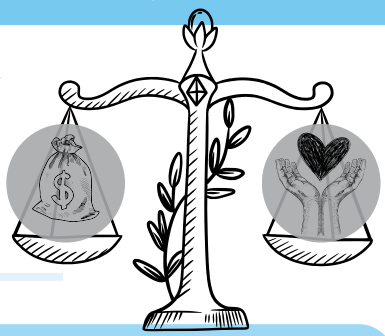
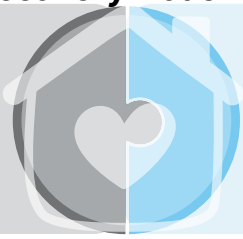
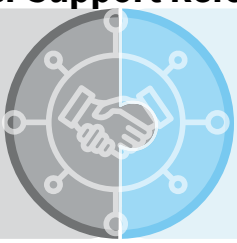
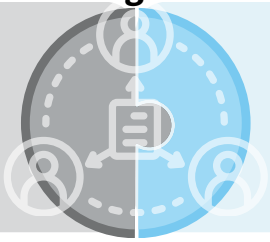
Solving Lack of Value in SUD Treatment Delivery Systems

Integrating Holistic, Value-Based Strategies for Sustainable Recovery

Value-Based Payment (VBP) systems enhance treatment by **prioritizing patient outcomes** and addressing **both clinical and social needs**, such as housing and employment, to support holistic recovery. By integrating community partnerships and restructuring Medicaid's approach, VBP promotes **coordinated care** that reduces service gaps and supports long-term recovery for individuals with substance use disorders.



TRADITIONAL PAYMENT MODEL (fee-for-service)		VALUE BASED PAYMENT MODEL (outcome incentivized)
Recovery Support Services		
• Funding inefficiencies in embedded Recovery Support Services (RSS) • Clinical focus limits RSS impact • Recovery gaps in Medicaid services		• Separate Funding for RSS • Distinct Standards and Metrics • Community Partnerships
Reentry Services		
• Medicaid coverage lost during incarceration • Barriers to housing and employment • Increased risk to return to use and recidivism risks		• Pre- and Post-Release Case Management • Housing and Employment Networks • Peer Support Models
Recovery Housing		
• Lack of stable and high quality recovery housing • Medicaid excludes room and board • Higher risk of return use without support		• "In Lieu of Services" (ILOS) • State and Local Grants • Quality Standards for Recovery Housing
Peer Support Reform		
• Low pay and professional ladder for peer specialists • Inconsistent training across states • High turnover disrupts care quality		• Improved Compensation and Benefits • Defined Career Pathways • Accessible Training and Certification
Outcome Tracking and Data Sharing		
• Fragmented data limits service coordination • Poor & lack of tracking of recovery outcomes (if any) • Medicaid inability to measure impact		• Integrated Data Systems • Outcome Tracking for Non-Clinical Metrics

More detail on back

Key strategies for implementing effective VBP models within Medicaid to separate and enhance recovery support services, illustrating how VBP can meet the multifaceted and complex needs of individuals on their journey to recovery and wellbeing.

Structuring Recovery Support Services (RSS) in a Separate Yet Complementary Role

Separating funding for recovery support services (RSS) allows them to operate independently, addressing social determinants of health (SDOH) like housing and employment without relying on clinical budgets. By creating distinct outcome metrics and fostering partnerships with community organizations, RSS can provide person-centered care that stabilizes recovery and reduces fragmentation. This approach aligns with SAMHSA and Medicaid goals for equitable, holistic health support.

Recovery Support	Clinical
• Housing Assistance	• In-Patient
• Peer Respite Centers	• Out-Patient
• Utilities Support	• Assessments
• Supportive Employment	• Counseling
• Specialized Job Training	• Detox Services
• Transportation	• Case Mgmt
• Workshops	• Diagnostic Testing
• Support Groups	• Crisis Intervention

Reentry Services and Community Integration

Extending case management from pre-release to post-release, as seen in Kentucky's 1115 Reentry Demonstration, ensures continuity of care for justice-involved individuals. Collaborative housing and employment networks, along with peer support specialists, provide critical resources for stabilizing reentry and reducing reliance on emergency services. These approaches align with CMS and DOJ priorities for promoting community reintegration, recovery, and desistance from criminal behavior.

Recovery Housing Standards and Funding Models

Medicaid's "In Lieu of Services" (ILOS) provision can fund housing-related supports like navigation and management, enhancing stability and reducing costly emergencies. State and local grants can bridge gaps by covering room and board costs, complementing Medicaid services. Aligning NARR-certified recovery housing standards with VBP models ensures safe, supportive environments that promote sustained recovery and reduce return to use risks.

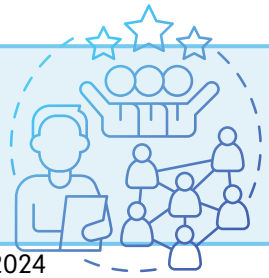
Peer Support Specialist Reform

Enhancing compensation and benefits for peer support specialists improves workforce stability and care quality. Defined career pathways, such as senior specialist roles, reduce turnover and support professional growth, while standardized training and certification across states ensure consistency and trust. Financial support for training further expands access, sustaining a skilled workforce for Medicaid recovery services.

Enhanced Data Sharing and Outcome Tracking

Integrated data systems that connect recovery support services (RSS) with clinical providers enhance accountability and reduce care fragmentation by capturing the full impact of RSS on health outcomes. Tracking non-clinical metrics like housing stability and employment highlights the value of addressing social determinants of health (SDOH) in recovery. These insights inform value-based payment (VBP) models and Medicaid planning to better support holistic care.

Through these mechanisms, VBP systems serve not only as a payment model but as a comprehensive framework that aligns Medicaid services with best practices for sustainable recovery.



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