ADOLESCENT SUBSTANCE ABUSE TREATMENT NEEDS

Prepared by CAADPE for CADA submission
to
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MediCal Hospital/Uninsured Demonstration Healthcare Initiative

At this moment in U.S. history, the systems of public and private financing of health care are in flux. The emergence of a youth alcohol and other drug (AOD) treatment system at this time presents a unique opportunity to establish adequate, appropriate and reliable funding mechanisms.

California and the Nation are at a turning point in the treatment of AOD problems among adolescents, searching for a proper response to factors such as:

- Rising visibility for adolescents and their service needs
- Rapidly emerging new treatment services
- Growing number of public, private and joint initiatives to build capacity
- Emerging research and national studies on strategies to improve treatment effectiveness
- Growing consensus that this is a significant public policy issue

Currently, a patchwork of funding streams is used to support AOD treatment services to adolescents. Existing funding streams include the following:

- Public AOD treatment funds, including federal block grants, state general funds and Drug Medi-Cal (D/MC);
- Public mental health funds, including Mental Health Med-Cal;
- Healthy Families/State Children's Health Insurance Program (SCHIP);
- Child welfare funds, including payments to group homes;
- Juvenile justice funds, including those targeted for interagency efforts;
- School services;
- Local general funds; and,
- Private funds, including insurance.

Who should be covered?

Despite this patchwork, there is a vast gap between treatment need and treatment capacity for adolescents in California. In 2002, an estimated 468,000 persons between the ages of 12 to 18 in California had an AOD problem [abuse or dependence] that warranted treatment. In that same year only 18,965 adolescent in that age group were actually admitted to publicly financed AOD treatment. This number represents only 4% of the estimated population in need of treatment. Relative to the need and demand for this service, it is an area of the State's health care system that has been largely ignored. This neglect is mirrored at the national level. The Center for Substance Abuse Treatment (CSAT) estimates that only one in ten adolescents who need substance abuse treatment actually receive it. Of those who receive treatment, only one in four receive enough treatment (2.5%). This treatment gap is particularly alarming for adolescent populations where AOD use and the resulting need for treatment is disproportionately high. One example is pregnant teens. In a recent study, sixteen percent of pregnant teens aged 15-17 reported past month illicit drug use, compared to 7.8% of those aged 18-25 and 2.1% of pregnant women aged 26-44. The well known negative health effects resulting from the use of drugs during pregnancy for both mother and child are a reality that the increased availability of treatment would help to combat.

Since most areas of public service are under-funded relative to need and demand, it is easy to lump adolescent AOD treatment in with the long list of these other under-funded systems, treating the funding levels of all of these systems in a similar manner: occasionally expanding them with a slight increase in allocations. But, AOD treatment for adolescents presents a set of problems that are in several ways more significant than issues in most other health care systems: there is no stable revenue stream; benefit structures are limited, even compared to other under-funded health care systems, and they are not adequate to support best practices in the field.

What Services?

The under-funding of the AOD treatment system for adolescents has implications in virtually every other human services system in the public realm. The research is clear that substance abuse problems share a common etiology with virtually every other problem behavior, including delinquency, violence, school drop-out and failure and truancy, unsafe sex and teen pregnancy, drunk driving and related traffic accidents, and others. None of the efforts to prevent and treat these other problems can have any serious impact unless the related and concurrent AOD issues are addressed.

The challenge is to develop a full continuum or system of care for adolescent substance abusers with built in linkages to (and coordination with) other service systems providing services to adolescents such as mental health, the juvenile justice system, and the schools. Individual elements alone are not enough, and in fact are often inefficient and ineffective. An effective continuum of care operates across service systems and provides for several key elements. The continuum should allow for continuity of care and the placement of adolescents at the clinically appropriate level of treatment, with "stepped up" and "stepped down" referral as indicated in the American Society of Addiction Medicine's Patient Placement Criteria.

Also, there is an increasing body of research indicating a clinically significant co-occurrence of substance abuse together with mental health disorders among adolescents. So clearly, the overall system of services required to adequately serve adolescents is improved by having an increased availability of AOD treatment.

Why Medi-Cal is Important to us

"States overall have not made optimal use of Medicaid as a financer of mental health and substance abuse services for children. Although a number of states have structured their Medicaid benefits to allow reimbursement of innovative services delivered in a child's home, school, or other sites, many others still emphasize traditional inpatient and clinic based services in their coverage policies……" (ADAMHA, 1991). The advantages of increasing the utilization of Medi-Cal for adolescent AOD treatment include:

- Medi-Cal is the largest single children's health insurer in California. It is estimated that one-third of the children in families that lack private health insurance are eligible. Nineteen percent of adolescents 12-17 in a recent representative statewide survey, report being enrolled in Medi-Cal.
- Medi-Cal is a large, relatively reliable funding stream, when compared to block grants or state general fund allocations, with a large federal cost share.
- Medi-Cal is an entitlement, with eligible enrollees having the right to receive complete care as statutorily authorized.

In general, the coverage of AOD treatment under Medi-Cal, like the Medicaid coverage of AOD treatment in most states, has been influenced by the following:

- The lack of a federally mandated Medicaid AOD benefit for adults;
- The state having wide discretion in how broadly to cover adult services apart from acute medical care (e.g., states' "optional" services being "clinic-" based outpatient services and/or "rehabilitative" services);
- The historic image of Medicaid as welfare, rather than an entitlement like Medicare or insurance like Healthy Families;
- State flexibility in order to contain costs; and,
- Low reimbursement rates for AOD treatment providers, even compared to already low Medi-Cal reimbursement rates for medical and mental health care providers.

These are issues that we still need to strategically address, but can no longer go unchallenged as ongoing barriers to better services.

Adolescent Treatment-"An Important Issue"

"Having health insurance does not necessarily ensure that adequate substance abuse treatment services will be available to an adolescent. Even adolescents, who have access to healthcare, either through private or public insurance, are not receiving adequate substance abuse treatment services." (Physician Leadership on National Drug Policy, 2002). If this quote is accurate, and we feel strongly that it is, how much more problematic is it for an uninsured adolescent to get the necessary services. Increased coverage is a step toward increase service.

The societal costs that could be avoided were there to be timely and comprehensive treatment of AOD-involved adolescents include:

- Diminished school performance and school costs (e.g., lost attendance days)
- Lost employee productivity in young adulthood
- Vanished opportunities for civic participation
- Current juvenile justice costs and future criminal justice costs
- Immediate public health and social service costs of AOD-related injuries and future medical costs of addiction or alcoholism. A recent study found that $1 out of every $7 in health care dollars was for AOD related care.

Therefore, an included benefit for AOD adolescent treatment as part of the "Medi-Cal Hospital /Uninsured Demonstration Healthcare Coverage Initiative" would be a critical step in addressing the scarcity of AOD adolescent treatment in California.