



## Center for Medicaid & CHIP Services

# Mental Health and Substance Use Disorder Action Plan



### Introduction

As the largest single source of funding for mental health (MH) and substance use disorder (SUD) treatment and support services,<sup>i</sup> Medicaid, along with the Children's Health Insurance Program (CHIP), underpins the delivery of care for MH conditions and SUDs across the United States and provides critical support for millions of people with these conditions. Improving access to high quality MH and SUD treatment is among the Centers for Medicare & Medicaid Services' (CMS') highest priorities and is integral to the Center for Medicaid and CHIP Services' (CMCS') partnership with states to provide high quality health care coverage to over 90 million individuals. CMCS also collaborates closely with other federal agencies, particularly the Substance Abuse and Mental Health Services Administration (SAMHSA), to improve the quality and availability of MH and SUD services for Medicaid and CHIP enrollees.

Medicaid and CHIP can provide coverage for a full array of services and supports for people with MH conditions and SUDs, including services and supports that generally are not covered by other health care programs or plans. Providing the full array of services and supports is particularly critical for individuals with more serious MH conditions and/or SUDs as they are more likely to be enrolled in Medicaid and CHIP.<sup>ii</sup> In addition, special protections incorporated into Medicaid and CHIP, including the mandatory Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) benefit in Medicaid, provide assurance that enrollees struggling with serious MH conditions or SUDs have coverage for the care they need.

As highlighted in a recent CMCS Informational Bulletin "**Leveraging Medicaid, CHIP, and Other Federal Programs in the Delivery of Behavioral Health Services for Children and Youth**", the mandatory EPSDT benefit requires coverage of all medically necessary care for children and adolescents under the age of 21 enrolled in Medicaid, including coverage of prevention, screening, assessment, and treatment services for MH conditions and SUDs. This clarification is critically important since MH and SUD conditions are among the most prevalent health conditions affecting children,<sup>iii</sup> and Medicaid and CHIP provide health care coverage for about half of the children and adolescents in the U.S.<sup>iv</sup>

In addition, the Mental Health Parity and Addiction Equity Act (MHPAEA) requirements that apply to Medicaid and CHIP coverage have helped improve access to MH and SUD treatment among individuals at higher risk of these conditions. Under the Affordable Care Act (ACA), for example, MHPAEA requirements were extended to the alternative benefit plans for Medicaid expansions that have significantly increased access to MH and SUD treatment among low-income adults in states that have expanded coverage to this group.<sup>v</sup> The MHPAEA requirements are a critical element of those Medicaid expansions since individuals covered are at heightened risk of MH conditions and SUDs.

People in marginalized, historically disadvantaged groups also experience higher rates of MH conditions and SUDs than the general population for a variety of reasons. Many individuals in these groups rely on Medicaid for health care coverage.<sup>vi</sup> Thus, addressing disparities and improving equity in coverage and access to MH and SUD treatment and services is central to CMCS' mission.

A hallmark of Medicaid and CHIP, coverage of home and community-based services (HCBS), is particularly essential for individuals with more serious MH conditions and SUDs. States' HCBS programs are vital safety net programs that promote engagement in treatment, which is fundamental for improving outcomes for individuals with MH conditions and/or SUDs. Beyond providing clinical services and treatment, HCBS provide social supports to address basic human needs, including linkages to and services to support stable housing and access to food. These services support individuals with more serious MH conditions and SUDs in their homes and communities and enable them to pursue self-identified goals. Ultimately, HCBS covered by Medicaid and CHIP provide a foundation for recovery among people with MH conditions and/or SUDs by providing hope and a sense of purpose.

Improving engagement in treatment for MH and SUD services is also critical for improving physical health care outcomes among these high need populations.<sup>vii</sup> Individuals with MH conditions or SUDs often experience high rates of co-occurring physical health conditions that drive much of the elevated cost of treating these individuals.<sup>viii</sup> Medicaid and CHIP policies aimed at improving integration of MH and SUD services with primary care, like the recent **policy clarification encouraging coverage of interprofessional consultations**, including by MH and SUD treatment specialists for primary care and other providers, can help engage individuals in treatment by offering a more familiar care setting. In addition, this support for more integrated care can also improve outcomes for physical health conditions and help manage health care costs associated with individuals with MH conditions and SUDs.

Unfortunately, the COVID-19 pandemic had a particularly detrimental impact on mental health and substance use.<sup>ix</sup> The increased need for MH and SUD treatment has occurred at a time when capacity to provide these services and supports has decreased. Currently, provider workforce shortages are common with nearly half of the U.S. population living in a mental health workforce shortage area.<sup>x</sup>

Rural areas are especially impacted by shortages of MH and SUD providers, given that individuals living in those areas experience similar and by some estimates higher rates of MH conditions and SUDs.<sup>xi</sup> Consequently, individuals in these areas generally have less access to treatment services or supports for these conditions.<sup>xii</sup>



Children and adolescents have been significantly affected by the impact of COVID-19 on MH and substance use.<sup>xiii</sup> Pediatric emergency department (ED) visits for mental health conditions increased throughout the pandemic.<sup>xiv</sup> Moreover, ED boarding, which occurs when people wait for extended periods in these settings for access mental health treatment, was common before the pandemic<sup>xv</sup> and also increased.<sup>xvi</sup>

Of further concern, research shows that children and adolescents struggling with mental health

or substance use disorders often are disciplined in schools or referred to the juvenile justice system rather than receiving treatment and supportive services to address their underlying needs.<sup>xvii</sup> Indeed, nearly 70 percent of children in the juvenile justice system have a diagnosable MH condition or SUD.<sup>xviii</sup> Furthermore, adults and adolescents with serious mental illness (SMI) and/or SUD – particularly those from marginalized groups – have higher rates of involvement in the criminal justice system. Millions of individuals with SMI and SUDs are detained in jails every year, many for low-level, nonviolent offenses such as loitering or vagrancy.<sup>xix</sup>

To help address these issues, CMCS has engaged in a multifaceted approach to strengthen coverage of MH and SUD treatment in Medicaid and CHIP across all care delivery systems. As a part of this effort, CMCS released a Request for Information (RFI) from in February of 2022, that asked the public for suggestions on increasing access in Medicaid and CHIP. Major themes in the public comments included the need to improve network adequacy for MH and SUD providers and to support greater transparency in coverage policies including payment rates.



Accordingly, CMCS has prioritized developing new strategies for improving participation of MH and SUD providers in Medicaid and CHIP. To further that objective, the **Access and Managed Care Notices of Proposed Rulemaking published May 3, 2023** propose significant regulatory changes aimed at improving access to MH and SUD treatment services and supports. These proposed rules also propose to make reporting more transparent and meaningful for driving quality improvement and reducing burden.

CMCS has also prioritized ensuring that individuals who were covered by Medicaid and CHIP during the COVID-19 PHE are connected to continued health care coverage with the end of the Medicaid continuous enrollment condition. Maintaining health care coverage for the more than 93 million individuals enrolled in Medicaid and CHIP is critical, especially for those with MH conditions and SUDs. As we have seen in states that expanded Medicaid under the ACA, a significant benefit of expanded health care coverage is improved access to MH and SUD treatment.<sup>xx</sup> Similarly, ensuring continued enrollment of eligible individuals will be essential for maintaining access to MH and SUD services for millions of low-income adults and youth.

In addition, CMCS has a number of initiatives underway aimed at making MH and SUD treatment more readily available where people regularly go to seek care, including non-specialized health care settings such as primary care, and other non-traditional settings, such as schools, jails and prisons, as well as through programs that address health-related social needs (HRSN). Increased availability of MH and SUD treatment services and supports in these non-specialized and non-traditional settings can encourage engagement in MH and SUD treatment and reduce the stigma associated with these conditions.



As an illustration of this dynamic, when mental health care is available in school settings, youth are far more likely to be identified early and to initiate and complete care.<sup>xxi</sup> School-based MH and SUD programs incorporating prevention, early intervention, and graduated levels of treatment services and supports have been associated with enhanced academic performance,<sup>xxii, xxiii</sup> decreased need for special education,<sup>xxiv</sup> fewer disciplinary encounters,<sup>xxv</sup> increased engagement with school,<sup>xxvi</sup> and elevated rates of graduation.<sup>xxvii</sup> CMCS recently issued updated **guidance** on reimbursement by Medicaid and CHIP for school-based services including MH and SUD services. In addition, CMCS is working with the Department of Education to support a technical assistance center on this topic.

CMCS' actions to bolster Medicaid and CHIP support for enrollees with mental health conditions or SUDs are outlined in the following action plan. Priorities include improving coverage and integration to increase access to prevention and treatment services. CMCS is also focused on encouraging engagement in care through

increased availability of HCBS and coverage of non-traditional services and settings. In addition, CMCS has numerous actions geared toward improving quality of care. Woven throughout these priority areas is a commitment to advancing equity and promoting integrated, whole-person care.

## **Overview**

In summary, the three overarching goals with prioritized strategies that guide CMCS' actions to improve treatment and support for Medicaid and CHIP enrollees with MH conditions and/or SUDs are outlined below:

### **I. Increase Access to Prevention and Treatment by** .....

**A. Improving Coverage of MH and SUD Screening and Therapies and Promoting Parity**

**B. Supporting Integration and Coordination of MH and SUD Treatment with Other Health Care**

### **II. Improve Engagement in Care by** .....

**A. Increasing Treatment and Support in Home and Community-Based Settings**

**B. Supporting Access to MH and SUD Services through Non-Traditional Settings and Services**

### **III. Enhance Quality of Care by** .....

**A. Encouraging Implementation of Evidence-Based Practices**

**B. Improving Quality Measurement**

**C. Analyzing and Publicizing Data on Key Topics**

## **Prioritized Activities**

Some high priority actions underway or under development for each of these goals and strategies are outlined in this plan.

# I. Increase Access to Prevention and Treatment

## Strategies:

### A. Improving Coverage of MH and SUD Treatment and Promoting Parity

#### Actions:

#### 1. Supporting Connections to Health Care Coverage

##### a. Engagement with States on Medicaid Renewals:

As the Medicaid continuous enrollment condition has ended, CMCS is working proactively with state Medicaid and CHIP agencies and other stakeholders to ensure that people stay connected to coverage either by remaining enrolled in Medicaid or CHIP, if they are still eligible, or transitioning to another coverage option, such as Marketplace coverage. All states and territories have been working for many months to update their eligibility systems, create a plan for renewing coverage for all Medicaid enrollees who remain eligible, and work with partners to transition coverage for those who are not. CMS is monitoring states' progress and ensuring they meet federal requirements to help ensure access to high-quality, person-centered health care coverage. More information can be found at [Medicaid.gov/unwinding](https://www.medicaid.gov/unwinding).

##### b. Connecting Kids to Coverage Campaign:

The Connecting Kids to Coverage National Campaign is a national outreach and enrollment initiative that reaches out to families with children and teens eligible for Medicaid and CHIP. In addition, it provides a full range of outreach and enrollment materials (including customizable posters and flyers, social media messaging, as well as radio and TV public service announcements, videos featuring successful outreach strategies, and outreach strategy and social media guides). These materials can help states, community organizations, schools, health care providers and others organize and conduct successful outreach activities. Campaign resources include a radio media tour, which is conducted annually. This year, the radio media tour focused on Medicaid and CHIP coverage of mental health services. Information about the mental health initiative is available at: <https://www.insurekidsnow.gov/initiatives/mental-health/index.html>.

#### 2. Increasing Network Adequacy and Participation by MH and SUD Treatment Providers

##### a. Managed Care and Access Rulemaking:

Significant new requirements included in the [proposed rules](#) on "Assuring Access to Medicaid Services" and "Managed Care Access, Finance, and Quality," published on May 3, 2023 demonstrate CMCS' strong commitment to improving access to MH and SUD services. These proposed regulatory changes are focused on strengthening access to and quality of care in Medicaid and CHIP by establishing certain national standards for timely access to care under managed care plans, through which a majority of Medicaid and CHIP beneficiaries receive benefits. These rules would also establish transparency for Medicaid and CHIP payment rates for providers, other access standards for transparency and accountability, and options to empower beneficiary choice. Proposed managed care maximum appointment wait time standards for managed care plans that apply to outpatient MH and SUD services and requirements for secret shopper surveys to assess appointment wait times and provider

directory accuracy. In addition, states would be required to submit an annual payment analysis for managed care and biennial payment analysis (Medicaid only) for fee-for-service (FFS) that compares payment rates for certain services, including outpatient MH and SUD services as a proportion of Medicare's FFS payment rates.

**b. Improved Reimbursement through Section 1115 Demonstrations:**

CMCS has incorporated provisions in certain section 1115 demonstrations, including those that address HRSN, Designated State Health Programs, and Health Equity, that require states to assess and make progress on closing the gap between that state's Medicaid payment rates and Medicare rates for certain types of services, including MH and SUD services. These types of provisions have been included, for example, in section 1115 demonstrations for Oregon and Massachusetts.

**c. Demonstration to Increase SUD Provider Capacity:**

Through this initiative, CMCS has been working with states (15 that received planning grants and the five that are participating in the demonstration)<sup>xxviii</sup> to improve SUD treatment provider participation in Medicaid and will issue, in collaboration with federal agency partners, three reports to Congress over the next few years on findings from this initiative that ends in September 2024.

**3. Ensuring Compliance with Mental Health Parity and Addiction Equity Act and Other Requirements**

CMCS continues to work closely with state agencies to help them understand how the federal parity law apply to Medicaid and CHIP programs as specified in the Medicaid and CHIP MHPAEA regulations. In addition, CMCS reviews state documentation and analyses called for by the Medicaid and CHIP regulations to ensure states' benefits and managed care arrangements comply with MHPAEA.

CMCS is also working with state partners to ensure coverage of services to prevent, diagnose, and treat a broad range of MH and SUD symptoms and disorders in every state's CHIP program as called for by the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment Act (SUPPORT Act). To implement those SUPPORT Act provisions, CMCS requires that states incorporate age appropriate, validated screening tools, such as those recommended by the American Academy of Pediatrics and the United States Preventive Services Taskforce, and that the behavioral health services are provided in a culturally and linguistically appropriate manner.

CMCS is interested in feedback on the processes used to implement MHPAEA in Medicaid and CHIP as well as suggestions and/or model practices. CMCS is planning to post a request for information to gather input from stakeholders in the near future. We welcome comments on ways to improve efficiency while ensuring effectiveness of the processes used to implement MHPAEA in Medicaid and CHIP.

#### 4. Improving Implementation of Early Periodic Screening, Diagnostic and Treatment Services Requirements (EPSDT)

The Bipartisan Safer Communities Act (BSCA) requires CMS to review states' compliance with the Medicaid EPSDT benefit, provide technical assistance to states, issue guidance on best practices, and provide a report to Congress on its findings by June of 2024. Through these activities, CMCS is actively engaged with states to ensure they are complying with the EPSDT benefit, including ensuring that states are providing children and adolescents with MH conditions and SUDs access to all medically necessary care. CMCS recently issued an information [bulletin](#) reminding states of their obligation to cover mental health and SUD services under EPSDT.

## B. Supporting Integration and Coordination of MH and SUD Treatment with Other Health Care

### Actions:

#### 1. Encouraging Support for Use of Health Information Technology (HIT) among MH and SUD Treatment Providers

As a component of the [section 1115 demonstrations focused on SMI and serious emotional \(SED\) disturbance](#), CMCS requires states to develop plans for implementing HIT to support improvements to delivery of mental health care through those demonstrations. In addition, the [State Medicaid Directors Letter \(SMDL\) regarding section 1115 demonstration opportunities to support community reentry and improve care transitions for individuals who were incarcerated](#) (also discussed below) encourages states to consider supporting improvements in HIT to improve care transitions as part of those demonstrations. CMCS will also issue new technical guidance in collaboration with federal partners on how states can receive enhanced federal financial participation for qualified activities (e.g., 90 percent and 75 percent) for HIT systems that support care delivery by MH and SUD treatment providers.

#### 2. Supporting Continued and Improved Coverage of Telehealth

By the end of 2023, CMCS will issue additional guidance for states on use of telehealth to provide services coverable by Medicaid and CHIP, which has been shown to be particularly effective for improving access to MH and SUD treatment.<sup>xxix</sup> This guidance will build on the [“State Medicaid & CHIP Telehealth Toolkit: Policy Considerations for States Expanding Use of Telehealth”](#) and [a supplement](#) that were developed by CMCS during the COVID-19 PHE.

#### 3. Increasing Availability of MH and SUD Treatment through Interprofessional Consultation

CMCS is raising awareness about new [guidance](#) on coverage and reimbursement for interprofessional consultations. Through direct technical assistance and engagement with state Medicaid agencies, CMCS is advising states about opportunities this policy creates for improving integration of MH and SUD treatment into additional settings including primary care and pediatricians' offices, EDs, and school-based health centers as well as the potential to mitigate workforce shortages by better leveraging the existing supply of MH and SUD specialists.



## II. Improve Engagement in Care

### Strategies:

#### A. Increasing Treatment and Support in Home and Community-Based Settings

##### Actions:

##### 1. Funding a Continuum of Crisis Stabilization Services

###### a. Mobile Crisis Intervention Services Grants and State Plan Amendments:

As authorized in the American Rescue Plan, CMCS provided \$15 million in **planning grants** to 20 states<sup>xxx</sup> to support implementation of Medicaid qualifying community-based mobile crisis intervention services. CMCS continues to engage regularly with states awarded planning grants and also extended the deadline for using these funds until September 2023. As part of these efforts, CMCS is working with a number of states to implement state plan amendments to qualify for temporary enhanced federal Medicaid funding for mobile crisis intervention services. Seven states have been approved so far.<sup>xxxi</sup> Foundational to these efforts has been a **State Health Official Letter** issued by CMCS specifying the requirements for mobile crisis intervention services to be eligible for the temporary increased federal matching funds and also describing a number of additional ways states may support crisis services for Medicaid and CHIP beneficiaries.

###### b. Guidance and Technical Assistance on Medicaid & CHIP Support for Crisis Services

CMCS is partnering with SAMHSA to develop and issue additional guidance on Medicaid and CHIP support for crisis stabilization services as well as working together to establish a technical assistance center on this topic and develop a compendium of best practices. These additional resources are due to be developed by July of 2025.

###### c. Support for Crisis Response by Certified Community Behavioral Health Clinics

CMCS is working with SAMHSA to expand availability of Certified Community Behavioral Health Clinics (CCBHCs) nationwide (described below). As part of this work, we are **proposing a new payment policy** to encourage states to improve support for crisis response services by CCBHCs including mobile units and facility-based walk-in/urgent care services at CCBHCs. This new policy would be incorporated into the CMCS technical guidance and resources for the CCBHC demonstration.

##### 2. Expanding the CCBHC Demonstration

In the CCBHC demonstration, participating state Medicaid programs receive enhanced federal funding for clinics that meet specific federal criteria including offering comprehensive services and evidence-based programs, improving care coordination, and reporting quality measures. CMCS is actively collaborating with SAMHSA and the Department of Health and Human Services (HHS) Office of the Assistant Secretary for Planning and Evaluation to expand the demonstration as authorized in the BSCA and will start engaging with planning grant awardees in spring/summer of 2023 as these states prepare to apply for the demonstration in 2024. As a part of this effort, CMCS is developing and updating guidance on prospective payment system options including the performance measures and policies for the quality bonus component of these reimbursement methodologies.

### 3. Strengthening Support for HCBS

Many Medicaid-supported HCBS programs focus on assisting individuals with MH and SUD conditions, including through the rehabilitative services and section 1915(i) state plan authorities, section 1915(c) waivers, and other authorities. With enhanced and more flexible federal funding for HCBS under section **9817 of the American Rescue Plan (ARP)**, many states have offered a broader range of community-based services for people with MH conditions and SUDs, helped to stabilize provider workforce challenges, improved quality of care, and funded establishment of additional crisis stabilization services and programs. Each state submitted a spending plan for approval by CMS and those plans are posted [here](#) on Medicaid.gov. In addition, an overview of the states' planned activities is posted [here](#) on Medicaid.gov. CMCS will continue to support state efforts and, accordingly, CMCS extended the deadline for states to use the additional federal funding from section 9817 of the ARP from March 2024 to March 2025.

### 4. Increasing Awareness of Medicaid Coverage of Peer Supports

CMCS has a long-standing **policy** specifying that states have the option to provide Medicaid coverage of peer supports as part of MH and SUD services. This policy confirmed state discretion to determine critical aspects of how peer supports are covered, including training and certification requirements and how peer support providers must be supervised. CMCS will continue promoting existing options states have for providing Medicaid coverage of peer support services through technical assistance provided to states.

## B. Supporting Access to MH and SUD Services through Non-Traditional Settings and Services

### Actions:

#### 1. Improving Connections to Care and Support for Individuals Leaving Jails and Prisons

Historically, incarcerated individuals who are held involuntarily may be enrolled in Medicaid, but federal matching funds are not available for otherwise covered Medicaid services furnished to them, except for services provided to incarcerated beneficiaries while they are inpatients in a medical institution. All carceral authorities are constitutionally obligated to provide needed health care for inmates in their custody. Therefore, states and local governments are responsible for the financing of health care delivered to incarcerated people, and as a result, services provided to these individuals vary significantly depending on the level of state and local resources available and differing state and local policies. Justice-involved people are more likely to experience chronic health conditions and infectious diseases. Further, formerly incarcerated individuals use hospital services at higher rates, and they are far more likely to die by suicide, overdose, heart disease, cancer, and homicide following release from jail or prison. Improving access to health care and other services as individuals transition out of jails and prisons can help promote better health outcomes.

On April 17, 2023, CMCS issued **guidance** for a new section 1115 demonstration opportunity that will support improved access to care, including MH and SUD treatment, for individuals leaving jails or prisons. The SUPPORT Act had directed CMCS to provide opportunities for states to design section 1115 demonstration projects to improve care transitions for certain

incarcerated individuals by allowing Medicaid coverage for select short term services in the period shortly before expected release from jail or prison. California’s reentry demonstration initiative amendment was approved on January 31, 2023, and 14 additional states have proposed similar demonstrations to CMCS.

CMCS will continue to educate states about this section 1115 reentry demonstration opportunity, work with the 14 states that have already requested Medicaid section 1115 authority to cover services for incarcerated Medicaid beneficiaries prior to release from jail or prison and encourage collaboration between Medicaid agencies and other stakeholders to implement these demonstrations and encourage additional states to take up this opportunity. In addition, CMCS will work with other federal partners to raise awareness among different sectors, including criminal justice and housing agencies at the federal, state, local, Tribal, and territorial levels, to support people leaving jails and prisons. Given high rates of incarceration of people with MH and SUD conditions, CMCS will ensure these state demonstrations include a focus on improving access to MH and SUD treatment.

## 2. Increasing Support for Youth Leaving Juvenile Justice Settings

The Consolidated Appropriations Act, 2023 (CAA, 2023) included two key provisions for supporting youth leaving juvenile justice settings: “Medicaid and CHIP Requirements for Health Screenings, Referrals, and Case Management Services for Eligible Juveniles in Public Institutions” (section 5121) and “Removal of Limitations on Federal Financial Participation for Inmates Who Are Eligible Juveniles Pending Disposition of Charges” (section 5122), with both provisions going into effect in 2025. These provisions prohibit termination of eligibility for CHIP among youth who are incarcerated, which was already prohibited by section 1001 of the SUPPORT Act for Medicaid, and require both Medicaid and CHIP programs to cover screening and diagnostic services and targeted case management services in the 30 days prior to release. Additionally, Medicaid must provide targeted case management in the 30 days after release for individuals following adjudication of their care. The CAA also gives states the option to provide full Medicaid and CHIP coverage for juveniles who are detained pending disposition of their legal charges. These recent changes will be critical for improving access to MH and SUD services among youth in the juvenile justice and criminal justice system who have high rates of these conditions.<sup>xxxii</sup>

To implement these provisions, CMCS will develop and issue guidance on maintaining enrollment and covering services for incarcerated youth prior to release. In addition, CMCS will work with federal partners to increase awareness and uptake among criminal justice stakeholders and federal, state, local, Tribal, and territorial government agencies.

## 3. Promoting School-Based Services including MH and SUD Prevention and Treatment

CMCS **released** [“Delivering Service in School-Based Settings: A Comprehensive Guide to Medicaid Services and Administrative Claiming”](#) as well as an **overview** of the Guide to provide guidance to states and schools to simplify and streamline Medicaid and CHIP requirements for claiming for school-based health care. In addition, CMCS will award grants to states and establish an on-going technical assistance center in coordination with the Department of Education as authorized by Congress in the BSCA to support Medicaid and CHIP coverage of school-based services. The first stage of the TA Center was **established** in June 2023 and will be expanded going forward. Providing MH and SUD services in school-based settings is critical for

improving access to these services for children and adolescents, and these new resources will include attention to this important issue. These initiatives build on additional earlier [guidance](#) encouraging states to leverage Medicaid to support availability of a full array of covered health services in schools including mental health treatment for children enrolled in Medicaid as well as two [joint letters](#) by the Secretaries of Health and Human Services and Education highlighting these opportunities for Governors.

#### **4. Improving Connections with Supports to Address HRSN**

Through section 1115 demonstrations and managed care in-lieu-of services and settings (ILOSs) focused on HRSNs, CMCS will engage with state agencies regarding federal programs that can help address needs for longer-term housing support, recovery support including peer support, and other needs among beneficiaries served by these programs. A number of states have section 1115 demonstration initiative underway to provide coverage of HRSNs offering critical support for Medicaid and CHIP enrollees. CMCS also published a [SMDL](#) on January 4, 2023 to highlight how ILOSs could be utilized as an innovative option for states to address HRSN in managed care, thus broadening availability of this policy option. CMCS previously issued a State Health Official [letter](#) on “Opportunities in Medicaid and CHIP to Address Social Determinants of Health” and more recently a [guide](#) for addressing HRSN in Section 1115 demonstrations.

Furthermore, CHIP Health Services Initiatives (HSIs) have been developed by states to meet HRSNs and behavioral health needs for low-income children in a variety of settings. CMCS will work to raise awareness about the opportunities these HRSN programs offer to engage more effectively with individuals in need of MH or SUD treatment, who often disproportionately face the burden of unmet HRSNs.

# III. Enhance Quality of Care

## Strategies:

### A. Encouraging Implementation of Evidence-Based Practices

#### Actions:

#### 1. Leveraging Medicaid, CHIP, and Other Federal Programs in the Delivery of Behavioral Health Services for Children and Youth

As state Medicaid and CHIP officials and other stakeholders continue to raise alarm regarding the lack of adequate capacity to address the needs of children and adolescents struggling with MH conditions and SUDs, CMCS is encouraging states as a part of providing technical assistance to consider the best practices highlighted in the informational [bulletin](#) issued in August of 2022 on “Leveraging Medicaid, CHIP, and Other Federal Programs in the Delivery of Behavioral Health Services for Children and Youth.”

#### 2. Working with States on SUD and SMI/SED Section 1115 Demonstration Initiatives

CMCS has drawn on section 1115 authority to support initiatives aimed at encouraging states to increase availability of a full continuum of care for adults with SMI and children with SED as well as for beneficiaries with SUDs. CMCS continues to actively engage with states developing and implementing these section 1115 demonstrations to ensure these states are implementing the evidence-based practices highlighted in the [SMI/SED Section 1115 SMDL](#) and the [SUD section 1115 SMDL](#) as ways for states to achieve demonstration milestones and improve outcomes among beneficiaries. Currently 35 states<sup>xxxiii</sup> are participating in SUD focused demonstrations, and 11 states<sup>xxxiv</sup> in SMI /SED focused demonstrations.

Both initiatives offer flexibility regarding statutory exclusions of certain types of specialized treatment facilities in exchange for commitments from states to implement delivery system reforms designed to improve access to a full continuum of care and evidence-based services and programs. In both the SMI/SED and SUD section 1115 initiatives, states are also expected to report on a defined set of quality measures and conduct rigorous evaluations of these initiatives.

**For the SUD section 1115 demonstrations**, expectations for participating states include requiring availability of medication assisted treatment to individuals in residential treatment settings, use of nationally recognized expert standards to set provider qualifications, expanded access to naloxone to reverse opioid overdoses, and improvements in care coordination and access to physical healthcare as well as increased use of prescription drug monitoring programs.

CMCS actively works with states engaged in our [SMI/SED section 1115](#) initiative to ensure implementation of a broad range of improvements to these states’ MH delivery systems, in addition to allowing coverage of services during short-term stays for acute care in specialized inpatient and residential treatment facilities that are ordinarily excluded from Medicaid coverage. These required delivery system enhancements are focused on improving discharge planning and care coordination when transitioning out of inpatient and residential treatment stays, and include assessment of housing needs; requiring follow-up contact within 72 hours; prevent or decrease lengths of stay in emergency departments; improving availability of crisis

stabilization services and intensive outpatient programs; increasing use of evidence-based patient assessment tools; and implementing strategies to engage individuals in treatment, including through supported employment and supported education and increased integration and availability of services specialized to address the needs of children and adolescents.

### 3. Supporting State Efforts to Improve Access to Contingency Management

Contingency management is an evidence-based treatment for a variety of SUDs that incorporates therapeutically focused incentives aimed at promoting recovery, including through abstinence from substance use and engagement in treatment.<sup>xxxiv</sup> The evidence of effectiveness of this treatment modality is compelling and it is especially important as a treatment option for stimulant use disorders that represent an increasing cause of overdose deaths. CMCS has allowed coverage of contingency management as part of a couple of states' section 1115 demonstrations. In addition, CMCS is also working with other states that have expressed interest in testing the use of this therapy to improve outcomes for people with SUDs through section 1115 demonstrations.

### 4. Providing Learning Collaboratives to Address Pressing Issues

CMCS supports state efforts to address pressing issues through affinity groups to facilitate peer to peer exchanges between states and provide expert resources. In this regard, CMCS is supporting an on-going affinity group focused on improving follow-up after hospitalization for mental illness.

## B. Improving Quality Measurement

### Actions:

#### 1. Implementing Mandatory Reporting on Core MH and SUD Measures

CMCS is finalizing a **proposed rule** regarding mandatory annual state reporting requirements for the Child Core Set, the behavioral health measures on the Adult Core Set, and the Health Home Core Sets. The Bipartisan Budget Act of 2018 made reporting of the Child Core Set mandatory for states beginning in fiscal year (FY) 2024. Section 5001 of the SUPPORT Act made it mandatory for states to also report the adult behavioral health measures on the Adult Core Set beginning in FY 2024. In accordance with sections 1945(g) and 1945A(g)(1) of the Social Security Act, reporting on the Health Home Core Sets is required as a condition for providers to receive payment for health home services provided to certain individuals.

These enhanced reporting requirements will improve CMCS's ability to monitor the quality of care provided to beneficiaries with MH and/or SUD treatment needs. The Child Core Set includes a substantial number of important measures focused on MH conditions and SUDs. In addition, the health home benefit supports improved coordination of care with a focus on individuals in need of MH and/or SUD treatment. The health home quality measures reflect this focus with a number of measures targeting MH and SUD treatment issues.

Through this rulemaking, CMCS will also establish requirements for stratified reporting of measures to support our efforts to improve equity by helping us to understand where disparities in access to and quality of care arise and how we can improve care for subpopulations of beneficiaries most at risk for facing barriers to accessing good quality MH and/or SUD treatment.

## C. Analyzing and Publicizing Data on Key Topics

### Actions:

#### 1. Posting SUD and SMI/SED Section 1115 Demonstration Evaluation Rapid Cycle Reports

CMCS will continue to work with states to collect information to monitor the implementation of the SUD and SMI/SED section 1115 demonstrations on key performance metrics and study the impact of the SUD and SMI/SED section 1115 demonstrations. We will continue analyze these data and post rapid cycle reports under our federal evaluation that examine the effect of these policies on access to and quality of MH and SUD treatment. **Reports posted** so far highlight, for example, increased availability of medication assisted treatment (MAT) in residential treatment centers in SUD section 1115 states and other delivery system improvements in those demonstrations.

#### 2. Developing and Posting the SUD Databook

CMCS annually publishes a **report** to Congress on the number of Medicaid beneficiaries with SUDs, the services they received, the settings where they receive these services, the delivery systems that provide these services, and the progression of care based on analysis of claims data from the Transformed Medicaid Statistical Information System (T-MSIS). These reports provide an important resource for assessing access to treatment services and supports as well as highlighting opportunities for improving care for beneficiaries with SUDs.

#### 3. Analyzing T-MSIS Data and Posting Findings Regarding Enrollees with MH Conditions

CMCS is working with Medicaid T-MSIS claims and enrollment data to develop resources providing information on access to treatment among individuals with MH conditions. These resources will make this data more accessible and include information on mental health topics like those included in the SUD Databook described in the previous section.

## Conclusion

As demonstrated by the breadth and depth of these many activities and initiatives, ensuring access to high quality MH and SUD treatment services and supports is among CMCS' highest priorities. Our overall MH and SUD action plan is focused on increasing access to prevention and treatment by improving coverage and integration, coordination, and parity as well as increasing engagement with and support of enrollees with MH conditions and SUDs, while ensuring the quality of care that Medicaid and CHIP enrollees receive. Central to these efforts are key overarching principles aimed at increasing equity by addressing disparities in access to care and promoting recovery. The goals and activities outlined above are only some key examples of the many ways that CMCS works every day to improve care for Medicaid and CHIP enrollees with MH conditions and/or SUDs.

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