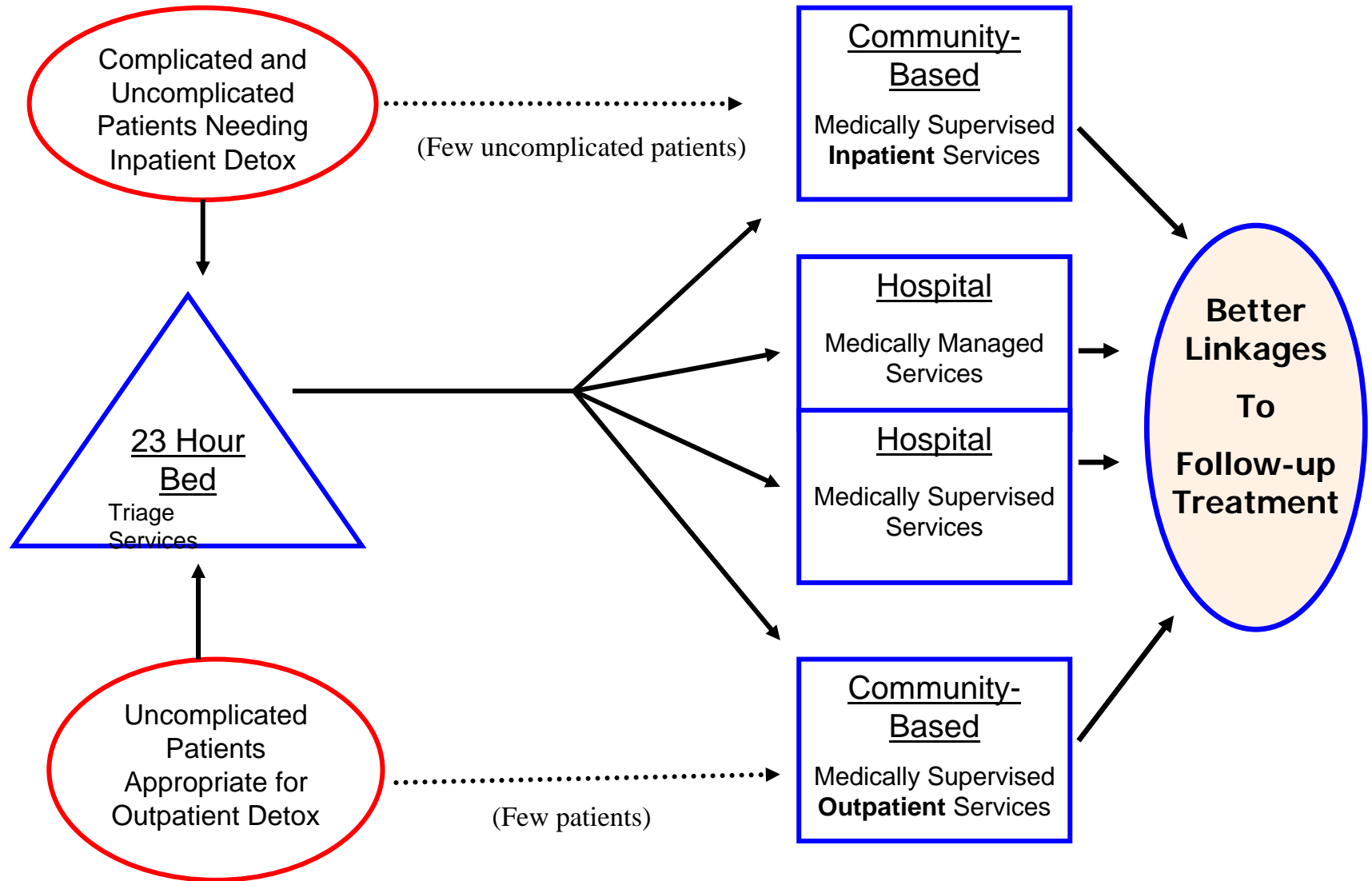
(based on legislation and administrative implementation)

- No Rate Reduction
- OASAS to establish Medically Supervised Withdrawal capacity in Hospitals
- Medicaid claims will be audited against OASAS admission criteria
- OASAS to amend detox regulation to include extended observation beds
- OASAS and DOH to develop Warm Handoff program on a demonstration basis

Existing Detox System

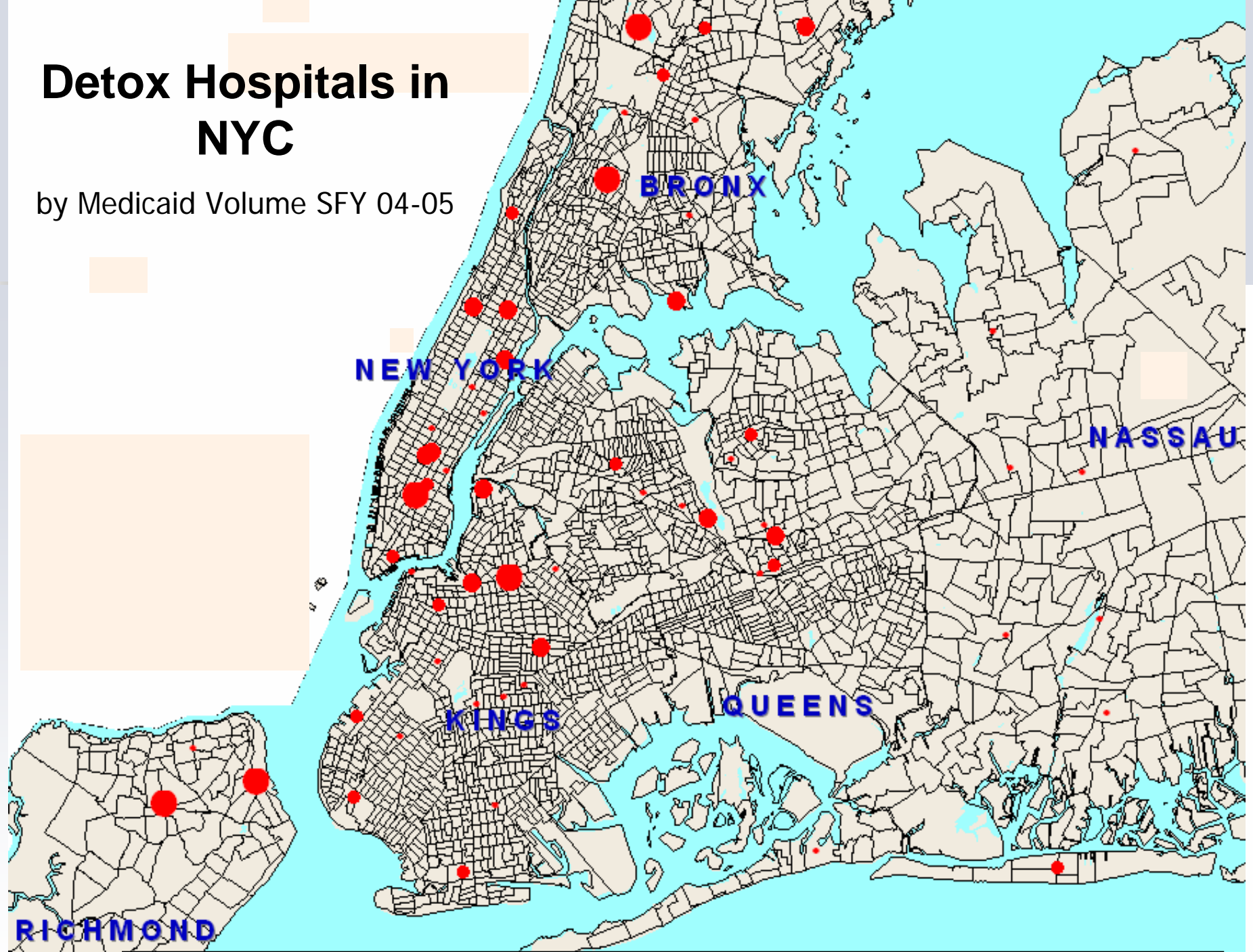


New Detox System



Detox Hospitals in NYC

by Medicaid Volume SFY 04-05



Summary

Overall

- Existing hospital detox system is expensive and has poor outcomes
- Lower levels of care are cheaper, but capacity is underdeveloped

Regarding Hospital Closure

- Regional capacity varies greatly
- OASAS will assist with developing alternative capacity