



The Landscape of Treatment

Licensing & Accreditation: State
and NAATP Transparency &
Compliance

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Everything for recovery because recovery is everything.

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Objectives

1. To gain knowledge of the importance of accreditation
2. Increase understanding of concerns that accreditation may not fully address
3. Receive examples of concerns about unhealthy business practices
4. Examples of transparent practices
5. Concerns facing some states and our nation

1.

2.

3.

Goals & Parking Lot

Quality Nightmares

by MasterControl



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Who in the room is
an accredited
facility by CARF?



Who in the room is
an accredited
facility by JCAHO?



Who in the room is state
licensed?

What list of services are
you licensed for?



What list of services
are you accredited
for?



What most
concerns you about
your own business?



What most concerns
you about “the business
of addiction treatment”
in general?



What most concerns you
about licensing?

What most concerns you
about accreditation?



What do you believe the solutions are:

1. for accreditation
2. for licensing
3. for our field



Each state's regulations differ:

- Some are minimal;
- Some are extensive;
- Some are subjective;
- Some are prescriptive.

Accreditation:

- Creates a level playing field amongst providers
- Provides standardized language and systems for ensuring quality of care
- Provides security to a patient, family member, or referent that they will receive state of the art care



Most state standards, and in general, accreditation standards don't fully capture business practices, leaving room for questions.



JCAHO:

<https://www.jointcommission.org/>



CARF:

<http://www.carf.org/home/>

- Leadership Standards
Business Practice Standards
- Financial Standards
- Not for Profit
- For Profit Providers

NAATP: Membership Types

NAATP has two categories of membership:

- Provider Members provide direct professional addiction recovery services.
 - Those who achieve accreditation are promoted as Accredited Provider Members and appear on the NAATP website with a star.
 - Provider member applicants that are not licensed will not be accepted. The organizations can qualify as Supporter Members.
- Supporter Members are entities or individuals that provide a service that supports or contributes to the work of NAATP towards the goals of addiction service provision.

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**"The way I see it, unethical ethics are
better than no ethics at all!"**

NAATP: Member Ethics Requirements

- NAATP membership is a privilege!
- NAATP requires that all members adhere to NAATP Values, Membership Conditions, and the NAATP Code of Ethics.
 - During the application and renewal process, members are required to attest that they have read, understand, and agree to adhere to each of these.
 - Members must further agree that a failure to adhere, as determined at the sole discretion of NAATP, will result in disciplinary action by NAATP that may include: denial of membership application, corrective action by the member, or revocation of membership.

Next Steps





NATIONAL ASSOCIATION
OF
ADDICTION TREATMENT PROVIDERS

Voice. Vision. Leadership.

TRANSPARENCY

COMPLIANCE

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Licensing Compliance



Licensing Compliance

- Most states require drug and alcohol treatment centers to be properly licensed.
- This is generally required through state departments of health services, behavioral health, mental health or similar regulatory body.
- Treatment facilities are required to determine the proper class of licensure based upon the level of treatment provided. E.g IOP, residential.
- Licensing must be kept up-to-date. Licenses generally expire after defined time periods. E.g. every 3 years.
- Change of address, change in key personnel and other material changes may require notification to licensure agencies within specified timeframes.

Licensing Compliance

- For initial licensure, states often require a survey or in-person audit of the facility to ensure compliance with applicable laws.
- Complaints about licensing (or improper behavior under such licenses), are generally directed to the same regulatory agency that issued the original license.
- Any licensing complaints must be responded to timely and thoroughly in order to avoid adverse licensing consequences by the state agency.
- State agencies overseeing drug and alcohol treatment have the authority to suspend or revoke licensure and level fines and penalties for non-compliance.

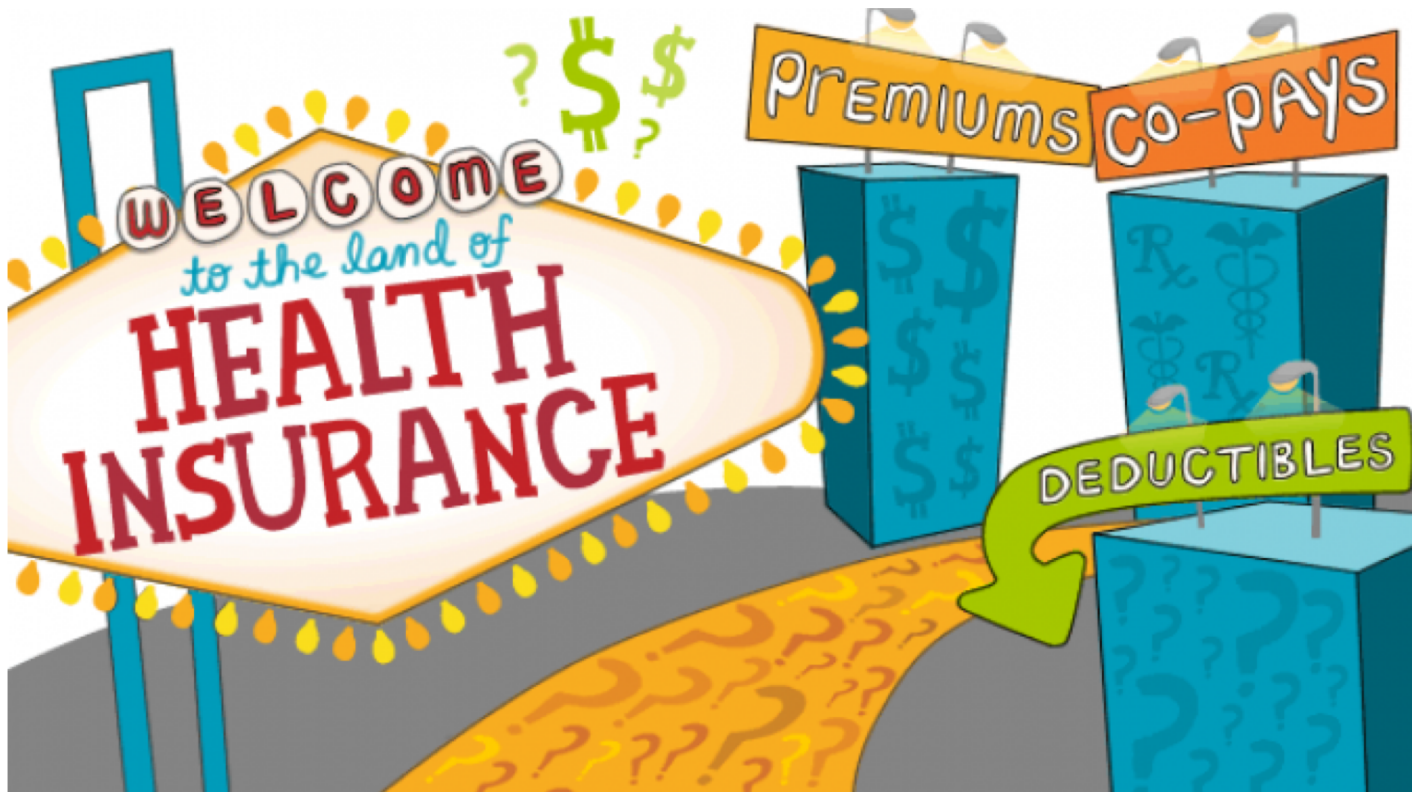
Licensing Compliance

- In addition to facility licensing—you must ensure that individuals treating clients/patients are properly licensed.
- Review state licensing requirements for the level of treatment provided to clients.
- Check state licensing databases as a cross-check when hiring therapists/counselors.
- Check licensing oversight breadth to ensure individuals can treat under another professional's license.
- Maintain current copies of relevant licenses in files.

Licensing Compliance

- Adopt policies/protocols for rechecking license status at regular intervals. E.g. January 1, July 1 of each year.
- For independent contractor therapists/medical providers, be certain you understand the center's liability and related insurance coverage for their acts/omissions.
- Some states require that all relevant licenses be displayed. Clearly understand your state's requirements in connection with licensing.

Health Insurance Compliance



Health Insurance Compliance

- Payment by insurance companies or employee benefit plans to drug and alcohol treatment centers is generally based upon assignment of benefits by a policyholder.
- Obtaining a valid assignment of benefits is a prerequisite to assignment of insurance claims.
- Some policies cannot be assigned.
- The language of the assignment is critical for prompt and proper payment of claims.



Health Insurance Compliance

- ◆ Proper payment of claims under a patient's insurance policy or employee benefit plan is contingent upon compliance with the policy's terms and requirements.
- ◆ The assignment generally means that the drug and alcohol treatment center "stands in the shoes" of the patient/insured.
- ◆ The treatment center must comply with all requirements of the policy/plan in order to be properly paid. Examples are:
 - Premiums may only be paid by those specified in the policy (most insurers now limit who can pay the premium for an insured).

Health Insurance Compliance

- All patient financial responsibility amounts must be paid in advance of treatment.
- Failure to properly collect patient responsibility amounts in connection with treatment has been held to constitute fraud and misrepresentation on the insurer/employee benefit plan.
- Insurers often point to a specific exclusion for denying the entire claim when patient responsibility amounts have not been collected. E.g. Treatment for which no charge is made to the insured.
- Usual and customary billing limits will apply. Many states are adopting balance billing/surprise billing legislation—know what your state requires. E.g. California, Texas, Arizona.

Health Insurance Compliance

- Many of the licensing and health care regulatory issues can also have an impact on payment under an insurance policy or employee benefit plan.
- Failure to be properly licensed can result in denial of claims—this is because the treatment center would not meet the definition of “provider” or other key policy/plan definitions.
- Failure to comply with health care regulations can also impact payment/reimbursement under an insurance policy or employee benefit plan. Examples are prohibited inducements or violation of state or federal anti kick-back statutes.



Health Insurance Compliance

- Other considerations in connection with insurance policy/regulatory compliance:
 - Prohibited inducements
 - Rebating
 - Misrepresentation
 - Unfair Practices or Frauds

Accreditation and the Payment Landscape



Accreditation and the Payment Landscape

- Many payors are requiring accreditation as part of their policy form standards requirements for providers.
- Conditions of the policies are that treatment providers (and others) are accredited by recognized national organizations.
- Failure to be properly accredited may result in non-payment and denial of submitted claims.
- Accreditation creates level playing fields and standards among providers.

Accreditation and the Payment Landscape

- Policy forms are routinely being submitted to regulators with accreditation requirements for certain payors (and being approved).
- Absent legislation opposing this sort of payment standard, it is likely to continue.
- Recent significant issues in the drug and alcohol treatment space have fueled these sorts of payment standards.
- CARF and Joint Commission should be explored and pursued to ensure continued viability of your organization.

Accreditation and the Payment Landscape

- CARF International—Quality Standards that are a roadmap for quality practices. Those standards are field-driven and annually updated.
- Steps:
 - Consult with CARF
 - Conduct Self-Evaluation
 - Submit Survey Application
 - CARF Invoices for Survey Fee
 - CARF Selects Survey Team
 - Survey Is Conducted On-site
 - CARF Renders Decision

Accreditation and the Payment Landscape

- CARF Accreditation Decisions
 - Three-Year
 - One-Year
 - Provisional
 - Non-accreditation
- Within 90 days of notice of the accreditation decision, the provider must submit a Quality Improvement Plan (QIP). It addresses areas of improvement identified in the survey.
- Annually, a CARF accredited provider must submit an Annual Conformance to Quality Report (ACQR).

Accreditation and the Payment Landscape

- Joint Commission—an independent, non-profit that certifies health care organizations and programs in the U.S. The goal is to inspire health care organizations to excel in providing safe and effective care at the highest quality and value.
- The Joint Commission certifies a variety of health care organizations, including behavioral health care.
- The Joint Commission identifies safety goals, conducts an on-site survey and renders a certification decision.
- A full Accreditation Quality Report is issued by The Joint Commission and available for all certified organizations online.
- An on-site survey is conducted at least every 3 years.

Accreditation and the Payment Landscape

- Accreditation/Certification by CARF and The Joint Commission are simple ways that patients, regulators and payors can use to immediately determine whether an organization meets national standards for quality, safety and responsiveness to an independent quality review organization.

Recommendations

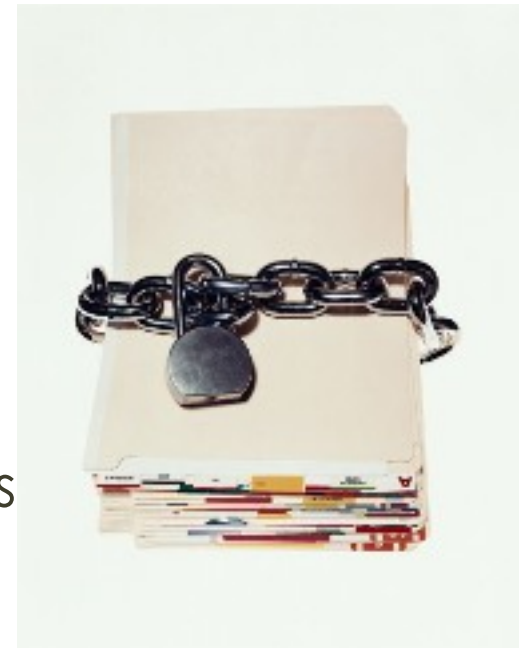
- Establish a strong and well-defined compliance function in your organization.
- Adopt compliance policies and procedures.
- Clearly communicate the compliance policies and procedures to staff, clients, regulators and other constituents.
- Routinely audit treatment center practices to ensure compliance with policies and procedures.
- Empower compliance staff to enforce policies and effect necessary change in connection with reported violations.

Recommendations, continued

- Maintain clear, detailed and accurate medical records for each patient/client.
- Review and update intake and patient financial responsibility forms at least annually and make any/all changes as necessary.
- Review legislation that may affect your center and implement changes as necessary.
- Ensure that you have proper and complete insurance for your center that protects you in the event of regulatory violations.

Recommendations, continued

- Know the insurance policies and employee benefit plans for your clients and comply with required terms.
- Be consistent in your application of policies and procedures to avoid arguments of waiver or pretext.
- Obtain accreditation/certification as necessary to demonstrate compliance with national standards for quality.
- Reward compliance behavior by staff.



Conclusions

- Long-term sustainability depends upon high levels of compliance.
- Those centers with well-defined, well-communicated compliance programs are more likely to survive regulatory/payment scrutiny.
- The more significant the claim submissions to an insurer or employee benefit plan—the more likely there will be significant audit and payment scrutiny.
- Compliance functions are no longer an option.
- Accreditation can help establish uniform standards in your organization that are easily identified/vetted by payors and regulators.