



EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES  
**COMMONWEALTH OF MASSACHUSETTS**  
OFFICE OF MEDICAID  
ONE ASHBURTON PLACE, BOSTON, MA 02108



**MAURA T. HEALEY**  
GOVERNOR

**KATHLEEN E. WALSH**  
SECRETARY

**KIMBERLEY DRISCOLL**  
LIEUTENANT GOVERNOR

**MIKE LEVINE**  
ASSISTANT SECRETARY  
FOR MASSHEALTH

August 23, 2023

Chair, Michael J. Rodrigues  
Senate Committee on Ways and Means  
State House, Room 212  
Boston, MA 02133

Chair, Aaron Michlewitz  
House Committee on Ways and Means  
State House, Room 243  
Boston, MA 02133

Chair, John C. Velis  
Joint Committee on Mental Health,  
Substance Use and Recovery  
State House, Room 513  
Boston, MA 02133

Chair, Adrian Madaro  
Joint Committee on Mental  
Health, Substance Use and Recovery  
State House, Room 134  
Boston, MA 02133

Dear Chairs Rodrigues, Michlewitz, Velis, and Madaro,

Section 2YYYY of Chapter 29 of the Massachusetts General Laws requires the Executive Office of Health and Human Services (EOHHS) to submit to the House and Senate Committees on Ways and Means and the Joint Committee on Mental Health and Substance Use and Recovery a detailed accounting of all monies transferred, credited, or deposited into the Substance Use Disorder Federal Reinvestment Trust Fund (SUD Trust Fund).

Revenues credited to the SUD Trust Fund include the amount equal to the sum of federal financial participation received by the Commonwealth's General Fund for expenditures for residential recovery services, transitional support services, family recovery services, recovery support navigator services, recovery coach services, other new or expanded substance use disorder treatment services, and any other federal reimbursements, grants, premiums, gifts, interest, or other contributions from any source received that are specifically designated to be credited to the SUD Trust Fund.

Expenditures from the SUD Trust Fund include payments for SUD service enhancement and expansion in accordance with priorities articulated in the SUD Trust Fund statute, namely: the expansion of co-occurring enhanced Residential Rehabilitation Services;

expansion of medication for addiction treatment (MAT); addition of Peer Recovery Coaches and Recovery Support Navigators services as a benefit; and implementation of American Society of Addiction Medicine (ASAM) based assessments, treatment planning, and care delivery. The SUD Trust Fund is critical to maintain the enhancement and expansion of substance use disorder services and meet the needs of individuals across the Commonwealth seeking treatment and recovery from substance use disorders and co-occurring mental health disorders.

The total annual investment has increased based on both additional programs coming online and increases in service utilization. For Fiscal Years (FY)18-22, the SUD Trust Fund expenditures primarily supported the establishment and incremental development of new services authorized under MassHealth's 1115 demonstration waiver that were prioritized for investment through the SUD Trust Fund.

#### SUD Trust Fund investments to implement new benefits (FY18-22)

**Co-occurring Enhanced Residential Rehabilitation Services:** Based on the prevalence of co-occurring mental health and substance use disorders and the lack of dedicated residential resources intended to serve this population, the expansion of new residential rehabilitation services (RRS) capacity through the SUD Trust Fund has focused on this co-occurring enhanced level of care. The service model was developed and implemented as a collaborative effort by MassHealth and the Department of Public Health through multiple waves of procurement. Since 2018, additional programs came online and began providing services to individuals throughout the Commonwealth. By the end of FY22, approximately 400 new beds have opened, increasing total RRS capacity statewide by roughly 20%. All MassHealth managed care entities, and the Department of Public Health, pay for co-occurring enhanced RRS services in a standardized and administratively streamlined manner, utilizing an identical set of program specifications.

**Peer Recovery Coaches and Recovery Support Navigators:** In FY19, MassHealth and its managed care entities began covering Peer Recovery Coach and Recovery Support Navigator services. These services are intended to leverage both peers with lived experience and trained paraprofessionals to aid individuals in seeking treatment and maintaining recovery. As additional providers established Peer Recovery Coach and Recovery Support Navigator programs, and a greater number of individuals across the Commonwealth received the service, expenditures in this category have also increased. Additionally, the proposed creation of the Recovery Coach Board of Registration, as recommended by the Recovery Coach Commission, could further expanded adoption and provision of Peer Recovery Coach services.

SUD Trust Fund expenditures to date (FY18-22) are associated with the establishment and ramp up of these new services. Spending increased in FY21 and in FY22 based on continued implementation and expansion.

(\$ in millions)	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual
<u>Revenue</u>					
Existing Balance		\$2.9	\$27.5	\$117.3	\$158.8
Federal Revenue	\$6.1	\$35.6	\$117.4	\$106.8	\$149.0
Subtotal Revenue	\$6.1	\$38.5	\$144.9	\$224.1	\$307.8
<u>Payments</u>					
Residential Rehabilitation Services (RRS)	\$2.6	\$6.7	\$17.8	\$41.0	\$79.8
Peer Recovery Coach (RC)/Recovery Support Navigator (RSN) Services	\$0.6	\$3.5	\$9.8	\$11.6	\$18.0
MAT Expansion		\$0.8			
ASAM				\$12.7	\$36.9
Subtotal Payments	\$3.2	\$11.0	\$27.6	\$65.3	\$134.7

### Future Investments


Over the next five years, EOHHS anticipates that spending from the SUD trust will significantly exceed revenues, resulting in the balance being spent down by FY27. The continued increase in spending above FY22 levels will be driven by (1) increased spending on existing services and (2) coverage of new services. Existing core SUD services include acute treatment services, clinical stabilization services, residential rehabilitation services, and peer supports. New rates and initiatives including bundled payments for opioid treatment programs and rate investments in 24-hour levels of care will help to provide critical access to care for members. The introduction of new and innovative services supports the trust spend down while offering critical access to members with substance use disorder needs, such as the Community Behavioral Health Centers access to MAT, Peer Recovery Supports in emergency departments and primary care provider (PCP) integration.

### Conclusion

In summary, as a result of the continued expansion of new Co-occurring Enhanced Residential Rehabilitation Services, Peer Recovery Coach services, and Recovery Support Navigator services, as well as the new investments in MAT and 24-hour SUD programs in line with ASAM, total SUD Trust Fund expenditures over the five-year period have exceeded \$240M.

Thank you for your continuing commitment to the MassHealth program. If you have any questions about this report, please contact Sarah Nordberg at [Sarah.Nordberg@mass.gov](mailto:Sarah.Nordberg@mass.gov).

Sincerely,

A handwritten signature in black ink that reads "Mike Levine". The signature is written in a cursive, flowing style.

Mike Levine

cc: Kathleen E. Walsh