Medicaid Section 1115 Demonstration Policy to Address Opioid and Other Substance Use Disorders

State Medicaid Director Letter # 17-003

"Re: Strategies to Address the Opioid Epidemic"

SOTA Presentation, December 21, 2017

Agenda

1. Overview and Goals for Section 1115 Substance Use Disorder (SUD) Demonstrations
2. Key Milestones and Process for 1115 SUD Demonstrations
3. 1115 SUD Demonstration Monitoring and Evaluation Approach

Prevalence of SUD/OUD and Access to Care in Medicaid

- Medicaid beneficiaries are at higher risk for substance use disorders (SUD) but often do not receive treatment:
  - Drug overdose deaths have continued to increase over past 15 years driven by opioid abuse
  - Only 1 in 5 people who need treatment for opioid use disorder (OUD) receive it
  - Beneficiaries have higher rates of OUD than general population – comprising 25% of adults with OUD in 2015
  - Only about 1/3rd of Medicaid beneficiaries with OUD received treatment in 2015

Widespread SUD Treatment Delivery System Issues

- Following acute care for withdrawal management, engaging in outpatient treatment within 14 days has been shown to reduce readmissions
  - But many (over 2/3rd of beneficiaries in 2008) do not receive any follow-up care – leading to risk of overdose
  - 2 of top 10 reasons for Medicaid hospital readmissions are SUD-related
- Lack of providers
  - 40% of U.S. counties did not have a single outpatient SUD treatment provider that accepted Medicaid in 2009
- People with SUDs often have serious co-morbid conditions
  - Most spending on individuals with SUDs is on treatment for co-morbid physical conditions
  - At least one state found significant reductions in medical costs for beneficiaries receiving SUD treatment

Evidence-based Treatment for OUD and other SUDs

- Ensure access to a continuum of care and certain critical services:

  Outpatient, Intensive Outpatient, Residential/Inpatient, Medically Supervised Withdrawal Management, and Medication Assisted Treatment
- Residential treatment - targeted to those with serious co-morbid medical, cognitive, or mental health conditions, pregnant, or homeless
- Intensive outpatient programs - transitional post-acute care and community-based alternative to residential/inpatient
- Medication assisted treatment (MAT) - highly effective for treatment of opioid use disorder
  - But underutilized: among 500,000 episodes of OUD treatment in 2014 less than 25% included MAT

Overarching Goals of this Section 1115 SUD Demonstration Initiative

- Increased rates of identification, initiation, and engagement in treatment;
- Increased adherence to and retention in treatment;
- Reductions in overdose deaths, particularly due to opioids;
- Reduced utilization of emergency departments and inpatient hospital settings through improved access to continuum of care;
- Fewer readmissions to the same or higher level of care for OUD and other SUD treatment; and
- Improved access to care for physical health conditions among beneficiaries.

Six Milestones for 1115 SUD Demonstrations

- What are the elements of an SUD service delivery system that will achieve the demonstration goals?
  - Access to critical levels of care
  - Evidence-based, SUD-specific patient placement
  - SUD-specific program standards for residential treatment
  - Sufficient provider capacity at critical levels of care, including medication-assisted treatment (MAT)
  - Comprehensive prevention and treatment opioid strategies
  - Improved care coordination and care transitions

Milestone One: Access to Critical Levels of Care for OUD and other SUDs

- Coverage of:
  - Outpatient
  - Intensive outpatient
  - Medication-assisted treatment
  - Residential/inpatient (intensive levels)
  - Medically supervised withdrawal management
- *Proposed Timeframe: Within 12-24 months of demonstration approval*

Milestone Two: Use of Evidence-Based, SUD-specific Patient Placement Criteria

- Treatment needs based on SUD-specific, multidimensional assessment tools (e.g. the ASAM Criteria or other tools that reflect evidence-based clinical treatment guidelines)
- *Proposed Timeframe: Within 12-24 months of demonstration approval*

Milestone Two: Use of Evidence-Based, SUD-specific Patient Placement Criteria (cont'd)

- Utilization management approach to ensure:
  - Access at the appropriate level of care
  - Interventions are appropriate for the diagnosis and level of care
  - Independent process for reviewing placement in residential treatment settings
- *Proposed Timeframe: Within 24 months of demonstration approval*

Milestone Three: Use of Nationally Recognized SUD-specific Program Standards

- Residential treatment provider qualifications to reflect the ASAM Criteria or other nationally recognized, evidence-based SUD-specific program standards:
  - Types of services delivered
  - Hours of clinical care
  - Credentials of staff
- *Proposed Timeframe: Within 12-24 months of demonstration approval*

Milestone Three: Use of Nationally Recognized SUD-specific Program Standards (cont'd)

- Process for provider review
- Residential treatment facilities offer MAT on-site or facilitate access off-site
- *Proposed Timeframe: Within 12-24 months of demonstration approval*

Milestone Four: Sufficient Provider Capacity at Critical Levels of care

- Assessment of the availability of providers enrolled in Medicaid and accepting new patients
  - At the critical levels of care
  - Throughout the state (or participating regions)
  - Including those that offer MAT
- *Proposed Timeframe: Within 12 months of demonstration approval*

Milestone Five: Comprehensive Prevention and Treatment Opioid Strategies

- Opioid prescribing guidelines and other preventive interventions
- Expanded coverage of and access to naloxone
- Strategies to increase utilization and improve functionality of prescription drug monitoring programs
- *Proposed Timeframe: Over the course of the demonstration*

Milestone Six: Improved Care Coordination and Transitions between Levels of Care

- Policies to ensure residential and inpatient facilities link beneficiaries with community-based services and supports following stays
- *Proposed Timeframe: Within 12-24 months of demonstration approval*

Process for Submission, Review, Approval and Implementation: Submission

- Usual process for submitting section 1115 demonstration proposals (i.e. transparency; public notice and comment; tribal consultation; etc.)
- Vision for achieving demonstration goals and commitment to meeting milestones during demonstration period
- Strategic design support available through the Medicaid Innovation Accelerator Program (IAP)

Process for Submission, Review, Approval and Implementation: Review

- Usual process for reviewing section 1115 demonstration proposals (i.e. budget neutrality; statutory authority; etc.)
- In-depth discussions of milestones and monitoring approach
- Strategic design support available through the Medicaid IAP

Process for Submission, Review, Approval and Implementation: Approval

- Offer standard approved Special Terms and Conditions language (STC)
- STCs compel the state to submit an SUD Implementation Protocol
- FFP for services provided to beneficiaries in IMDs is available prospectively upon CMS approval of the SUD Implementation Protocol

Process for Submission, Review, Approval and Implementation: Implementation

- SUD Implementation Protocol to describe the strategic plan for meeting the milestones:
  - Assessment of current and planned status
  - Action items
  - Timelines
- Due 90 days after demonstration approval
  - Can be submitted at any point prior to demonstration approval
- Strategic design support is available through the Medicaid IAP

SUD Budget Neutrality

- SUD demonstrations will provide states with up to three distinct categories of expenditure authority: (1) for medical assistance provided to IMD patients; (2) for additional services which *could have been* provided in the state plan; and (3) for additional services which *could not have been* in the state plan

- Categories 1 & 2 expenditure authority will be scored in budget neutrality as hypothetical, or "pass through" expenditures, on the theory that the services could have been provided under the state plan

- Category 3 expenditure authority will be scored as non-hypothetical—and can only be included as part of a broader 1115

SUD Budget Neutrality Template

- To assist states, SDG has developed several tools which will be sent by CMS early in the SUD concept development phase—one tool is the SUD Budget Neutrality Template
- The template assists states in developing the Medicaid Eligibility Group(s) (MEG) and associated per member per month (PMPM) expenditure limits
- The template's MEG and PMPM development may also be used to facilitate state and CMS negotiations—and, also, aid in the drafting of the STCs
- The template is designed to minimize data inputs/errors

SUD BN Template Cont'd

- If the SUD/IMD demonstration is part of a broader/comprehensive 1115, a summary of the SUD BN will be added as "supplemental test(s)" to the broader demonstration BN spreadsheet
- The SUD BN Template must be accompanied by a supplemental methodology and data sources
- SDG will provide TA, as needed/requested

Monitoring and Evaluation: Monitoring

- STCs compel states to submit a Monitoring Protocol 150 days after approval of the demonstration
  - Prior to submission, CMS will work with the state to develop the components in the protocol
  - Components will include what the state will need to report on in monitoring reports and the:
    - Data collection, reporting and analytic methodologies
    - Specific metrics and measures to be reported

Monitoring and Evaluation: Monitoring

- States will submit 3 quarterly reports and 1 annual report, to include the 4th quarter data, every year
  - Data will include, but is not limited to:
    - Specified metrics and measures from the Monitoring Protocol
    - Updates on evaluation activities
    - Progress on PDMP activities
    - Progress on implementation milestones

Monitoring and Evaluation: Mid-Point Assessment

- States will be required to submit a Mid-Point Assessment, performed by an independent assessor.
- Mid-Point Assessment is an examination of the progress toward meeting each milestone and timeframe as approved in the Implementation Plan. This will also include an assessment of budget neutrality.

Monitoring and Evaluation: Mid-Point Assessment

- Report will also include identification of milestones and measure targets at medium to high risk of not being achieved.
- States will be required to provide modifications to the SUD Implementation Protocol and SUD Monitoring Protocol for ameliorating these milestones and measures at medium to high risk of not being achieved.

Monitoring and Evaluation: Evaluation

- States are required to provide an evaluation design 180 days after approval of the demonstration.
- CMS is developing Evaluation Design guidance to assist states in developing their evaluation designs.
- Evaluations are required to be conducted by an independent evaluator.

Monitoring and Evaluation: Evaluation

- Evaluations will be required to include a cost analysis. Additional guidance will be available for this analysis.
- Evaluation Reports:
  - Interim Evaluation Report due at time of renewal request or if not renewing, one year prior to the end of the demonstration
  - Summative Evaluation Report due 18 months after the end of the approved demonstration period as represented in the STCs.

Questions

For Further Information

- The SUD SMD Letter is posted here: https://www.medicaid.gov/federal-policy-guidance/downloads/smd17003.pdf
- For more information about the section 1115 SUD opportunity described in the SMD Letter, please email Kirsten.Beronio@cms.hhs.gov or Judith.Cash@cms.hhs.gov
- For more information about the Medicaid IAP, please email Tyler.Sadwith@cms.hhs.gov or Karen.Llanos@cms.hhs.gov