

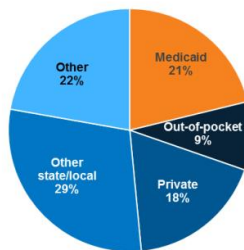
# MEDICAID OPTIONS FOR SUBSTANCE USE DISORDERS

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## MEDICAID – A KEY FINANCING OPTION

Figure 6  
Proportion of Total Spending on Addiction Treatment Services in 2014, by Payer

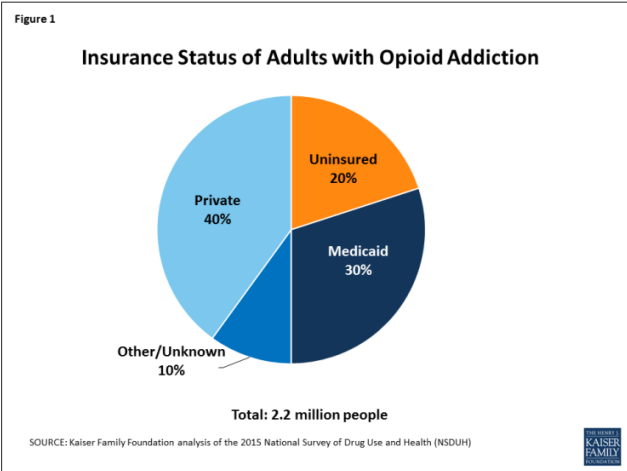


Total: \$34 billion

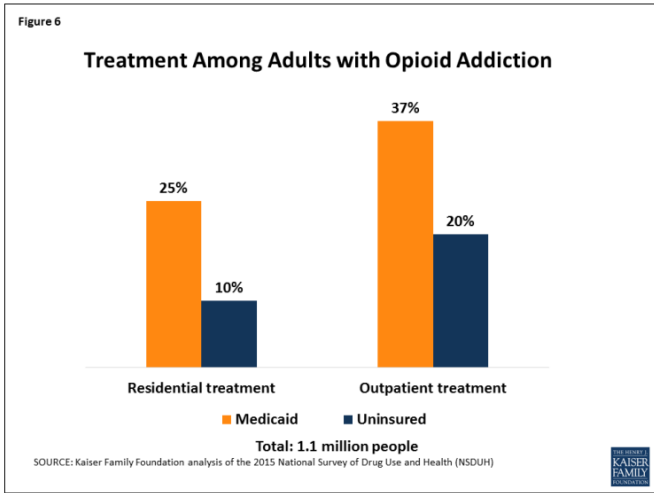
NOTE: Other payers include Medicare and other federal funds, such as block grants.  
SOURCE: Tami L. Mark, Tracy Yee, Katherine R. Levit, et al. "Insurance Financing Increased for Mental Health Conditions But Not For Substance Use Disorders, 1990-2014," *Health Aff (Millwood)*, 2016 Jun; 35(6):958-965



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## MEDICAID STATE PLAN

- The Medicaid State Plan is an agreement between a state and the Federal government describing how that state administers its Medicaid program
  - Changes to the State Plan are called State Plan Amendments (SPAs)
- The State Plan provides coverage options for a variety of services for substance use treatment including:
  - Medication-Assisted Treatment (MAT)
  - Therapy
  - Outpatient services
  - Institutes for Mental Disease (IMD)
    - New option allowing for reimbursement of services for up to 30 days in an IMD



## HOME AND COMMUNITY BASED SERVICES (HCBS) WAIVERS

- Authorized under Section 1915(c) of the Social Security Act
- Option for children and women who meet institutional level of care
  - Hospital, Nursing Facility, Intermediate Care Facility
- Allows states to waive certain provisions in order to:
  - Target populations
  - Target geographic areas
  - Place limits on enrollment



## OTHER COVERAGE AND DESIGN OPTIONS

- 1915 (i) – similar to HBCS waivers, but acts more like a State Plan option
  - Can serve targeted populations, but cannot set enrollment limits
  - Potential for an enhanced Federal Medical Assistance Percentage (FMAP) rate
- 1915(b) waivers
  - Allow for the use of managed care organizations



## 1115 WAIVER AUTHORITY

- Option for experimental, pilot, or demonstration projects that are likely to assist in promoting the objectives of the Medicaid program
  - According to the Centers for Medicare & Medicaid Services (CMS), the purpose of these demonstrations is to demonstrate and evaluate state-specific policy approaches to better serving Medicaid populations.
- Like 1915 waivers, allows states to waive certain provisions but has more flexibility
- Key option for offering supportive employment and housing services
- Requires more time to implement than other “traditional” options



## MEDICAID INNOVATIVE ACCELERATOR PROGRAM (IAP)

- Launched in 2014 as a joint initiative between the Centers for Medicaid and CHIP Services (CMCS) and Center for Medicare and Medicaid Innovation (CMMI)
- Provides support to states by offering targeted technical assistance, development of tools (e.g. rate setting tools) and provides a forum for states to learn from each other
- Covers 4 program areas
  - Reducing substance use disorders
  - Improving care for individuals with complex care needs and high costs
  - Promoting community integration through long-term services and supports
  - Supporting physical and mental health integration



## INTEGRATION OF PHYSICAL AND MENTAL HEALTH

- Behavioral health services have often been “carved-out” from physical health services under Medicaid and more states are working to fully integrate behavioral and physical health as way to reduce costs and unnecessary utilization
- There are many different approaches for integrating mental health and physical health care
  - Includes options like comprehensive managed care, health homes, and accountable care organizations
- According to the Medicaid and CHIP Payment and Access Commission (MACPAC), integrating physical and mental health has been shown to reduce fragmentation of services and promote patient-centered care for adults with depression and anxiety disorders
  - However, current evidence is limited or inconclusive for children and adolescents and for individuals with substance use disorders or serious mental illness



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# THANK YOU

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