
Revised DHS Opioid Settlement Funds Proposal for SFY 2023

July 28, 2022



**WISCONSIN DEPARTMENT
of HEALTH SERVICES**

2021 Wisconsin Act 57 Summary

2021 Wisconsin Act 57 requires the Department of Health Services (DHS) to submit to the Joint Committee on Finance (JCF) by April 1 of each year a proposal for expending settlement proceeds paid to the state from the National Prescription Opiate Litigation (NPOL), Case No. MDL 2804. Per Act 57, 30 percent of the NPOL settlement proceeds will be allocated to DHS for purposes that comply with the settlement agreement or court order. DHS is required to submit a plan to JCF for spending settlement proceeds by April 1 of each year for the next fiscal year and requires JCF approval via the 14-day passive review process before it can expend the NPOL settlement funding. Approval is also required if DHS seeks to deviate from the proposed plan in the future. The remaining 70 percent of the settlement proceeds will be provided to local governments that were party to the litigation.

The initial April 1, 2022, proposal put forward by DHS was objected to by JCF pursuant to Wis. Stat. § 165.12(3) in an April 21, 2022 letter citing the unknown amount and timing of payments. In that April 21 letter, JCF requested that DHS submit an amended proposal once the final payment amount is known and including the amounts that would be allocated to each strategy or project. This revised proposal takes into account the known amounts and timing of payments at this time.

Overview of Settlements and DHS Plan

On February 25, 2022, the Wisconsin Department of Justice (DOJ) announced final approval of an opioid agreement with the nation’s three major pharmaceutical distributors (Cardinal, McKesson, and AmerisourceBergen) and Johnson & Johnson. Payments from the distributors will continue for 18 years; payments from Johnson & Johnson will continue for nine years. As of April 1, 2022, the State of Wisconsin had not yet received any payments from the NPOL.

On July 12, 2022, Wisconsin was notified that the state will receive three payments from these settlements in calendar year (CY) 2022. The initial payment of approximately \$6 million will be received on July 29, 2022. Overall, DHS is expecting close to \$31 million in settlement payments in CY 2022. At this time Wisconsin and DHS are awaiting confirmation of how and when the additional \$25 million in payments will be made, though we have received assurances they will be disbursed this calendar year.

DHS proposes to invest settlement funds in a variety of strategies that will support data collection and surveillance, prevention, harm reduction, treatment, recovery, capital projects, and funding for tribal nations. In this plan, the different strategies are assigned to phases, corresponding to the specific payments received by the state this year. The entire amount of funding received for each payment is allocated in the plan.

Below is a table summarizing the initiatives and allocation amounts for all three phases of this proposal. Each initiative is covered in more detail in the following sections.

Table 1: DHS Proposed Phased Approach

Phase 1	
Increase the availability of Narcan® statewide via the DHS Narcan® Direct program (p.9)	\$3 million
Fentanyl test strips (p.10)	\$2 million
Prevention efforts to address root causes of substance use in communities (p.11)	\$1 million
Phase 2	
Capital projects (p.13)	\$11 million
Funding for Tribal Nations (p.14)	\$6 million
Phase 3	
Enhancement of the DHS overdose central alert system (p.15)	\$500,000
K-12 evidence-based substance use prevention curriculums or programs (p.17)	\$2 million
MAT expansion (p.18)	\$1 million
Room and Board costs for Residential RSUD (p.19)	\$2.5 million
Family Support Centers (p.21)	\$2 million
TOTAL	\$31 million

DHS has adjusted the plan that was originally submitted to JCF on April 1, 2022. The amount of settlement funding to be received this year exceeds what DHS was expecting in March 2022. Accordingly, DHS has added two new strategies both listed under Phase 2 of this plan. The Phase 2 strategies are larger one-time investments. In this revised plan, DHS also prioritizes the immediate need for Phase 1 funds to address the record numbers of overdoses and deaths in Wisconsin. These programs save lives and will have an immediate impact addressing the opioid epidemic in the state. Phase 1 and Phase 3 strategies target grant programming aimed at sustaining long-term impacts to reduce and curb the opioid epidemic by utilizing additional years of settlement funds to address the opioid epidemic in Wisconsin.

DHS has also removed from this revised plan the strategy to fund Alliance for Wisconsin Youth coalitions. DHS was able to allocate funding from a different source and intends to offer \$10,000 grants per coalition in the coming state fiscal year (SFY) rather than using settlement funds.

Strategies were selected for this initial plan based upon consideration of the following background information:

- Analysis of opioid data and surveillance collected by DHS and other state agencies.
- Review of current opioid strategies supported by state and federal funds, including whether these strategies could be successfully expanded or enhanced with additional funds.
- Identified needs not currently funded by DHS due to resource limits or restrictions.
- Best practices from the United States Department of Health & Human Services – Overdose Prevention Strategy.^[1]
- Information and input collected from citizens and stakeholders during listening sessions in January 2022:
 - DHS conducted 12 listening sessions to gather big-picture input from a broad group of stakeholders to inform DHS' use of future opioid settlement funds.
 - Through these sessions, DHS heard from over 800 individuals. A report was created summarizing what was heard and used as guidance for this proposal.^[2]

DHS intends to coordinate areas of investment with the other political subdivisions, including counties and some municipalities, receiving the remaining 70 percent of settlement proceeds, with the goal of leveraging all settlement funds received by the state and ensuring non-duplicative efforts. It is imperative for all recipients to work together and create the greatest impact possible with these funds in our state. Prior to submitting this revised plan, DHS reached out to multiple county stakeholders to better understand their plans and decision-making regarding use of the settlement funds. DHS

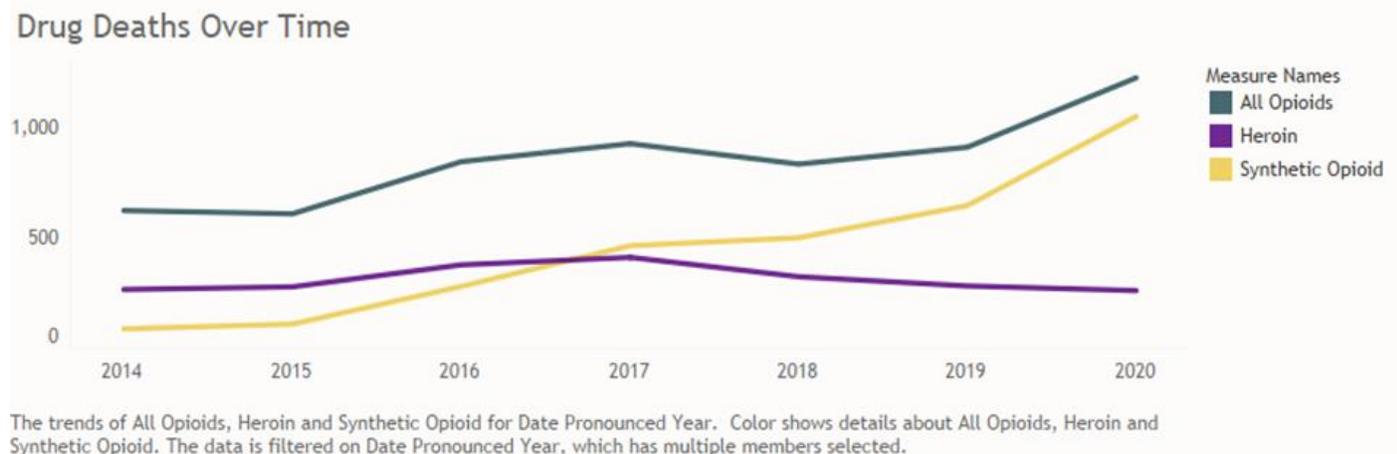
remains committed to working closely with county and local governments to ensure that both state and local investments of settlement proceeds are aligned in supporting local efforts and needs.

Current State of the Opioid Epidemic in Wisconsin

The national opioid crisis is categorized in three waves. The first wave began around 1999 when deaths involving opioids began to rise following an increase in opioid prescriptions to treat pain. The second wave began around 2010 when deaths involving heroin began to rise as it became cheaper and more accessible than prescription opioids. The third and most recent wave began in 2014 when deaths involving synthetic opioids, such as fentanyl, began to rise.

The experience in Wisconsin has been no different. Wisconsin's opioid crisis began in the late 1990's and has been evolving since, with an almost 900% increase in opioid overdose deaths from 1999 to 2018. The number of opioid-related deaths in the state of Wisconsin experienced a significant uptick in 2016 (Figure 1). That year, deaths increased 39% from the previous year (613 in 2015 vs 850 in 2016). Deaths increased again in 2017, to a pre-COVID-19 pandemic era high of 932. That was also the first year synthetic opioids (driven by fentanyl) caused more deaths in the state than heroin. Then, in 2018, opioid overdose deaths decreased by 10%, the first significant decrease since 1999. Unfortunately, this trend did not continue during the COVID-19 pandemic and opioid overdose deaths increased to a record high of 1,227 in 2020. Synthetic opioids have continued to be the driver in this current wave of the epidemic and have been identified in a higher percentage of opioid overdose deaths each year, including 86% of opioid deaths in 2020.^[3]

Figure 1: Number of Drug Deaths Over Time by Drug Type

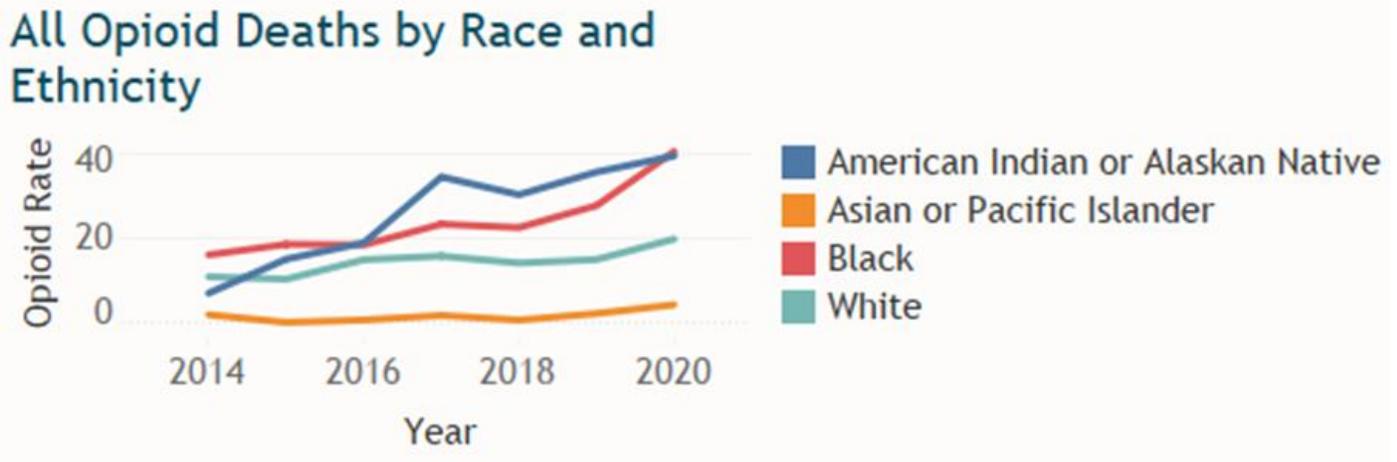


In recent years, Wisconsin has seen a rise in opioid overdose deaths where other drugs are also present, also known as multi-drug overdose deaths. In 2020, 58.5% of overdose deaths involved multiple drugs, up from 42.4% in 2015. This is not surprising and aligns with national trends. Again, the emergence of fentanyl and other synthetic opioids is the key factor here. Fentanyl is now present throughout the entire drug supply whether it be cocaine, heroin, methamphetamine, or even marijuana. The types of drugs most commonly found in multi-drug overdose deaths vary regionally in

Wisconsin. For example, methamphetamine is more commonly found in the Northern and Western regions of the state, while cocaine is more commonly found in the Southeastern region.^[4]

While all populations have been affected by the opioid epidemic and the increase in opioid overdose deaths in Wisconsin, not all populations have been affected equally (Figure 2). In 2014, opioid overdose death rate among the American Indian population was lower than the state average (7.0 vs 10.9 deaths per 100,000 individuals). Since that time, American Indian communities have seen a dramatic increase in opioid overdose deaths. In 2020, the opioid overdose death rate for American Indians was almost double the state average (39.6 vs 21.1 deaths per 100,000 individuals). The Black population in Wisconsin has also seen its rate of opioid overdose death increase at a faster pace than the state's since 2014, with the highest opioid overdose death rate of any demographic group in 2020 (40.6 deaths per 100,000 individuals).^[5]

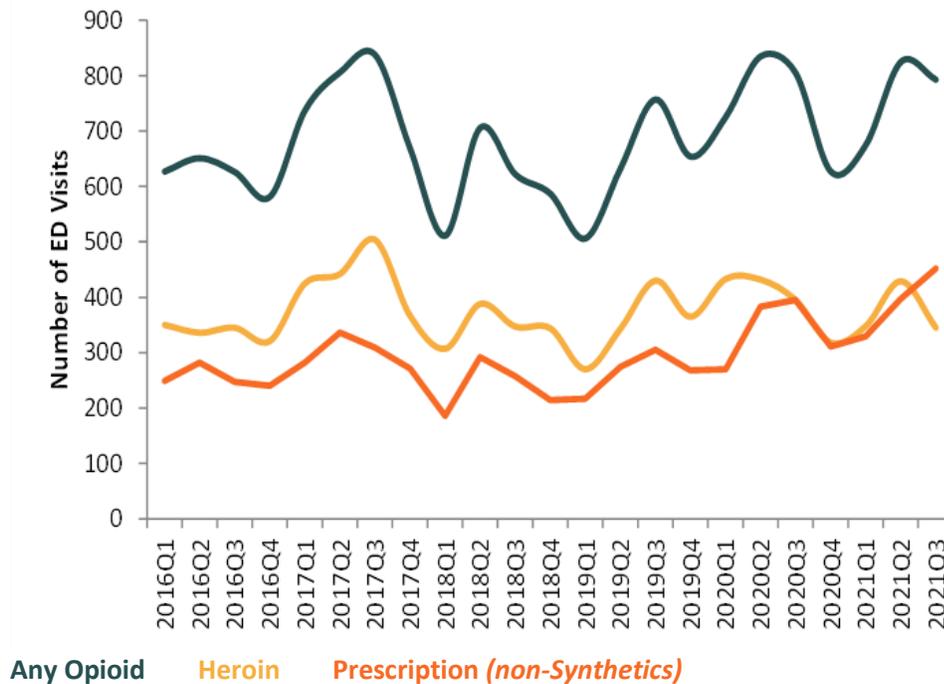
Figure 2: Opioid Death Rates by Race and Ethnicity



Men and women also show stark differences in overdose rates. Every year since 2014, male rates have been around twice as high as female rates, with the gap growing even wider in 2020 (29.8 per 100,000 for men and 12.6 per 100,000 for women). Along with higher death rates, men are also seen in the hospital more than women for opioid overdoses. The gap is especially wide for emergency department visits (67.9 vs 36.0 visits per 100,000).^[6]

Despite opioid overdose deaths increasing in recent years, the number of opioid-related emergency department (ED) visits has remained relatively steady, and the number of opioid-related inpatient visits has declined (Figure 3). The total number of ED visits was similar in 2020 to the total number of visits in 2017 (3,050 in 2017 vs 3,027 in 2020). Between 2017 and 2020, there was a significant drop in inpatient visits (from 1,707 to 1,160). This drop was likely due to the COVID-19 pandemic.

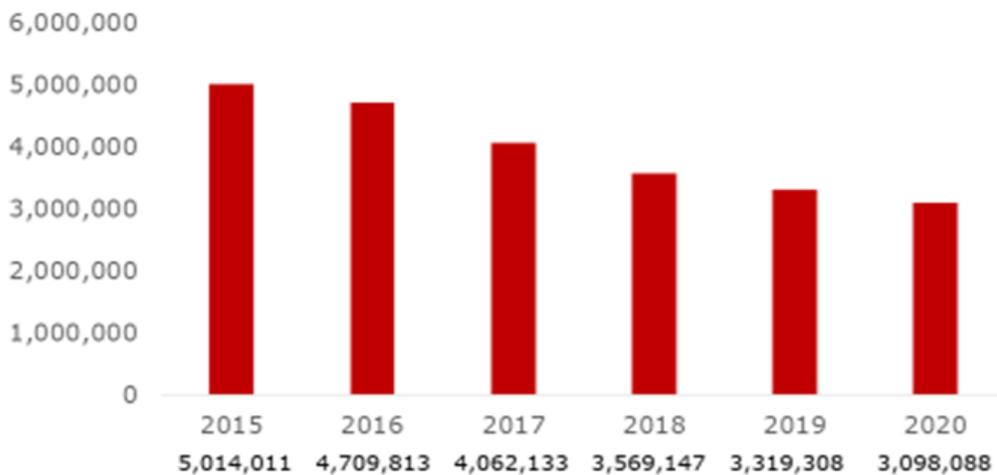
Figure 3: Number of Opioid-Related Emergency Department Visits by Drug Type



While prescribing patterns are no longer the main driver of the opioid-related overdoses and deaths, it is important to note that an estimated one in six Wisconsin residents were prescribed an opioid in the past year. The top two reasons for opioid prescriptions were surgeries (38.3%), followed by back pain (12.8%). Approximately 4.3% of adults and 3.2% of youth in Wisconsin reported pain medication misuse in the past year. Fortunately, opioid dispensing decreased by 47% from 2015 to 2020, which translated to almost 2 million fewer prescriptions during that time (Figure 4).^[7]

Figure 4: Annual Dispensing of Opioid Prescriptions

Dispensing of opioids



Source: Wisconsin Prescription Drug Monitoring Program

In summary, the opioid epidemic in Wisconsin has followed national trends: starting with opioid prescriptions, shifting to heroin, and currently driven by synthetic opioids. Men continue to be affected more than women and American Indians and Black individuals are dying at higher rates than other race-based groups. In recent years, there has been a rise in overdose deaths where other drugs in addition to opioids are present. The COVID-19 pandemic has led to record-setting numbers of overdose deaths. Using the data trend pre-pandemic, staying the course, and building upon the strategies, initiatives, and programs implemented statewide will hold the door wide open for all people to walk through and live their best, most healthy, and resilient lives and, consequently, move Wisconsin in a positive direction.

Phase 1: Harm Reduction

Harm reduction is a set of practical strategies and ideas aimed at reducing negative consequences associated with drug use.

The goal of harm reduction is to reduce the harms associated with substance use, to reduce risk behaviors before they lead to injury, to improve health and social function, and to prevent progression to a disorder and subsequent need for specialty substance use disorder services.^[8] ^[9] Harm reduction consists of providing information about substance use risks, normal or safe levels of use, strategies to quit or cut down on use and use-related risk behaviors, and facilitating patient initiation and engagement in treatment when needed. These services may be considered the bridge between prevention and treatment services. For individuals with more serious substance use, these services can serve as a mechanism to engage them with treatment.^[10]

During the pandemic, record numbers of opioid-related overdoses and deaths have been seen nationally, and provisional data shows that 2021 will continue this trend. Given the spike in overdoses and deaths, investing in harm reduction strategies will save lives and provide an immediate impact by either reversing an overdose, or preventing one from happening in the first place. DHS proposes to invest in two harm reduction initiatives with the initial settlement funds received:

- \$3 million to increase the availability of Narcan[®] statewide via the DHS Narcan[®] Direct program.
- \$2 million to create a statewide distribution mechanism for fentanyl test strips using the Narcan[®] Direct program as a model.

Funding to increase the availability of Narcan[®] statewide via the DHS Narcan[®] Direct program

NARCAN[®] is the nasal spray formulation of naloxone, a drug used to reverse opioid overdoses. In the fall of 2019, DHS established its Narcan[®] Direct program which provides NARCAN[®] to community agencies at no cost. These community agencies in turn distribute the NARCAN[®] to people at risk for an opioid overdose and people who may witness an opioid overdose. People receive the free NARCAN[®] after completing a training provided by the community agencies.

Over the years, as DHS has seen the positive outcomes via Narcan[®] Direct, additional funding has been added to this program whenever possible. With each funding increase, DHS is able to add additional provider types to the program. More than 100 community agencies currently partner with DHS on Narcan[®] Direct. Eligible provider types include county public health departments, tribal health clinics, recovery community organizations, syringe access programs, opioid treatment programs, and jails participating in the DHS medication-assisted treatment in jails program.

Since inception, the Narcan® Direct program has distributed more than 65,000 does of Narcan® statewide. DHS collects data annually from Narcan® Direct partner agencies. From this data collection, DHS knows that over 3,200 lives have been saved through the Narcan® Direct program from 2019-2021. This number is underreported due to collection limitations, so the impact of this program is much greater. These outcomes show this program saves lives. DHS will allocate \$3 million in settlement funds to expand the Narcan® Direct program and broaden the list of eligible community agencies.

Funding for fentanyl test strips

Fentanyl has been the driving factor in the rise of overdoses and deaths nationally for the last five years. Fentanyl is now present throughout the entire drug supply whether it be cocaine, heroin, methamphetamine, or even marijuana. Fentanyl test strips save lives. Provisional data from 2021 shows that fentanyl was present in 73% of all drug deaths in Wisconsin and was present in 90% of opioid-related deaths in Wisconsin.^[11] Fentanyl test strips can identify the presence of fentanyl in multiple forms of drugs including injectable drugs, powders, and pills. Being aware of whether fentanyl is present allows people to implement additional harm reduction strategies to reduce or eliminate the risk of an overdose.

Like many states, Wisconsin found itself in the position where fentanyl test strips fell under the state drug paraphernalia statute. To address this barrier, many states have passed legislation. In March 2022, Governor Evers signed bipartisan legislation, which became 2021 Act 180, that decriminalizes the use of fentanyl testing strips to test a substance for the presence of fentanyl.

DHS intends to use settlement funding to establish a program similar to Narcan® Direct creating a mechanism to distribute fentanyl test strips to partner agencies statewide. DHS will allocate \$2 million in settlement funds to establish this program and disseminate fentanyl test strips to eligible provider types offering preventative and harm reduction services. DHS will prioritize those providers offering services and working directly with active drug users.

Phase 1: Prevention

Over time, using both state and federal funds, DHS has supported a variety of initiatives to prevent opioid access and availability, as well as raised awareness about using opioids safely, prescribing opioids responsibly, accessing data to inform strategy implementation, and addressing trauma, disparities and stigma related to substance use disorder.

The DHS prevention approach incorporates strategies addressed in the Office of National Drug Control Policy's 2011 report "Epidemic: Responding to America's Prescription Drug Abuse Crisis."^[12] Consistent with the expert recommendations in this report, along with public health, human services, and prevention experts, the DHS approach includes education, tracking and monitoring, proper medication disposal, and enforcement components. These prevention strategies are intended to decrease risk factors and enhance protective factors statewide. Successful and positive prevention results are comprehensive, multi-faceted, and locally collaborative.^[13]

Our comprehensive approach to prevention addresses trauma, disparities, and stigma. Wisconsin data shows that people who have experienced adverse childhood experiences and ongoing emotional trauma are at disproportionate risk of harmful substance use and negative health outcomes. Fifty-seven percent of Wisconsin residents have at least one adverse childhood experience and over a quarter of residents report having grown up with a household member who struggled with substance use or misuse.^[14]

Funding for prevention efforts to address root causes of substance use in communities

Research shows that trauma is a root cause for developing substance use disorder.^[15] DHS has long prioritized addressing adverse childhood experiences and trauma-informed care and has woven this into its opioid work.

Based on research findings and feedback from stakeholders across the state, DHS plans to use settlement funding to expand and enhance efforts to address the root causes of substance use by increasing resilience, social connectedness, and equity, and improving social determinants of health.^[16] DHS will continue to prioritize addressing root cause and disparity issues in substance use, and support evidence-based and innovative programs targeting these areas.

DHS will allocate \$1 million in funds for prevention efforts to address root causes of substance use in communities. The funding will be awarded to support local public health departments and community organizations. DHS intends to award multiple grants in varying amounts between \$10,000 and \$100,000.

These grants will fund interventions at both the individual and community levels focusing on society, policy, and programming. Interventions that may receive funding include those intended to:

- Promote housing, economic stability, and family well-being
- Incorporate social determinants of health into existing programs and services
- Include advisory spaces and incorporate the voices of communities and people with lived experience in program and service planning
- Focus on cultural identity and belonging (healing, language, culture, and shared history)

DHS expects projects that receive funding to be community driven and tailored to reflect the specific needs of a given community. Potential examples of evidence-based and innovative strategies, interventions, programs, and models already being implemented in Wisconsin to address root causes in communities are^[17] ^[18]:

- Support for Students Exposed to Trauma
- Botvin LifeSkills Training Middle School Program
- Preliminary Protective Hearing Benchcard
- Housing First

Phase 2: Capital Projects

In order to continue increasing access to services throughout the state, there is a need for both new and updated facilities across Wisconsin. Many providers have informed DHS of this need. This initiative was not a part of the original proposal, but as previously stated, DHS will be responsive to the needs of its stakeholders and affected communities. In some cases, it is the need for services in areas of the state where there are no existing facilities available. In other cases, there is a demonstrable need to renovate existing facilities to modern standards to meet service delivery requirements and better serve communities. If providers are not present, services are not available. The utilization of settlement funds provides a rare and exceptional opportunity for DHS to physically build capacity and support providers in this effort.

DHS will allocate \$11 million in settlement funds to support capital projects that will expand prevention, harm reduction, treatment, and recovery services statewide. DHS intends to award 2-3 grants through a one-time funding opportunity. The competitive grant process will be based on demonstrated need, the expected number of people that will be served annually, demographics to be served, project readiness and anticipated completion date, and the scope of service to be provided.

DHS will prioritize applicants proposing to serve regions of the state currently lacking providers and expecting to serve populations disproportionately affected by the opioid epidemic in our state. DHS will use several different data sets^[19] and published reports, including "Preventing and treating harms of the opioid crisis: An assessment to identify geographic gaps in services, and a plan to address these gaps,"^[20] to identify high need areas.

Phase 2: Funding for Tribal Nations

While all populations have been affected by the increase in opioid overdose deaths in Wisconsin, not all populations have been affected equally. In 2014, the American Indian population had a lower opioid overdose death rate per 100,000 than the White population (7.0 vs 10.9). Since that time, American Indians have seen a dramatic increase in opioid overdose deaths. In recent years Wisconsin tribes have taken steps to sound the alarm around the rise in opioid overdose deaths. In 2018, the Bad River Band of Lake Superior Chippewa and the Lac du Flambeau Band of Lake Superior Chippewa declared states of emergency in response to the rise in substance use and the opioid epidemic. The Menominee Tribe of Wisconsin also declared a state of emergency related to synthetic opioids earlier this year.

In 2020, the opioid overdose death rate for American Indians was double the rate for the White population (39.6 vs 19.8). This pattern is consistent across all types of opioids involved. In 2014, the American Indian population had a lower death rate compared to the White population for opioid overdoses involving heroin (1.4 vs 4.5), prescription opioids (4.2 vs 5.9), and synthetic opioids (1.4 vs 1.6). By 2020, the American Indian population had higher death rates compared to the White population for opioid overdoses for all opioid types; heroin (6.4 vs 4.2); prescription opioids (10.2 vs 5.7); and synthetic opioids (35.8 vs 16.8).^[21]

Based on preliminary data, the growth in American Indian deaths due to opioids continued to grow faster than all other populations in Wisconsin in 2021. Deaths have increased by 55% for the American Indian population from 2020 to 2021, while opioid deaths for all Wisconsinites have grown by 15% over the same time period. Almost 92% of the opioid deaths in 2021 in the American Indian population contained a synthetic opioid, compared to 90% for the overall population of Wisconsin. Additionally, drug overdose deaths nationally have increased by 39% for American Indians from 2019-2020.^[22]

DHS will allocate \$6 million in settlement funds to federally recognized tribes in Wisconsin. Through a grant funding opportunity, Tribes will identify strategies across the continuum of prevention, harm reduction, treatment and recovery for which they plan to use these funds. This can include culturally relevant strategies to prevent opioid use, promote health, and community practices.

Phase 3: Data Collection and Surveillance

For the past several years, DHS has used many different data sets to monitor the statewide opioid epidemic. These include death certificates, hospital discharge and emergency department data, Prescription Drug Monitoring program data, medical examiner and coroner office data, and Wisconsin ambulance run data. Specifically, DHS monitors suspected non-fatal overdoses by county, by region, and statewide. Using this data, DHS provides county and tribal public health departments with weekly suspected overdose alerts. The goal of these alerts is to provide county and tribal partners the most near real-time data on suspected non-fatal overdoses. This notification allows them the opportunity to alert local partners and determine what level of coordinated response, if any, is necessary to respond to the current spike in suspected overdoses in their area. DHS staff also provides recommended next steps for counties and tribes and can provide technical assistance if necessary.

DHS will invest \$500,000 in settlement funds into the central alert system, creating a near real-time overdose surveillance and alert system for not just counties and tribes, but expanding to other provider types statewide.

Funding for enhancing the DHS overdose central alert system

Currently, there is no statewide, near real-time overdose surveillance system in Wisconsin and no statewide overdose spike alert system. This project aims to address both of these needs through the collation of existing data systems that capture near real-time suspected non-fatal overdoses. Enhancing the central alert system will increase the timeliness, comprehensiveness, and access to overdose data for state and community partners.

Enhancing this system and providing partners with near real-time overdose surveillance will empower communities to access overdose-related data in a way that will support a community-specific, multi-sector overdose spike response, as well as targeted overdose prevention and intervention efforts. A pilot project involving fifteen counties is underway and public health leaders across the state have asked DHS to expand this system.

This project strengthens opioid efforts in several ways. First and foremost, this project would maximize the impact of overdose-related data across the state to inform local, data-driven responses to the overdose epidemic. This project will allow the state and community partners to monitor and identify overdose spike events in their jurisdictions while reducing data delays and providing additional context when available, such as suspected substances and any trends in demographic information that would support targeting of response efforts. Second, this project encourages the necessary multi-sector collaboration needed for overdose prevention and response efforts to be successful. The near real-time overdose surveillance and alert system will allow all

partners involved in overdose response work, including public health, emergency medical services, law enforcement, treatment providers, hospitals, harm reduction agencies and others, to learn of overdose spike events in their areas and work together to mitigate further harm. Third, local health departments work on their community health needs assessments and health improvement plans based on a 12-month delay in data acquisition and reporting from DHS. This system will allow local public health departments to identify adverse events in their communities and plan for rapid response to the spikes in overdoses.

Phase 3: Prevention

DHS will invest in and support an initiative to prevent opioid access and availability, educate and raise awareness about opioids, and address trauma, disparities, and stigma related to substance use disorder.

Funding for K-12 evidence-based substance use prevention curriculums or programs

The science is clear that the use of drugs during childhood and adolescence has the potential to disrupt brain function in the areas critical to motivation, memory, learning, judgment, and behavior control, because the brain is still developing. Protective factors in schools, such as school connectedness and positive peer relationships, can help students avoid engaging in risky behaviors and help students learn skills important to promoting healthy choices. K-12-based substance use prevention curriculums and programs can reduce the likelihood of a student's future substance use and impact educational outcomes. These curricula and programs accomplish this by reducing risk factors and increasing protective factors. By helping students develop the knowledge, attitudes, and skills needed to make good choices, they are less likely to use substances.

Evidence-based K-12 curriculums and programming are plentiful and can target specific populations and geographic areas (urban versus rural). The Substance Abuse and Mental Health Services Administration Evidence-Based Practices Resource Center and several other organizations provide a list of strategies and implementation information for organizations and agencies.^[23] ^[24]

DHS plans to partner with the Department of Public Instruction (DPI) and allocate \$2 million in settlement funds for this initiative. DPI will provide new aid dollars to Local Education Agencies (LEA) to implement evidence-based substance use prevention programming. In addition, DPI will use a portion of the funds to provide training and technical assistance to support LEAs in implementation of the Alcohol and Other Drug Abuse program.

Phase 3: Treatment

Substantial clinical evidence demonstrates that medications combined with comprehensive care services can improve an individual's engagement in treatment and their long-term recovery success. This evidence-based approach to treatment is referred to as medication-assisted treatment (MAT).^{[25] [26]}

As is seen nationwide, treatment gaps exist in certain regions of Wisconsin, and treatment capacity needs to be expanded statewide. Expanding access to evidence-based MAT to address this treatment gap is part of DHS' comprehensive response to the opioid crisis in Wisconsin. DHS' recent report, *Preventing and Treating Harms of the Opioid Crisis*,^[27] identifies areas of concern and evidence of unmet treatment needs based on opioid overdose deaths, opioid overdose hospitalizations, suspected opioid overdose ambulance runs, and newly reported cases of hepatitis C among people aged 15-19.

Over the past six years, with support from the federal government, the state legislature, and the Heroin, Opiate, Prevention, and Education (HOPE) Agenda, DHS has invested in a variety of initiatives to expand access to substance use disorder services. These initiatives have included treatment development and expansion of funding opportunities, Medicaid covered service expansions, and substance use disorder provider trainings. These efforts have resulted in an increase in the availability of substance use disorder treatment services throughout the state, but there are still areas of need and room for growth.

Funding for MAT expansion

DHS proposes to use settlement funding to support new MAT providers in underserved areas of the state where access to one or more MAT options is either limited or non-existent, and to support MAT providers who have been ineligible for previous funding opportunities to enhance their services. These treatment facilities would be able to provide treatment alternatives currently unavailable in the regions in which the facilities are established. Supporting additional permanent facilities, along with expanding the reach of existing providers, will create more opportunities for individuals to access the types of MAT treatment that work best.

Continued collaboration with health care and community partners throughout the state building on initial successes will move Wisconsin further towards the long-term goal of increasing access to treatment statewide.

DHS will allocate \$1 million in settlement funds for this initiative to further expand MAT statewide. Funding will be provided through granting to partners in areas of need across the state using innovative approaches to meet regional needs.

Funding for Room and Board costs for Residential RSUD

Beginning in February 2021, the Medicaid program provides coverage for residential treatment for substance abuse when medically necessary, as determined by the acuity of the patient's substance use disorder as well as the stability and supports available to them outside of a residential facility. Facilities that provide residential treatment must be licensed by DHS as either a transitional residential treatment service or a medically monitored treatment service. A transitional residential treatment service is defined as a clinically supervised, peer-supported, therapeutic environment with clinical involvement providing substance abuse treatment in the form of counseling for 3-to-11 hours per week. A medically monitored treatment service is defined as a 24-hour service providing observation, monitoring, and treatment by a multidisciplinary team under supervision of a physician, with a minimum of 12 hours of counseling provided per week.

Patients require residential substance use disorder (SUD) treatment when they have severe or complex substance use disorders, often with co-occurring conditions such as psychiatric disorders or unstable housing. These patients are at high risk of immediate relapse, continued use, harm to themselves or others, and in some cases death, unless they receive residential SUD treatment. Patients experiencing physiological withdrawal symptoms or other acute medical conditions require monitored detoxification treatment in an inpatient hospital setting before they can be safely discharged to a residential SUD treatment facility.

Low-intensity patients typically require 2-to-6 weeks of care while high-intensity patients typically receive 4-to-13 weeks of care before they can be discharged. Discharge decisions are based on clinical evaluation of a patient and their particular circumstances. Medicaid coverage policy allows members to receive care as long as is medically necessary.

Medicaid provides residential SUD treatment under two separate circumstances as part of comprehensive community services (CCS), or under the current Medicaid benefit program. Some Medicaid beneficiaries have been able to access residential treatment since May 1, 2017, as part of the CCS benefit. CCS gives counties the option to offer a variety of psychosocial rehabilitation and support services as Medicaid benefits. The new benefit expanded the range of eligible providers and covered Medicaid recipients who are not enrolled in a county CCS program.

Consequently, under current policy, Medicaid provides coverage only for the treatment costs of residential SUD care. Federal law excludes residential room and board costs from eligibility for federal matching funds, except in the case of inpatient hospital care. Medicaid patients must pay their own room and board costs, unless a county program or charitable organization provides funding.

Many residential treatment providers are reluctant to accept Medicaid patients given the current lack of a consistent source of funding for room and board. Providers have expressed that doing so would be financially unsustainable. The facilities that accept Medicaid patients frequently have waitlists, typically around two weeks in length. County officials indicate that this delay poses a significant barrier for some patients; severe substance use disorders often prevent patients from remaining ready and committed to receiving care for the duration of the waiting period.

Currently, counties are the most common source of room and board funding for Medicaid patients to receive residential SUD treatment. Many counties provide some funding for this purpose, supported by local tax levy or grant funding, but they typically do not guarantee funding to all Medicaid patients who meet the Medicaid conditions of eligibility for residential SUD treatment. Instead, most counties implement waiting lists and place a variety of additional restrictions and conditions under which patients may receive county funding. When county funding for room and board is unavailable, few Medicaid members with substance use disorders have the resources to pay these costs themselves.

As well as removing a financial barrier, counties indicate that state funding for room and board would streamline patients' access to residential SUD treatment; currently, people rely on county human services departments for placement, but the availability of state room and board reimbursement would allow patients to seek care directly, opening more avenues to connect patients with treatment providers and removing administrative barriers. This would build on the recent benefit expansion's potential for broadening access.

Given this, DHS plans to allocate \$2.5 million in settlement funds for this initiative to cover room and board costs for Medicaid members accessing the residential SUD benefit. DHS prioritizing these funds will supplement the \$2.5 million in short-term grants DHS awarded earlier this year to cover these costs. Since the federal government does not allow Medicaid to cover room and board costs, this funding fills the existing gap in residential SUD treatment. As done previously, these funds will be made available to counties and tribes who then will negotiate rates with residential SUD providers and reimburse them for room and board costs.

Phase 3: Recovery

The primary focus in the recovery space is on the individual working to overcome substance use disorder. However, an important consideration in recovery efforts is to include strategies to support families and loved ones of these individuals who are also impacted by the individual who is using. Many families are suffering in silence. For spouses, significant others, caregivers, children, parents, friends, and anyone else supporting an individual struggling with addiction, the support they need often goes unaddressed. In the event of an overdose or death, the need for support intensifies.

Given the lack of these services in Wisconsin, DHS proposes to pilot family support centers that will provide a wide array of services to those supporting individuals who are actively using drugs, have experienced an overdose, or died from an overdose.

Funding for Family Support Center pilots

The impact of an individual's drug use is widespread. This targeted effort will be to support families and loved ones, providing them with information, education, and healthy coping skills and building resiliency.

These family support centers will help families and friends get answers to the many questions they may have when learning about and trying to understand drug use and SUD. These centers will be staffed by experts in substance use disorders and services offered should be free, or of minimal costs. Through these centers, services will be easy to access, and available at times convenient to families.

DHS envisions family support center services to include the following: information and education on substance use, groups to assist loved ones managing the stress and crises that can occur when a loved one is using substances, whole family support groups, grief recovery for those who have lost someone to substance use, and referrals to harm reduction, treatment, counseling, and recovery and peer services from which their loved ones may benefit. These services will be offered in a non-clinical environment by a combination of substance use experts and peers.

DHS plans to allocate \$2 million in settlement funds for this initiative and grant funds to existing entities to fill this role in communities.

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