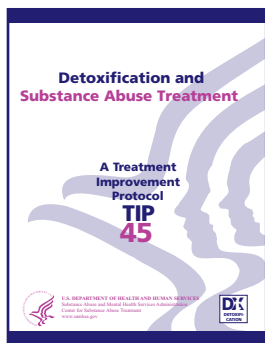


# Quick Guide

## *For Administrators*

### **Based on TIP 45** ***Detoxification and*** ***Substance Abuse Treatment***



U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Substance Abuse and Mental Health Services Administration  
Center for Substance Abuse Treatment  
[www.samhsa.gov](http://www.samhsa.gov)

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# **Quick Guide**

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## ***For Administrators***

### **Based on TIP 45** ***Detoxification and*** ***Substance Abuse Treatment***

This Quick Guide is based entirely on information contained in TIP 45, published in 2006, and based on information updated through January 2006. No additional research has been conducted to update this topic since publication of the TIP.

## **WHY A QUICK GUIDE?**

This Quick Guide was developed to accompany *Detoxification and Substance Abuse Treatment*, Number 45 in the Treatment Improvement Protocol (TIP) series published by the Center for Substance Abuse Treatment (CSAT), Substance Abuse and Mental Health Services Administration (SAMHSA). This Quick Guide is based entirely on TIP 45 and is designed to meet the needs of the busy administrator for concise, easily accessed “how-to” information.

The Guide is divided into nine sections (see *Contents*) to help readers quickly locate relevant material. For more information on the topics in this Quick Guide, readers are referred to TIP 45.

## WHAT IS A TIP?

The TIP series has been in production since 1991. This series provides the substance abuse treatment and related fields with consensus-based, field-reviewed guidelines on substance abuse treatment topics of vital current interest.

### TIP 45, *Detoxification and Substance Abuse Treatment*

- Provides clinicians and administrators with up-to-date information and expands on issues commonly encountered in the delivery of detoxification services.
- Focuses on what the substance abuse treatment clinician and administrators needs to know and provides that information in an accessible manner.

*See the inside back cover for information on how to order TIPs and other related products.*

## INTRODUCTION

Prior to the 1970s, public intoxication was commonly treated as a criminal offense. People arrested for it were held in “drunk tanks” where they often underwent withdrawal without medical intervention. As society moved toward a more humanitarian view of people with substance use disorders, several methods of detoxification have evolved.

The “medical model” of detoxification is characterized by the use of physicians and nursing staff and the administration of medication to assist people through withdrawal safely. The “social model” relies more on a supportive non-hospital environment than on medication to ease the passage through withdrawal.

### Definitions

Detoxification is a set of interventions aimed at managing acute intoxication and withdrawal. It denotes a clearing of toxins from the body of the patient who is acutely intoxicated and/or dependent on substances of abuse. Detoxification seeks to minimize the physical harm caused by the abuse of substances.

Detoxification alone is not sufficient in the treatment and rehabilitation of substance use disorders.

*Evaluation* entails testing for the presence of substances of abuse in the bloodstream, measuring their concentration, and screening for co-occurring mental and physical conditions. Evaluation also includes a comprehensive assessment of the patient's medical, psychological, and social situation.

*Stabilization* includes the medical and psychosocial process of assisting the patient through acute intoxication and withdrawal to the attainment of a medically stable, fully supported, substance-free state.

*Fostering the patient's entry into treatment* involves preparing a patient for entry into treatment by stressing the importance of following through with a complete continuum of care.

### **Guiding Principles/Assumptions**

The panel of experts who created TIP 45 agreed to the following assumptions, which served as a basis for their work:

1. Detoxification alone is not sufficient treatment for substance dependence but it is one part of a continuum of care for substance-related disorders.

2. The detoxification process consists of the following three components:
  - Evaluation
  - Stabilization
  - Fostering patient readiness for and entry into treatment

A detoxification process that does not incorporate all three critical components is considered incomplete and inadequate by the consensus panel.

3. Detoxification can take place in a wide variety of settings and at a number of levels of intensity within these settings. Placement should be appropriate to the patient's needs.
4. Persons seeking detoxification should have access to the components of the detoxification process described above, no matter what the setting or the level of treatment intensity.
5. All persons requiring treatment for substance use disorders should receive treatment of the same quality and appropriate thoroughness and should be put into contact with a substance abuse treatment program after detoxification.
6. Ultimately, insurance coverage for the full range of detoxification services is cost-effective. If reimbursement systems do not provide payment for the complete detoxification process, patients may be released prematurely, leading to medically or socially unattended withdrawal.



7. Patients seeking detoxification services have diverse cultural and ethnic backgrounds as well as unique health needs and life situations. Organizations that provide detoxification services need to ensure that they have standard practices in place to address cultural diversity.
8. A successful detoxification process can be measured, in part, by whether an individual who is substance dependent enters, remains in, and is compliant with the treatment protocol of a substance abuse treatment/rehabilitation program after detoxification.

### **Overarching Principles for Care During Detoxification Services**

- Detoxification services do not offer a “cure” for substance use disorders; they are often a first step toward recovery and a “first door” through which patients pass to treatment.
- Substance use disorders are treatable and there is hope for recovery.
- Substance use disorders are brain disorders and not evidence of moral weakness.
- Patients are treated with respect and dignity at all times.
- Patients are treated in a nonjudgmental and supportive manner.

- Services planning is completed in partnership with the patient and his or her social support network, including family, significant others, or employers.
- All health professionals involved in the care of the patient will maximize opportunities to promote rehabilitation and maintenance activities and to link the patient to appropriate substance abuse treatment immediately after the detoxification phase.
- Active involvement of the family and other support systems, while respecting the patient's right to privacy and confidentiality, are encouraged.
- Patients are treated with due consideration for individual background, culture, preferences, sexual orientation, disability, vulnerabilities, and strengths.

## **CHALLENGES TO PROVIDING EFFECTIVE DETOXIFICATION**

Effective detoxification includes not only the medical stabilization of the patient and the safe and humane withdrawal from substances of abuse, but also entry into treatment. There are several challenges to providing these linkages.

### **The Healthcare Delivery System**

- One of the greatest challenges to providing linkages to treatment services occurs when programs try to develop linkages to treatment services.
- Only about one-fifth of 300,000 people discharged from acute care hospitals for detoxification receive substance abuse treatment during hospitalization.
- A recent study conducted for SAMHSA found a pronounced need for better linkage between detoxification services and treatment services.

### **Reimbursement**

- Third-party payors sometimes prefer to manage payment for detoxification separately from other phases of addiction treatment; this “unbundling” of services has promoted the separation of services into scattered segments.
- Some reimbursement and utilization policies dictate that only “detoxification” can be

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authorized, and “detoxification” for that policy or insurer does not cover the nonmedical counseling that is an integral part of substance abuse treatment. This is true in spite of the fact that such nonmedical counseling is widely perceived as useful for patients.

## PATIENT PLACEMENT

Establishing criteria that take into account all the possible needs of patients receiving detoxification is an extraordinarily complex task. This section discusses the criteria for placing patients in the appropriate settings.

### **Challenges to Effective Placement Matching**

Challenges to effective placement matching for clients arise from a number of factors:

- Deficits in the full range of settings and levels of care.
- Limitations imposed by third-party payors (e.g., strict adherence to standardized admission criteria).
- Clinicians' lack of authority (and sometimes sufficient knowledge) to determine the most appropriate settings and level of care.
- Insurance without a substance use disorder benefit available as part of patient coverage.
- Absence of any health insurance.

### **Patient Placement Criteria**

The *Patient Placement Criteria, Second Edition Revised (PPC-2R)* of the American Society of Addiction Medicine (ASAM) represents an effort to define how care settings may be matched to patient needs and special characteristics. These criteria currently define the most broadly accepted

standards of care for the treatment of substance use disorders. They are intended to provide flexible clinical guidelines.

The PPC-2R identifies six assessment dimensions to be evaluated in making placement decisions:

1. Acute Intoxication and/or Withdrawal Potential
2. Biomedical Conditions and Complications
3. Emotional, Behavioral, or Cognitive Conditions and Complications
4. Readiness to Change
5. Relapse, Continued Use, or Continued Problem Potential
6. Recovery/Living Environment

In addition to these general placement criteria, ASAM has also developed a second set of placement criteria—the five “Adult Detoxification” placement levels within Dimension 1. These levels of care are:

1. *Level I-D: Ambulatory Detoxification Without Extended Onsite Monitoring* (e.g., physician’s office, home health care agency). This is an organized outpatient service monitored at pre-determined levels.
2. *Level II-D: Ambulatory Detoxification With Extended Onsite Monitoring* (e.g., hospital day service). This level of care is monitored by appropriately credentialed and licensed nurses.

3. *Level III.2-D: Clinically Managed Residential Detoxification* (e.g., nonmedical or social detoxification setting). This level emphasizes peer and social support; it is intended for patients whose intoxication and/or withdrawal is sufficient to warrant 24-hour support.
4. *Level III.7-D: Medically Monitored Inpatient Detoxification* (e.g., freestanding detoxification center).
5. *Level IV-D: Medically-Managed Intensive Outpatient Detoxification* (e.g., psychiatric hospital inpatient center). This level provides 24-hour care in an acute care inpatient setting.

As described by ASAM PPC-2R, detoxification seeks the reduction of the physiological and psychological features of withdrawal syndromes, and also the interruption of compulsive use in a person diagnosed with substance dependence. Detoxification should increase the patient's readiness for and commitment to substance abuse treatment, and foster a solid therapeutic alliance between patient and provider.

For further information on patient placement see TIP 13, *The Role and Current Status of Patient Placement Criteria in the Treatment of Substance Use Disorders*.

## **SETTINGS AND STAFFING**

Because this Quick Guide is geared to audiences that may or may not be familiar with the ASAM PPC-2R levels of care, this section discusses services and staffing for settings that are familiar to a broad audience.

### **Physician's Office**

#### *Overview*

- It has been estimated that nearly one half of patients who visit a primary care provider have some type of substance use disorder.
- Because physicians may be the first point of contact for people with substance use disorders, initiation of treatment often begins in the family physician's office.
- As a general rule, outpatient treatment is just as effective as inpatient treatment for patients with mild to moderate withdrawal symptoms.
- Physicians should provide the patient and family with information on the detoxification process and subsequent substance abuse treatment, in addition to providing medical care or referrals if necessary.



*Level of care in the physician's office*

Ambulatory detoxification without extended onsite monitoring

- Is an organized outpatient service.
- May be delivered in an office setting, a health-care or addiction treatment facility, or in a patient's home by trained clinicians.
- Is a setting in which clinicians provide medically supervised evaluation, detoxification, and referral services according to a predetermined schedule.
- Features services delivered under a defined set of policies and procedures or medical protocols.
- Is considered appropriate only when a positive and helpful social network is available to the patient.

Ambulatory detoxification with extended onsite monitoring

- Is an organized outpatient service and is otherwise similar to ASAM's Level I-D.
- Is predicated on the availability of appropriately credentialed and licensed nurses (such as registered nurses or licensed practical nurses) who monitor patients over a period of several hours each day.

### *Staffing required for office-based detoxification*

- Physicians and nurses are essential to office-based detoxification; in States where physicians assistants, nurse practitioners, or advance practice clinical nurse specialists are licensed as physician extenders, they may perform duties ordinarily carried out by a physician.
- It is important for medical and nursing personnel to be available to evaluate and confirm that detoxification in the less supervised setting is safe.
- Clinicians should understand how to interpret the signs and symptoms of alcohol and other drug intoxication and withdrawal.
- Clinicians should be able to facilitate the client's entry into treatment.
- It is essential that medical consultation is available in emergencies.

## **Freestanding Urgent Care Center or Emergency Department**

### *Overview*

- Urgent care facilities differ from emergency rooms (ERs) in many ways but there is considerable overlap between the two; the ER will see medical problems that could be handled by visits to offices, and urgent care facilities will handle some cases of emergency medicine.

- These settings can be expected to provide assessment and acute biomedical care.
- These settings are often unable to provide psychosocial stabilization or complete biomedical stabilization; appropriate triage and successful linkage to ongoing detoxification services is essential.
- A timely and accurate assessment will permit the rapid transfer of the patient to a setting where complete care can be provided.

Three simple rules apply to emergency departments and their handling of intoxicated patients and patients who have begun to experience withdrawal:

1. Never simply administer medications to intoxicated persons and then send them home.
2. Permission to leave the hospital setting should never be given to an intoxicated person.
3. A clear distinction must be made between acute intoxication and withdrawal.

*Level of care in freestanding urgent care centers or emergency departments*

- Freestanding urgent care centers and emergency departments are outpatient settings that are uniquely designed to address the needs of patients in biomedical crisis.

- Care is provided to patients whose withdrawal signs and symptoms are sufficiently severe to require primary medical and nursing care services.
- The services are delivered under a defined set of physician-managed procedures or medical protocols.
- Both settings provide medically directed assessment and acute care that includes the initiation of detoxification for substance use withdrawal.
- For patients with substance use disorders, care in these settings is not complete until successful linkages are made to treatment.

### *Staffing of freestanding urgent care centers or emergency departments*

- Both freestanding urgent care centers and emergency departments are staffed by physicians.
- The same rules apply regarding who may provide care as in office-based detoxification.

## **Freestanding Substance Abuse Treatment or Mental Health Facility**

### *Overview*

- Freestanding substance abuse treatment facilities may or may not be equipped to provide adequate assessment and treatment of co-occurring psychiatric conditions.

- Inpatient mental health facilities generally provide treatment for substance use disorders and co-occurring psychiatric conditions.
- Services vary from one facility to another.
- A clear understanding of the specific services that a given setting provides is indispensable to identifying the least restrictive and most cost-effective treatment option available.

*Levels of care for a freestanding substance abuse treatment or mental health facility*

Inpatient

- Inpatient detoxification provides 24-hour supervision, observation, and support for patients who are intoxicated or experiencing withdrawal.
- The treatment mission in this setting should be limited in scope and clearly focused.
- Primary emphasis should be placed on ensuring that the patient is medically stable; assessing for adequate biopsychosocial stability, quickly intervening to establish this adequately; and facilitating effective linkages to appropriate inpatient and outpatient services.
- This setting provides medically managed intensive inpatient detoxification; physicians are available 24 hours a day by telephone.
- A physician should be available to assess the patient within 24 hours and should be available for further evaluation.

- An RN should be present to administer an initial assessment.
- Appropriately licensed and credentialed staff should be available to administer medications in accordance with physician orders.

### Residential

- Residential settings vary greatly in the level of care they provide.
- Settings with intensive medical supervision involving physicians, nurse practitioners, physician assistants, and nurses can handle all but the most demanding complications of detoxification and withdrawal.
- Residential detoxification in settings with limited medical oversight is often referred to as “social detoxification.”
- Facilities with lower levels of care should have clear procedures in place for implementing and pursuing appropriate medical referral and linkage, especially in cases of emergencies.
- Residential detoxification programs provide 24-hour supervision, observation, and support for patients who are intoxicated or experiencing withdrawal; they are characterized by an emphasis on peer and social support.

### *Staffing for a freestanding substance abuse treatment or mental health facility*

#### Inpatient

- These programs employ licensed, certified, or registered clinicians who provide a planned regimen of 24-hour, professionally directed evaluation care and treatment service for patients and their families.
- An interdisciplinary team of appropriately trained clinicians should be available to assess and treat the patient and to obtain and interpret information regarding the patient's needs.

#### Residential

- These programs are staffed by appropriately credentialed personnel who are trained and competent to implement physician-approved protocols for patient observation and supervision.
- Medical evaluation and consultation should be available 24 hours a day, in accordance with treatment/transfer practice guidelines.
- All clinicians who assess and treat patients should be able to obtain and interpret information regarding the needs of these persons, and should be knowledgeable about the biomedical and psychosocial dimensions of alcohol and other drug dependence.

## **Intensive Outpatient and Partial Hospitalization Programs**

### *Overview*

- An intensive outpatient program or partial hospitalization program is appropriate for patients with mild to moderate withdrawal symptoms.
- Thorough psychosocial assessment and intervention should be available in addition to biomedical assessment and stabilization.
- Many of these programs have close clinical and/or administrative ties to hospital centers.

### *Levels of care for intensive outpatient and partial hospitalization programs*

- This level of detoxification is an organized outpatient service that requires patients to be present for several hours a day.
- It is standard practice to have a multidisciplinary team available to provide or facilitate linkages to a range of medically supervised evaluation, detoxification, and referral services.
- Detoxification services are provided in regularly scheduled sessions and delivered under a defined set of policies and procedures or medical protocols.
- These outpatient services are designed to treat the patient's level of clinical severity, to achieve safe and comfortable withdrawal from mood-altering drugs, and to effectively facilitate the



patient's engagement in ongoing treatment and recovery.

### *Staffing for intensive outpatient and partial hospitalization programs*

- Intensive outpatient programs and partial hospitalization programs should be staffed by physicians who are available daily as active members of an interdisciplinary team.
- An RN or other licensed and credentialed nurse should be available for primary nursing care and observation during the day.
- Successful linkages to treatment for substance use disorders are central to the mission of an intensive outpatient program or partial hospitalization program.

## **Acute Care Inpatient Settings**

### *Overview*

There are several types of acute care inpatient settings. They include:

- Acute care general hospitals
- Acute care addiction treatment units in acute care general hospitals
- Acute care psychiatric hospitals
- Other appropriately licensed chemical dependency specialty hospitals

These settings share the ready availability of acute care medical and nursing staff, life support equipment, and ready access to the full resources of an acute care general hospital or its psychiatric unit.

### *Levels of care for acute care inpatient settings*

- Acute care inpatient detoxification is an organized service that provides medically monitored inpatient detoxification, delivered by medical and nursing professionals.
- Medically supervised evaluation and withdrawal management in a permanent facility with inpatient beds is provided for patients whose withdrawal signs and symptoms are sufficiently severe to require 24-hour inpatient care.

### *Staffing for acute care inpatient settings*

- Acute care inpatient detoxification programs typically are staffed by physicians who are available 24 hours a day.
- Facility-approved addiction counselors or licensed or registered addiction clinicians should be available 8 hours a day to administer planned interventions according to the assessed needs of patients.

## Other Concerns Regarding Levels of Care and Placement

Due to the need to keep costs at a minimum, outpatient detoxification is becoming standard for treatment symptoms of withdrawal from substance dependence. Most alcohol treatment programs have found that more than 90 percent of patients with withdrawal symptoms can be treated as outpatients. However, patients who could have complicated withdrawals may require inpatient detoxification.

### *Issues to Consider in Determining Whether Inpatient or Outpatient Detoxification is Preferred*

<b>Consideration</b>	<b>Indications</b>
Ability to arrive at clinic on a daily basis	Necessary if outpatient detoxification is to be carried out
History of previous delirium tremens or withdrawal seizures	Contraindication to outpatient detoxification: recurrence likely; specific situation may suggest that an attempt at outpatient detoxification is possible
No capacity for informed consent	Protective environment (inpatient) indicated
Suicidal/homicidal/psychotic condition	Protective environment (inpatient) indicated

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Able/willing to follow treatment recommendations	Protective environment (inpatient) indicated if unable to follow recommendations
Co-occurring medical conditions	Unstable medical condition such as diabetes, hypertension, or pregnancy; all relatively strong contraindications to outpatient detoxification
Supportive person to assist	Not essential but advisable for outpatient detoxification

## **FUNDING A DETOXIFICATION PROGRAM: AN OVERVIEW**

Developing a detoxification program is a major financial challenge. The process requires careful planning, and extensive work to ensure adequate financial support. Significant amounts of initial capital may be needed. Both implementation and initial operating costs must be covered.

### **Partnering**

Identification and recruitment of strategic partners is one of the most important steps in the program development process. Partners may be able to provide resources, work with the program planner, provide office space, or help obtain funding.

- Community organizations that see a need for establishing detoxification and treatment services are likely partners.
- Locally-based foundations and businesses may be approached for assistance with developing a program, especially if a case can be made to the potential funder that ongoing costs can be covered from operations.
- It is important to have documented assurance from major referral and payment sources that they will refer patients. (Signed contracts with expected payors may be useful to ensure cash flow.)

Forming strategic alliances with other components of the treatment environment can be both an important source for referrals and a resource for clients with needs other than detoxification. An alliance with a larger organization can increase leverage when negotiating with a managed care organization.

### **Changes in Utilization of Detoxification Services**

Changes in practice patterns and in the epidemiology of substance abuse in the last decade have been dramatic, and have had a tremendous effect on detoxification services.

- As the setting for detoxification services has shifted from inpatient to outpatient, the primary substance abuse problem of clients has shifted from alcohol and cocaine/crack to heroin and other opioids.
- Prospective programs should research their local market and obtain data on utilization of and demand for detoxification services in their area before proceeding with program development.

### **Funding Streams and Other Resources**

Public sources account for 64 percent of spending on substance abuse treatment in the United States, despite the fact that private sources of funding for treatment do exist. These diverse fund-

ing streams present both challenges and opportunities. Diversification of funding sources should be a major goal for detoxification programs.

To meet the reporting needs and performance requirements of each purchaser, and to generate the appropriate bills/invoices, detoxification programs require a fairly sophisticated management and accounting system. Detoxification program administrators must be knowledgeable about:

- efficient business practices;
- the use of data-based performance measures;
- accounting;
- budgeting;
- financing; and
- financial and clinical reporting.

It is important to reach out to all potential funding sources, including

- foundations
- board members
- local or national corporate donation programs

### **Third Party Payors**

Many public and private benefit plans still classify substance abuse detoxification as a medical rather than a substance abuse treatment service. Any episode of detoxification may be denied reimbursement under a plan if medical necessity is not demonstrated to the satisfaction of the plan

or if the service is provided at a higher level of care than is judged medically necessary.

Funding streams associated with public and private health insurance often provide benefits to covered individuals. These benefits vary according to whether or not the services are facility-based and according to the level or setting of care. Complexity arises because coverage and reimbursement depend both on whether a service is considered to be a medical service or a substance abuse treatment service and whether a service is facility based.

### **Hospital-Based, Facility-Based, or Office-Based**

It is important to decide whether to make a new detoxification program hospital-based, facility-based, or office-based.

- Services that are considered hospital- or facility-based often are eligible for higher payment rates than office-based services to reflect their greater capital and other overhead costs.
- Hospital inpatient services often are reimbursed at a higher payment rate than outpatient services, but medical necessity determinations also require patients to need more intensive services.



- Patient copayments or coinsurance rates may be higher for office-based services than facility-based services; this is true for Medicare as well as for other health insurance plans.
- Detoxification programs that are parts of hospitals, affiliated with hospitals, or considered as a licensed facility themselves may be eligible for higher rates of reimbursement than those that are considered to be outpatient programs with no facility license.

## **FUNDING STREAMS AND RESOURCES FOR PROGRAMS PROVIDING DETOXIFICATION**

### **SAPT Block Grant**

The Substance Abuse Prevention and Treatment (SAPT) Block Grant program is the cornerstone of Federal funding for substance abuse treatment and detoxification programs.

These funds are sent to the State's Single State Agency (SSA) for substance abuse and are distributed to counties, municipalities, and designated programs. Some of the funds are subject to required set-asides for special populations. Each program should check to see if the clients it intends to serve are eligible for block grant funding, either for set-asides or other funds.

### **Medicaid**

Medicaid provides financial assistance to States to pay for the medical care of specifically-defined, eligible persons. About 2 percent of total Medicaid expenditures nationally are for substance abuse treatment services, but Medicaid supports about 20 percent of national expenditures for substance abuse services.

The level of expenditure varies greatly by State, since substance abuse treatment and rehabilitation is an option benefit under Medicaid that States have the discretion to choose to include or not include in their program.

Some substance abuse treatment programs will want to target the Medicaid population; if the State's coverage and payment rates are minimal, however, other funders should be explored in greater depth.

When available, Medicaid coverage offers the following advantages:

- It can provide significant treatment funding for certain special, high-risk groups, such as low-income mothers and adolescents.
- Client copays traditionally have not been required, so the program receives the entire negotiated fee without having to collect funds from clients. (However, some States have changed this provision recently.)
- A Medicaid contract can provide a useful 'lower limit' for rate negotiations with commercial payors by essentially prohibiting acceptance of contract terms with any other purchasers at rates lower than those established for Medicaid.
- Certification as a Medicaid provider can position the program to receive patients from public sector referral sources such as social services,

indigent care funds, and criminal justice systems.

- The criminal justice and juvenile justice systems and drug court administrators typically favor providers that are eligible for Medicaid because treatment of some offenders can then be billed to Medicaid in some States.

### **Medicaid Link to Supplemental Security Income**

Supplemental Security Income (SSI) recipients are a population for Medicaid, but provisions vary by State. These benefits are available to adults or children who have disabilities that make it impossible for them to work, who have limited income or resources, who meet the living arrangement requirements, and who are otherwise eligible.

Congress has excluded a primary diagnosis of substance abuse as a qualifying disability under the program, but if there is another primary disability (such as a mental health diagnosis qualifying a person for SSI), a secondary substance abuse diagnosis is acceptable.

### **Medicare**

Medicare provides coverage to individuals over age 65, people under the age of 65 with certified disabilities, and people with end-stage renal disease. It supports about 8 percent of national

expenditures for substance abuse treatment services.

Medicare may provide Part A coverage to clients in detoxification programs that are based in hospitals certified by Medicare. However, detoxification programs that provide only a structured environment, socialization, and/or vocational rehabilitation are not covered by Medicare.

Medicare may provide Part B coverage to clients in detoxification programs with Medicare-certified medical practitioners. However, clients whose services are reimbursed under Part B can be required to pay 50 percent of Medicare-approved amounts.

### **Medicare Link to Social Security Disability Insurance**

The Social Security Administration provides Social Security Disability Insurance (SSDI) to individuals and certain members of their family if they have worked long enough and paid social security taxes.

A substance abuse diagnosis was excluded by Congress as a qualifying disability for SSDI, but a secondary substance abuse diagnosis is acceptable if the person is qualified by another primary diagnosis, such as mental illness.

For more information on Medicaid or Medicare, please see TIP 45, chapter 6. You may also contact the Center for Medicare and Medicaid Services ([www.cms.gov](http://www.cms.gov)).

## **Other Programs for Funding Detoxification Services**

### *SCHIP*

The State Children's Health Insurance Program (SCHIP) provides funds for substance abuse treatment of children and adolescents in many States.

- If the State's SCHIP program is part of Medicaid, then the substance abuse benefits will mirror those under Medicaid.
- If the State designs its own program under SCHIP, the Center for Medicare and Medicaid Services has set forth rules to ensure that coverage meets minimum standards.

### *TRICARE*

TRICARE is a regionally managed health care program for active duty and retired members of the uniformed services and their families and survivors. TRICARE supplements the healthcare resources of the Army, Navy, and Air Force with networks of civilian healthcare professionals.

TRICARE offers three care options:

- TRICARE Prime: Military Treatment Facilities are the principal source of health care

- TRICARE Extra: A preferred provider option
- TRICARE Standard: A fee-for-service option that replaced the program formerly known as CHAMPUS.

The TRICARE Extra and Standard benefits include treatment for substance abuse, subject to preauthorization requirements, but programs will need to check to see if detoxification programs are eligible or preauthorized under TRICARE managed care arrangements. TRICARE is run by managed care contractors, each of whom may have different authorization procedures.

For more information about TRICARE, see [www.tricareonline.com](http://www.tricareonline.com).

### *CHAMPVA*

The Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA) is a comprehensive health care program in which the VA shares the cost of covered health care services and supplies with eligible beneficiaries. The program is administered by the VA's Health Administration Center. To be eligible for CHAMPVA, you cannot be eligible for TRICARE.

For an overview of CHAMPVA and its eligibility requirements, visit <http://www.va.gov/hac/forbeneficiaries/champva/champva.asp>.

### *Indian Health Services*

The Indian Health Services (IHS), an agency within the U.S. Department of Health and Human Services, operates a comprehensive health service delivery system for approximately 1.6 million of the Nation's estimated 2.6 million American Indians and Alaska Natives.

The IHS behavioral health program supports alcoholism and other drug dependency treatment, detoxification, rehabilitation, and prevention services for individuals and their families (for more information see [www.ihs.gov](http://www.ihs.gov)).

### **Social Services**

Funding for substance abuse treatment, which may include detoxification services, also may be available through arrangements with agencies funded by the U.S. Departments of Labor, Housing and Urban Development (HUD), and Education (ED). Opportunities include the following:

- ***Temporary Assistance to Needy Families (TANF)***. Under these programs, each State receives a Federal block grant to fund treatment for eligible unemployed persons and their children, usually women with dependent children. Funding channels vary by State.



- **Social Services Block Grant.** Under Title XX of the Social Security Act, the Administration for Children and Families provides a block grant to each State to furnish social services.
- **Public Housing.** HUD funds substance abuse treatment of public housing residents. HUD awards grants to public housing authorities, tribes, or tribally designated housing entities to fund treatment. Special housing programs are available for people who are homeless and have substance use disorders (for more information see [www.hud.gov](http://www.hud.gov)).
- **Vocational Rehabilitation.** Federal ED funds support services that help people with disabilities participate in the workforce. Treatment for substance use disorders is eligible for funding (for more information see [www.ed.gov](http://www.ed.gov)).
- **Children's Protective Services.** The Social Security Act provides funding for foster care and services to prevent child abuse and neglect, including substance abuse treatment for parents who are ordered to obtain treatment and are at risk of losing custody of their children.
- **Ryan White.** The Federal Ryan White CARE Act, enacted in 1990, provides healthcare for people with HIV diseases. Funds are available for substance abuse treatment (for more information see [www.hab.hrsa.gov](http://www.hab.hrsa.gov)).

## **Criminal Justice/Juvenile Justice (CJ/JJ) Systems**

Both State and local CJ/JJ systems purchase substance abuse treatment services. The manner in which these systems work varies across locales.

The following are components of these systems:

- **State corrections systems** may provide funds for treatment of offenders who are returning to the community through parole offices, halfway houses, or residential correctional facilities.
- **Community corrections systems** includes a system of presentence diversion or parole services, including drug courts, that may mandate substance abuse treatment in lieu of incarceration.
- **Community drug courts** may send low-risk, non-violent offenders to substance abuse treatment in lieu of incarceration.
- **Correctional residential facilities** serve offenders returning from a State correctional system; the programs may extend contracts for substance abuse treatment to prevent relapse of treated offenders.
- **Juvenile court systems** may provide contracts to programs with expertise in treating adolescents to treat juvenile offenders in correctional facilities or who are otherwise involved in the criminal justice system.

## **Private Payors**

Private sources of revenue include a range of entities from large managed care organizations (MCOs) to local or self-insured national employers. Sometimes, a health plan may cover some substance abuse treatment under the mental health benefit portion; others may provide coverage through the medical component.

In general, three broad categories of private funding may be distinguished:

- Contracts with health plans, MCOs, and managed behavioral health care organizations.
- Direct service contracts with local employers (local employers may contract directly with substance abuse service providers if the benefits offered by their health plans are inadequate)
- Contracts with employee assistance programs (some employers have assistance programs that can provide direct service contracts for a particular detoxification program)

## **Contributions**

By developing relationships with people in the community, an administrator can find new sources of support. Some potential sources may include:

- Fundraisers
- Foundations and local charities

- Alumni
- Internships
- Volunteers
- Community groups
- Local stores and vendors

### **Grants**

Government agencies and private foundations offer funding through competitive grants. Grant money usually is designated for discrete projects.

Writing grant applications requires specific skills. A program can hire a consultant to write the application or use its own planning or research staff. Successful applications address areas of genuine need, propose ideas worthy of support, express these ideas well, and explicitly follow the requirements of the request for application or proposal.

Where to get information on grants for detoxification programs:

- SAMHSA provides information about its grants at [www.samhsa.gov/grants/index.html](http://www.samhsa.gov/grants/index.html).
- [www.cybergrants.com](http://www.cybergrants.com) provides information about corporate foundations.
- The National Center on Addiction and Substance Abuse at Columbia University's Web site ([www.casacolumbia.org](http://www.casacolumbia.org)) provides links to helpful sites.

- Several useful publications on grant-seeking and grant-writing can be ordered from [www.grantsandfunding.com](http://www.grantsandfunding.com).
- The Grantsmanship Center ([www.tgci.com](http://www.tgci.com)) also offers useful information.

## **WORKING IN TODAY'S MANAGED CARE ENVIRONMENT**

Among individuals covered by employee-sponsored benefits in 2003, 95 percent were covered under managed care arrangements.

### **Contracts**

All administrators should be familiar with the four fundamental aspects of Managed care arrangements:

- An arrangement begins with a managed care contract that specifies all obligations of each party. A clear and detailed understanding of the contract is required for successful performance.
- By negotiating and signing a managed care contract, a detoxification program or its parent agency becomes a member of the MCO's network. Each program in the network must satisfy the organization's minimum requirements for licensure of staff, programs, and facilities to be eligible for a managed care contract.
- All MCOs apply a wide range of performance measures and reporting requirements to each of their contracted providers and may have financial or referral incentives or disincentives associated with them.
- The fourth aspect involves utilization management and case management. Utilization

management compares a provider's proposed treatment plan with similar or expected plans for individuals with similar conditions or diagnoses. Case management in the private sector generally involves a telephone contact, usually with a nurse, in high-risk or high-cost cases. (These tasks generally are performed by the managed care organization's staff.)

### **Elements of Risk in Managed Care Contracts**

Three major categories of financial arrangements may be distinguished in managed care contracts:

1. Fee-for-services arrangements
2. Capitation arrangements
3. Care rate agreements

Program administrators need to understand the differences among these types of arrangements so they can manage financial risk.

#### **1. Fee-for-Service**

- Fee-for-service programs are the least risky.
- This arrangement usually requires precertification and utilization management for some or all procedures and services.
- The client's benefit plan document or the public payer's contract dictate which service may be approved.

- In this contract, a rate is received for the services provided, typically a standard program session with specific services bundled in—this is referred to as an “all-inclusive rate.”

### *Caution/Risk for Programs*

- When negotiating a fee-for-service contract, an administrator needs to ensure that the rate is sufficient to cover the actual costs to a program providing the specified services.
- During negotiations, the MCO has the option of saying that it will not pay for some of the bundled services.
- All services should be costed out prior to negotiation.
- Programs must understand that even if a fee-for-service contract is successfully negotiated, referrals may or may not follow.

## **2. Capitation Agreement**

- An MCO establishes a stipulated dollar amount to cover treatment for a group of people using a one per-person rate for everyone; this is the company’s capitation rate.
- The organization may subcapitate a stipulated dollar amount to a treatment provider or organization, and the company and the treatment provider negotiate an agreement in which the provider is paid a fixed amount per subscriber



month, rather than billing on a fee-for-service basis.

- The provider agrees to provide all or some of the treatment services for an expected number of “covered lives.”
- Usually only large service providers have the assets and volume of services to engage in capitated agreements.

#### *Caution/Risk for Programs*

- If many more people than are predicted require treatment, the provider may not be able to cover service delivery costs.
- The key is to have reliable information on the historical use rates of a given managed care plans' enrollees.

### **3. Case Rate Agreement**

- The case rate is a fixed, per-client rate paid for delivery of specific services to specified types of consumers. For this fee, a provider such as a clinic covers all the services that a client requires for a specific period.
- What distinguishes case rate from capitation is that all case rate clients are anticipated to be receiving some service. Usually, those receiving services under capitation are a small number of those covered.

- The case rate may be risk-adjusted to compensate for the higher cost of clients who need more services than average.

### *Caution/Risk for Programs*

- A case rate agreement removes some of the utilization risk from the service provider.
- There is a risk that clients will need services more frequently or at higher levels than the case rate covers.
- It is essential that programs track costs by specific client in order to assess the adequacy of a proposed case rate.

### **Network, Accreditation, and Credentialing**

To join an MCO's network of providers, a program must meet the organization's minimum standards for credentials and accreditation. Minimum standards vary by organization and include primary verification of academic degrees or specific levels of licensure for staff, as well as minimums of malpractice insurance.

MCOs are not always familiar with substance abuse treatment. Networks typically include only providers licensed by a State to engage in private practice. Usually, providers are licensed in psychology, nursing, medicine, or social work. This credentialing practice has a disproportionate impact on substance abuse treatment providers.

Substance abuse treatment providers must help MCOs understand substance abuse treatment, the type of providers that deliver services, and the qualifications and standards they must meet so the organizations can modify their policies.

Many managed care plans have separate provider networks for behavioral health. Detoxification providers should participate in both medical and behavioral health networks, as detoxification benefits may be considered either medical or behavioral.

In addition, the program itself may have to be accredited by one of the major national health care accrediting organizations:

- The Commission on Accreditation of Rehabilitation Facilities (CARF)
- The National Committee for Quality Assurance (NCQA)
- The Joint Commission on Accreditation of Health Care Organizations (JCAHO)

In general, accreditation from CARF is considered most important by substance abuse treatment providers. However, inpatient detoxification services generally must obtain accreditation from JCAHO to meet the requirements of most MCOs.

### **Organization Performance Management**

Performance measurement is becoming an increasingly important component of managed and fee-for-service care in the public and private sectors. MCOs have their own performance measures established by the agencies that accredit them, such as NCQA.

Regardless of the specific measures implemented by particular MCOs, well-managed programs will also develop their own internal performance measures and constantly strive to improve performance. Among these should be measures of both process and outcomes, such as:

- The percentage of clients who complete a defined treatment regimen that meets their individual needs
- The percentage of clients who drop out of treatment in the first 7 days following treatment initiation
- The percentage of clients who remain in documented but less intensive treatment 30 days after discharge from the program
- The percentage of clients who are employed and/or attending school 6 months after discharge from the program

One of the most important performance measures in the future of detoxification programs is likely to be linkages to substance abuse treatment follow-

ing detoxification. It is incumbent on providers of detoxification services to ensure that clients are linked to substance abuse treatment.

### **Recordkeeping**

MCOs require detailed records of services provided to clients in order to pay for services. The program's accounting system might need to track counselors' time spent on the phone, on paperwork, and directly with clients. Clinical records should accurately reflect the claims records submitted to the managed care organization.

Failure to adequately document clinical services can result in nonpayment and put a contract in jeopardy.

### **Utilization and Case Management**

All MCOs use methods to manage the service utilization of their members and ensure that they are receiving the most appropriate array of services in the most appropriate environment or level of care for the appropriate length of time. Utilization and case management staff at an MCO authorizes specific services for purposes of payment.

A wide variety of specific criteria and protocols may be used to determine whether services may be authorized for substance abuse, typically including the ASAM PCP-2R.

Addressing the needs of the utilization and case management staff of an MCO is a critical element in maintaining a program's clinical and financial viability. Program staff must:

- Understand what their counterparts do
- Be well trained in conducting professional relationships over the telephone
- Be familiar with the criteria and protocols employed by the MCO with which the program has contracts
- Have access to the multitude of clinical and service information required by a managed care organization to help them complete a review and authorize services

### **Strengthening the Financial Base and Market Position of a Program**

The following strategies may strengthen the market position of a detoxification program, so as to facilitate both larger numbers of patients and greater revenues per patient:

- Achieve recognition for quality and effectiveness of services.
- Service specific populations.
- Develop economies of scale.
- Gain community visibility and support.
- Form alliances with other treatment providers.

# Ordering Information

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## TIP 45

# *Detoxification and Substance Abuse Treatment*

### TIP 45-Related Products

KAP Keys for Clinicians

Quick Guide for Clinicians

Quick Guide for Primary Care Clinicians

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1. Call SAMHSA's National Clearinghouse for Alcohol and Drug Information (NCADI) at **800-729-6686**, TDD (hearing impaired) **800-487-4889**.
2. Visit NCADI's Web site at **[www.ncadi.samhsa.gov](http://www.ncadi.samhsa.gov)**.
3. You can also access TIPs online at:  
**[www.kap.samhsa.gov](http://www.kap.samhsa.gov)**.



## **Other Treatment Improvement Protocols that are relevant to this Quick Guide:**

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- **TIP 13:** *The Role and Current Status of Patient Placement Criteria in the Treatment of Substance Use Disorders* **BKD162**
- **TIP 27:** *Comprehensive Case Management for Substance Abuse Treatment* **BKD251**
- **TIP 33:** *Treatment for Stimulant Use Disorders* **BKD289**
- **TIP 35:** *Enhancing Motivation for Change in Substance Abuse Treatment* **BKD342**
- **TIP 40:** *Clinical Guidelines for the Use of Buprenorphine in the Treatment of Opioid Addiction* **BKD500**
- **TIP 43:** *Medication-Assisted Treatment for Opioid Addiction in Opioid Treatment Programs* **BKD524**

See the inside back cover for ordering information for all TIPs and related products.