

This fact sheet examines the health care coverage and reimbursement source among clients who were treated in parallel substance abuse and mental health treatment systems in New Jersey. It is important to examine health insurance and reimbursement source as some clients may not enter treatment because they may not have insurance or the insurance that they have may not cover the costs of treatment. Health care coverage indicates what, if any, forms of health insurance the client currently has, but does not indicate whether insurance will pay for the client's treatment. In this analysis, health care coverage information was provided only for clients whose admission was to the substance abuse treatment system; this information was not reported to the mental health treatment services system. Reimbursement source refers to the expected funding source for the current treatment episode and was reported in both treatment systems. Although clients may have health care coverage, that does not guarantee that they will be covered for the treatment episode. As a result, reimbursement source is examined to indicate what clients believe will be their expected source of payment for treatment. Using administrative data records from the New Jersey Alcohol and Drug Abuse Data System (ADADS) and the New Jersey Uniform Services Transaction Form, this analysis found that about two-thirds of substance abuse treatment only clients and clients with a co-occurring disorder had no health insurance at the time of admission. The most frequently expected reimbursement source for mental health only clients and clients with a co-occurring disorder was Medicaid/Medicare, while other public funding was the most frequently expected reimbursement source for substance abuse treatment only clients.

Background

This fact sheet examines the health care coverage and reimbursement source of clients treated in the substance abuse and mental health treatment systems in New Jersey. Health care coverage is limited to clients in the substance abuse treatment system, since this information was not reported to the mental health treatment system. Reimbursement source, however, was reported for clients in both treatment systems. Two data sources were used in this analysis: the Alcohol and Drug Abuse Data System (ADADS), maintained by New Jersey's Division of Addiction Services (DAS), and the Uniform Services Transaction Form (USTF), maintained by New Jersey's Division of Mental Health Services (DMHS). These are parallel treatment systems in New Jersey and each has its own data reporting system.

Both the ADADS and USTF admissions data include basic demographic information, treatment history, treatment reimbursement source, non-mental health needs, primary presenting problems, and admitting diagnoses.

At discharge, ADADS collects information on the client's reason for discharge, mental health treatment and service needs, total units of services received, significant problems or conditions

identified during treatment, referrals for further substance abuse or other supportive services, and information on interim treatment outcomes (e.g., employment status, goal achievement). The USTF discharge data include information on circumstances at the time of treatment termination, mental health and non-mental health needs at termination, final diagnosis, level of client functioning, number of treatment sessions, and primary agency responsible for follow-up.

To facilitate comparisons of ADADS and USTF data, an index admission was selected from these data sets for admissions in the years 1994 through 1997. Clients were randomly selected from the total index admissions with a final data set of 404,684 clients selected from both data systems including 139,856 clients in the substance abuse treatment system and 264,828 clients in the mental health treatment system. Using index admissions data from the ADADS and USTF data sets, three groups of clients were identified:

- Mental Health Treatment Only (MHO)
- Substance Abuse Treatment Only (STO)
- Clients with Co-occurring Disorders.

This fact sheet is one of a series that examines MHO, STO, and clients with co-occurring disorders in the New Jersey substance abuse and mental health treatment systems. Fact Sheet 148 identifies clients with co-occurring substance abuse and mental health disorders in the New Jersey treatment systems, while Fact Sheet 149 provides the demographic characteristics of the three groups of clients. Subsequent fact sheets will examine the treatment utilization patterns of substance abuse only clients, mental health only clients and clients with co-occurring disorders and the extent to which clients with co-occurring disorders are referred across the two parallel treatment systems for appropriate care.

About Two-thirds of STO Clients and Clients with a Co-occurring Disorder Did Not Have Health Care Coverage

Health care coverage indicates what, if any, forms of health insurance the client currently has but does not indicate whether insurance will pay for the client's treatment. Clients could, for example, have private insurance, but their insurance may not pay for the expense of treatment. In this analysis, health care coverage was reported only for clients whose index admission was obtained from the ADADS system (the USTF data system does not collect health care coverage data). Roughly equal numbers of STO (64%) and clients with a co-occurring disorder (62%) reported no health care coverage at the time of admission. A higher proportion of STO clients (23%) reported having private insurance or HMO coverage than clients with a co-occurring disorder (19%).

Health Care Coverage and Reimbursement Source for Mental Health Clients, Substance Abuse Treatment Clients, and Clients with Co-occurring

Health Care Coverage of STO Clients and Clients with a Co-occurring Disorder		
	STO Clients	Clients with a Co-occurring Disorder
None*	64%	62%
Medicaid/Medicare	12%	19%
Private insurance or HMO coverage	23%	19%

* None indicates that the client does not have insurance or that treatment would be paid through state or county public funding.

Reimbursement Source Varied Among MHO Clients, STO Clients, and Clients with a Co-occurring Disorder

Reimbursement source refers to the funding source the client expects to pay for the current treatment episode. This may or may not be the actual reimbursement source for treatment services. The largest proportion of MHO clients (37%) and clients with a co-occurring disorder (30%) expected Medicaid or Medicare to be their reimbursement source. More than one-fourth of STO clients (27%) expected other public funding to be their reimbursement source. More than one-third (36%) of MHO clients, and about one-fourth of STO (24%) and co-occurring (25%) clients expected to pay for services themselves. Fewer than two in ten clients in all groups expected private insurance or their HMO to be the reimbursement source.

Expected Reimbursement Source of MHO, STO, and Clients with a Co-occurring Disorder				
Reimbursement source	Total	MHO	STO	Co-occurring
None*	13%	6%	21%	15%
Medicaid/Medicare	28%	37%	10%	30%
Private insurance or HMO coverage	18%	18%	18%	17%
Other public funding	12%	3%	27%	12%
Self-pay	29%	36%	24%	25%

* None indicates that the client does not have insurance or that treatment would be paid through state or county public funding.

Summary

Health care coverage information was available only for clients whose admission was to the substance abuse treatment system; this information was not provided in the mental health services system. About two-thirds of STO clients and clients with a co-occurring disorder reported that they did not have health care insurance at the time of admission. Among clients who reported an expected reimbursement source, the largest proportion of MHO clients and clients with a co-occurring disorder expected

Medicaid or Medicare to cover some of the costs of treatment. The most frequently expected reimbursement source among substance abuse treatment only clients was other public funding.

Overview of the Alcohol and Drug Abuse Data System

The Alcohol and Drug Abuse Data System (ADADS) was implemented in 1991. ADADS collects information at both admission and discharge from the majority of substance abuse treatment agencies in New Jersey. ADADS mandates client-level data collection and reporting by all licensed drug or alcohol providers, state- or county-funded treatment providers, and facilities approved by the Intoxicated Driver Resource Centers. Since 1991, approximately 255 agencies per year have reported to ADADS.

Overview of the Uniform Services Transaction Form

The Uniform Services Transaction Form (USTF) was revised and implemented in its final form in 1989. This system is a confidential client registry for all county and state hospitals and community mental health agencies funded by the state or the Federal government. Between 1992 and 1998, approximately 161 agencies per year reported to the USTF in New Jersey.

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