



# Addressing Substance Use Disorder and Serious Mental Illness Through Medicaid and CHIP Demonstrations

*Danielle Daly, Division Director, State Demonstrations Group, Center for Medicaid & CHIP Services*

*Sarah Sheets, Research Analyst, State Demonstrations Group, Center for Medicaid & CHIP Services*

*Leslie Hoffmann, Deputy Commissioner, Kentucky Medicaid*

*Angela Sparrow, Behavioral Health Supervisor, Kentucky Medicaid*

**CMS 2024**  
**Quality**  
**Conference**  
Resilient and Ready Together

Creating an Optimal  
Environment for Quality  
Healthcare for Individuals,  
Families, and Communities



**Danielle Daly, PHD,  
MS**

Division Director

State Demonstrations  
Group, Center for  
Medicaid and CHIP  
Services



**Sarah Sheets,  
MPhil**

Research Analyst

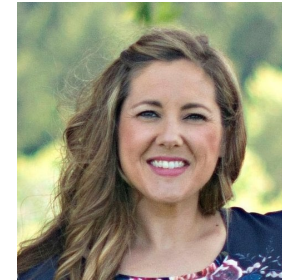
State Demonstration  
Groups, Center for  
Medicaid and CHIP  
Services



**Leslie Hoffmann,  
M.Ed, LSSYB**

Deputy Commissioner

Kentucky Medicaid



**Angela Sparrow,  
MSW, CSW**

Behavioral Health  
Supervisor

Kentucky Medicaid

# AGENDA

---

- Overview of Section 1115 Substance Use Disorder (SUD) demonstrations and Serious Mental Illness/Serious Emotional Disorder (SMI/SED) demonstrations
- Key findings from approved SUD demonstrations
- Plans for future analyses of SUD and SMI demonstrations
- State perspective: Kentucky
- Q&A (10 min.)

# LEARNING OBJECTIVES

---

- Objective 1: Participants will learn how CMCS uses the data submitted by states for monitoring and evaluating section 1115 SUD and SMI demonstrations.
- Objective 2: Participants will understand key findings from CMCS's federal monitoring and evaluation activities.
- Objective 3: Participants will learn how one state uses the information at the state level to inform continuous process and quality improvement.



## Overview of Section 1115 Substance Use Disorder (SUD) Demonstrations and Serious Mental Illness/Serious Emotional Disorder (SMI/SED) Demonstrations

*Sarah Sheets, Research Analyst, State Demonstrations Group,  
Center for Medicaid & CHIP Services*

# Status of SUD and SMI Demonstration Approvals

Start date	SUD States	SMI States
2015	CA	
2016	VA	
2017	MD, MA, NJ, UT	
2018	IL, IN, KY, LA, NH, PA, VT, WA, WV, WI	
2019	AK, DE, KS, MI, MN, NE, NM, NC, OH, RI	
2020	DC, ID, OK	DC, ID, IN, WA, OK, VT, UT
2021	CO, ME, OR	
2022	CT, MT	MD, AL, NH, MA
2023	NV, MO	NM, MO
2024	NY	

Source: State Waivers List (<https://www.medicaid.gov/medicaid/section-1115-demo/demonstration-and-waiver-list/index.html>)

# SUD Demonstration Goals and Milestones

## Goals

1. Increased rates of identification, initiation, and engagement in treatment
2. Increased adherence to and retention in treatment
3. Reduced overdose deaths
4. Reduced utilization of emergency department (ED) and inpatient hospital settings
5. Reduced readmissions to the same or higher level of care
6. Improved access to care for physical health conditions

## Milestones

1. Access to critical levels of care for opioid use disorder (OUD) and other SUDs
2. Use of evidence-based, SUD-specific placement criteria
3. Use of nationally recognized SUD-specific program standards for residential treatment facilities
4. Sufficient provider capacity at critical levels of care
5. Implementation of comprehensive treatment and prevention strategies to address opioid abuse and disorders
6. Improved care coordination and transitions between levels of care

# SMI/SED Demonstration Goals and Milestones

## Goals

1. Reduced utilization and length of stay in emergency departments (EDs) among Medicaid beneficiaries with SMI/SED
2. Reduced preventable readmissions to acute care hospitals and residential settings
3. Improved availability of crisis stabilization services (both outpatient and inpatient)
4. Improved access to community-based services to address the chronic mental health care needs of beneficiaries with SMI/SED
5. Improved care coordination, especially continuity of care in the community following episodes of acute care in hospitals and residential treatment facilities

## Milestones

1. Ensuring quality of care in psychiatric hospitals and residential settings
2. Improving care coordination and transitions to community-based care
3. Increasing access to a continuum of care, including crisis stabilization services
4. Earlier identification and engagement in treatment, including through increased integration of primary and behavioral health care

Source: State Medicaid Director Letter (SMDL 18-011) and Medicaid Section 1115 SUD and SMI/SED Demonstrations Mid-Point Assessment Technical Assistance



# I. Key Findings from Approved SUD Demonstrations



# Federal Evaluation Activities

## Monitoring and Evaluation

- Synthesized narrative information from monitoring reports from 33 states with approved demonstrations that reported through June 1, 2022
- Conducted a Cross-State Analysis (CSA) to assess standardized metrics data from 26 of those states

## Meta-Evaluation

- Developed four Rapid Cycle Reports (RCRs) on specific topics based on data:
  - Abstracted from implementation plans and monitoring reports to identify demonstration features
  - Gathered from semi-structured interviews with state stakeholders to understand demonstration context and challenges (December 2020 to July 2021)
  - From T-MSIS and other secondary data sources to assess pre-demonstration context and early impacts (2012 to 2019)

CSA: <https://www.medicaid.gov/sites/default/files/2023-11/sud-1115-rcr-analysis.pdf>  
RCRs: <https://www.medicaid.gov/sites/default/files/2023-02/sud-115-rcr-baseline.pdf>;  
<https://www.medicaid.gov/sites/default/files/2023-02/sud-1115-rcr-features.pdf>;  
<https://www.medicaid.gov/sites/default/files/2023-02/sud-1115-rcr-availability-mat.pdf>;  
<https://www.medicaid.gov/sites/default/files/2023-02/sud-1115-rcr-impl-chalngs.pdf>

# SUD Milestone #1: Access to critical levels of care for OUD (opioid use disorder) and Other SUDs

Key Finding: SUD treatment increased during demonstration implementation, especially through medication assisted treatment (MAT).

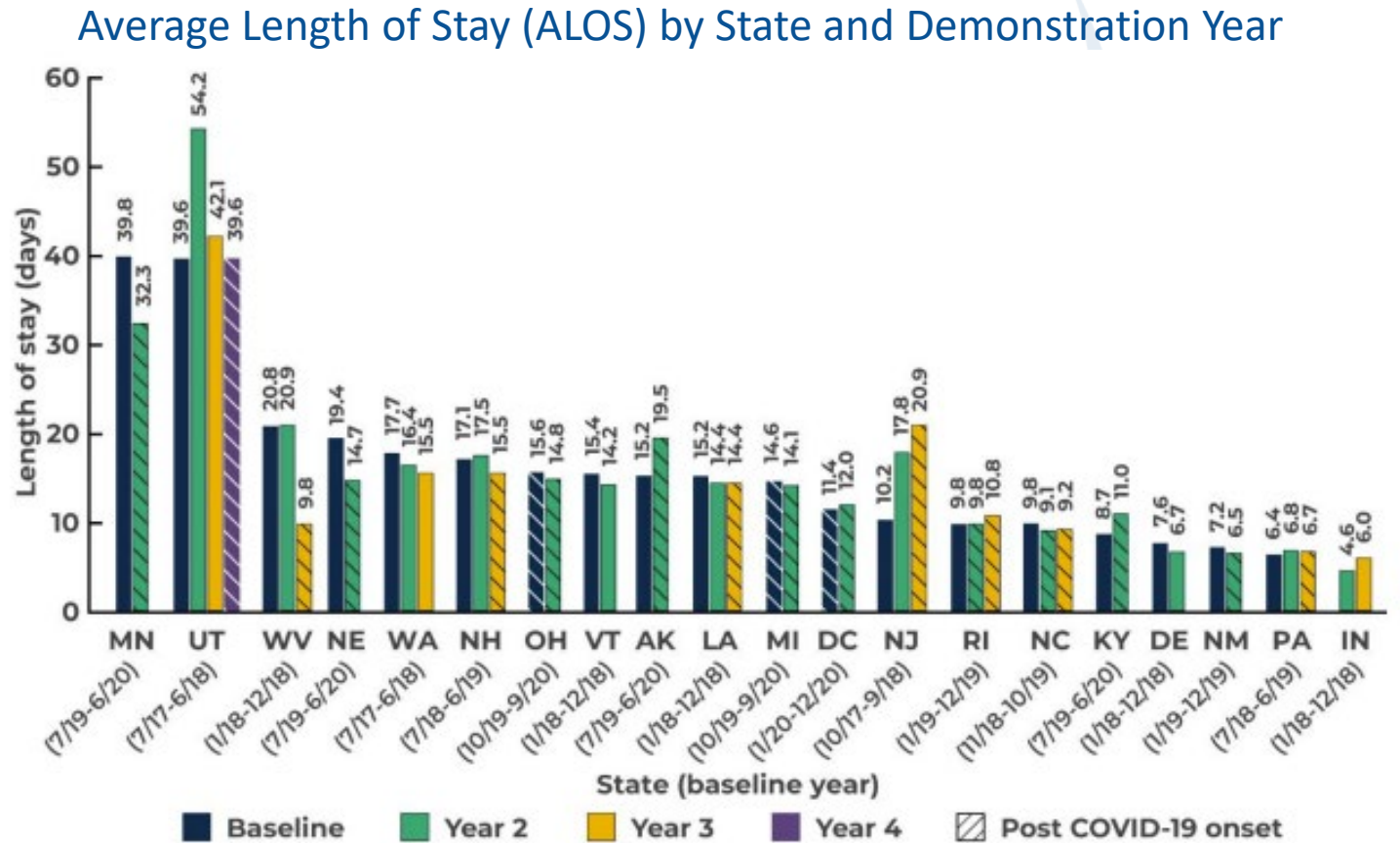
- Overall, SUD demonstrations were associated with a significant 17.1 percent increase in SUD treatment service users between the baseline and year 3 and later.
  - Individually, this metric increased in 15 out of 20 states.
- Regression analyses show statistically-significant increases in the share of beneficiaries using any SUD treatment who received MAT, as well as in the number of beneficiaries with OUD receiving medication for OUD continuously for at least six months.
- State stakeholders noted that states faced challenges in implementing demonstrations, most often noting stigma related to MAT, lack of provider experience with Medicaid, workforce shortages, and new payment policies as obstacles to implementation.

Source: [Cross-State Analysis of Section 1115 SUD Demonstration Monitoring Data](#) (November 2023);  
[Implementation Challenges Across States](#) (Rapid Cycle Report)

# SUD Milestone #2: Use of evidence-based, SUD-specific patient placement criteria

Key Finding: IMD (Institution for Mental Diseases) use and ALOS changed in almost all reporting states, but the direction of the change varied.

- The share of beneficiaries with a SUD using services in IMDs significantly increased in 7 states, but significantly decreased in 7 states.
- The ALOS significantly increased in 7 states and significantly decreased in 11 states.
  - Only 2 states had an ALOS greater than 30 days.



# SUD Milestone #3: Use of nationally recognized, evidence-based SUD program standards to set provider qualifications for residential treatment facilities

Key Finding: Most states added or updated their residential treatment provider standards and residential MAT access requirements. Additionally, During the initial 24 months after demonstration approval, states reported varied approaches to implementing and monitoring compliance with evidence-based standards. States continued to refine and enhance compliance monitoring in later demonstration years.

State (approval date)	Initial implementation period (0-24 months)	Ongoing implementation period (25 or more months)
Kentucky (01/12/2018)	Began conducting desk audits of residential providers	Established workgroups to develop quality measures for SUD treatment across the state
Nebraska (06/28/2019)	Added specific provider standards for residential treatment settings, including MAT availability and quality assurance level-of-care assessment standards for managed care organizations (MCOs)	Continued to develop MCO contract language requiring compliance reviews
New Hampshire (07/10/2018)	Developed a shared audit process with MCOs to monitor use of ASAM criteria	Continued audits to ensure compliance with ASAM criteria

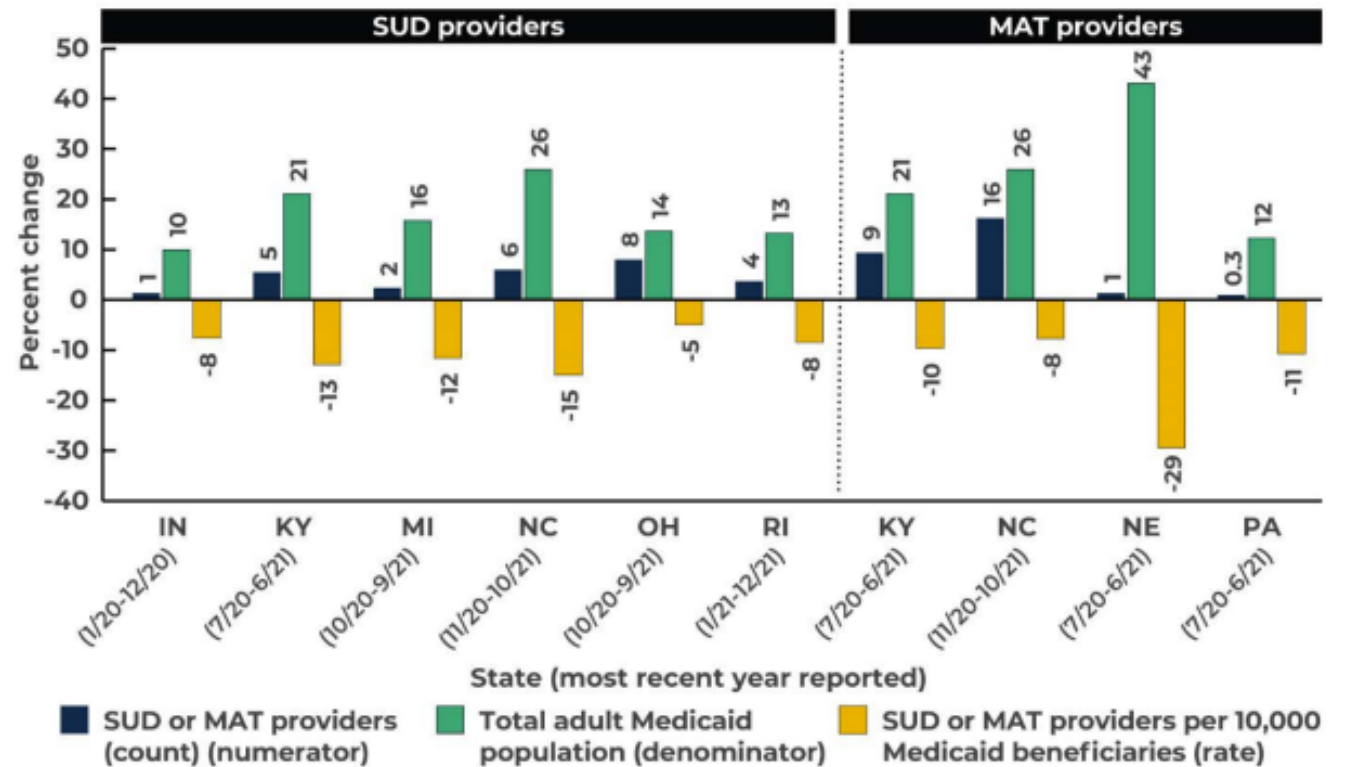
Source: [Cross-State Analysis of Section 1115 SUD Demonstration Monitoring Data](#) (November 2023); [Features of State Approaches to Improve Medicaid SUD Treatment Delivery Systems](#) (Rapid Cycle Report)

# SUD Milestone #4: Sufficient provider capacity at critical levels of care, including medication assisted treatment (MAT) for OUD

**Key Finding:** SUD and MAT providers increased in most states, though not always at the pace of the Medicaid population.

- Of the 20 states analyzed, SUD and MAT providers per 10,000 Medicaid beneficiaries had increased significantly between years in 5 states and decreased significantly between years in 8 states.
  - However, the decline in the rate was often due to a large increase in the number of Medicaid beneficiaries, not a decline in the number of providers.
- Across milestones, states frequently reported offering provider trainings to improve provider capacity. These trainings were most frequently focused on MAT, the ASAM Criteria, and workforce development and support.

SUD/MAT Provider Increases Compared to Medicaid Population

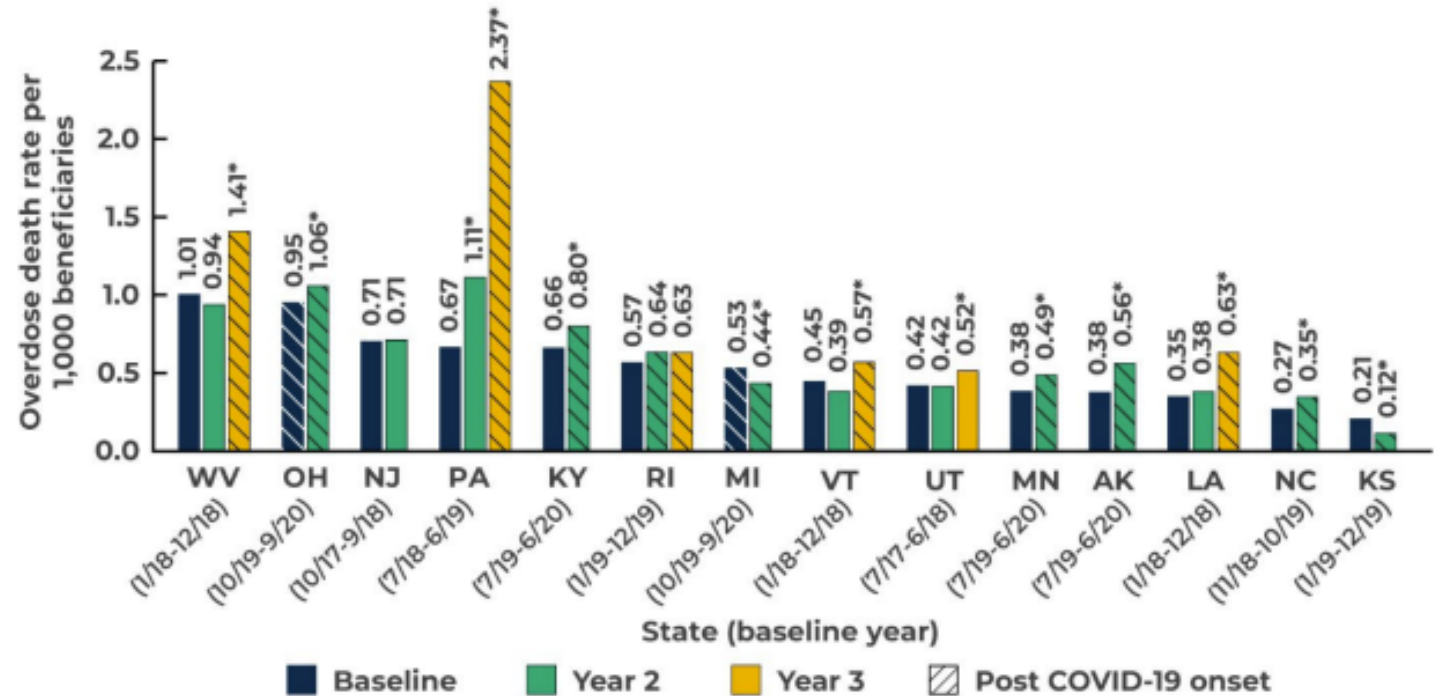


## SUD Milestone #5: Implementation of comprehensive treatment and prevention strategies to address opioid abuse and OUD

**Key Finding:** Despite some positive findings, overdose deaths for Medicaid beneficiaries increased during the demonstration period for most states.

- Concurrent use of opioids and benzodiazepines significantly decreased in 8 of 15 reporting states (UT, PA, MI, RI, WA, OH, LA, and NC) between 2019 and 2020.
- However, overdose deaths for Medicaid beneficiaries significantly increased in 10 states, and significantly decreased only in 2 (MI, KS).
- 9 states reported a variety of activities to increase access to naloxone, such as distributing naloxone kits to law enforcement, local public health agencies, first responders, etc.

Overdose Death Rate per 1,000 Beneficiaries

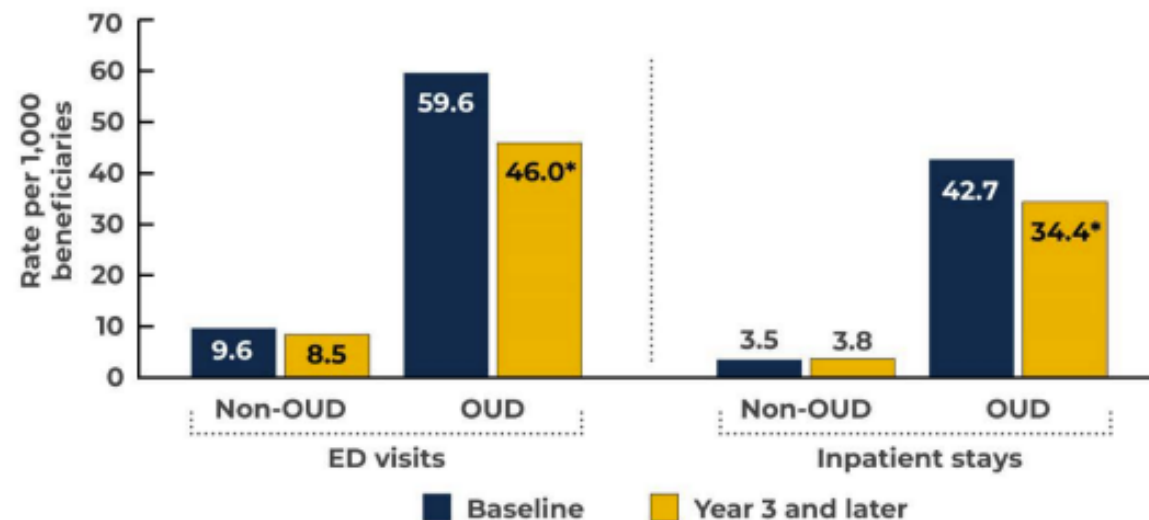


# SUD Milestone #6: Improved care coordination and transitions between levels of care

## Key Findings:

- Between CY 2019 and CY 2020, the rate of treatment engagement for beneficiaries with OUD significantly increased in 5 of 14 states, and the rate of follow-up within 30 days of ED visit significantly increased in 6 of 17 states. Each rate significantly decreased in 2 states.
- Additionally, among beneficiaries with OUD, the demonstration was associated with a significant decline in ED visits and inpatient stays (22.8 percent and 19.3 percent respectively) between the baseline and year 3 and later.

## ED Visits and Inpatient Stays in the OUD vs. Non-OUD Population



Source: [Cross-State Analysis of Section 1115 SUD Demonstration Monitoring Data](#) (November 2023)



## II. Plans for Future Analyses of SUD and SMI Demonstrations

# Status of SMI/SED Demonstration Monitoring Data

States have provided preliminary data, but with the confounding effects of the COVID-19 pandemic and the smaller number of states with SMI demonstrations, cross-state analyses and federal meta-evaluations for SMI demonstrations will be completed when more data is available.

CMCS receives the following monitoring information from states:

- Metrics data including (but not limited to):
  - Utilization metrics (inpatient, intensive outpatient/partial hospitalization, outpatient, ED, telehealth)
  - Quality of care metrics: Use of First-Line Psychosocial Care for Children and Adolescents on Antipsychotics; Follow-Up After Hospitalization/ED Visit for Mental Illness; Metabolic Monitoring for Children and Adolescents on Antipsychotics; 30-day All-Cause Unplanned Readmission Following Psychiatric Hospitalization in an Inpatient Psychiatric Facility
  - IMD-specific metrics: ALOS in IMDs; Beneficiaries with SMI/SED Treated in an IMD for Mental Health
- Annual provider availability assessments
- Narrative reporting on demonstration implementation.

# Future Analyses

## SUD

- Updated Cross-State Analysis of Section 1115 SUD Demonstrations
- Federal Meta-Evaluation
- Rapid Cycle Reports:
  - T-MSIS data analysis: impacts on SUD service access
  - State experiences of managed care and SUD provider organizations in changes in care coordination and expansion of coverage of SUD services (qualitative)
  - Medicaid acceptance and MOUD provision among SUD treatment facilities in early implementing states
  - Managed care and SUD provider organizations experiences with changes in patient placement criteria and utilization management

## SMI

- Cross-State Analysis of Section 1115 SMI Demonstrations
- Federal Meta-Evaluation
- Rapid Cycle Reports:
  - T-MSIS data analysis: use of mental health services in early implementation states
  - State strategies to identify individuals with a mental health disorder and engage them in treatment (qualitative)
  - State strategies for delivering crisis services
  - State strategies related to supportive housing and employment

Federal Meta-Evaluation Designs: <https://www.medicaid.gov/sites/default/files/2020-09/fed-meta-evaluation-design-rpt-feb-2020.pdf> (SUD); <https://www.medicaid.gov/sites/default/files/2023-06/fed-meta-eval-design-smi-sed-may-2023.pdf> (SMI/SED)



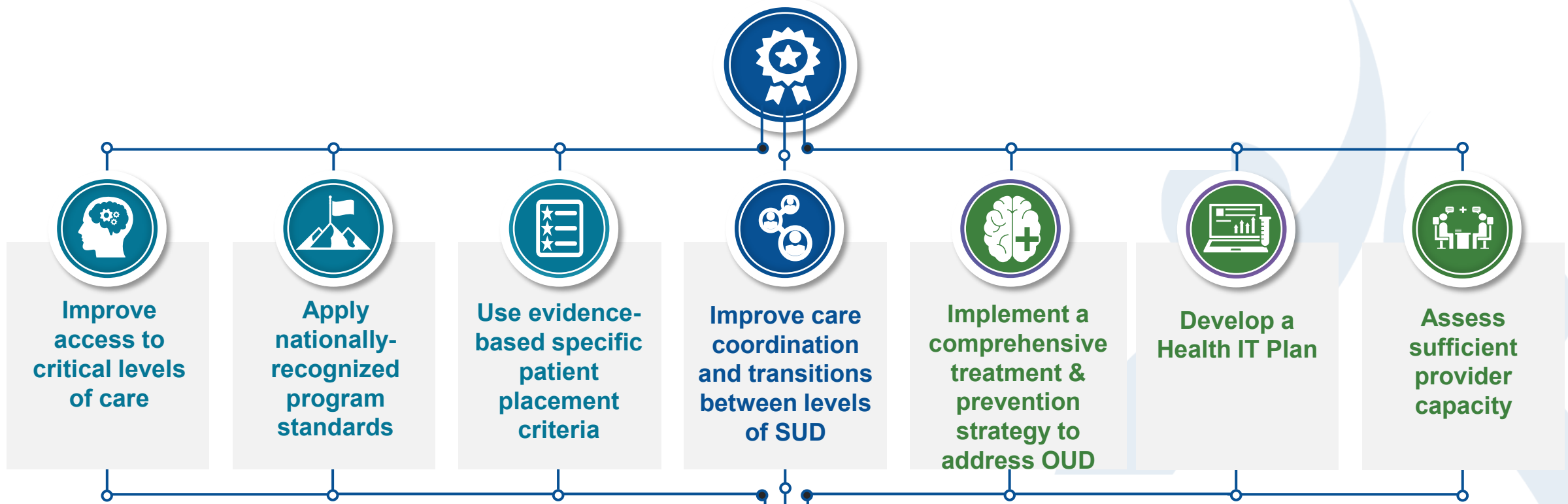
## State Perspective: Kentucky

*Leslie Hoffmann, Deputy Commissioner, Kentucky Medicaid*

*Angela Sparrow, Behavioral Health Supervisor, Kentucky Medicaid*

# Kentucky's SUD Section Overview

DEMO GOAL: Expand Access and Improve Quality



## Outcomes

- Increased diagnosing
- Increased utilization of services
- Increased provider capacity
- Increased utilization of Medication Assisted Treatment (MAT)
- Decreased Emergency Department (ED) visits and Inpatient stays

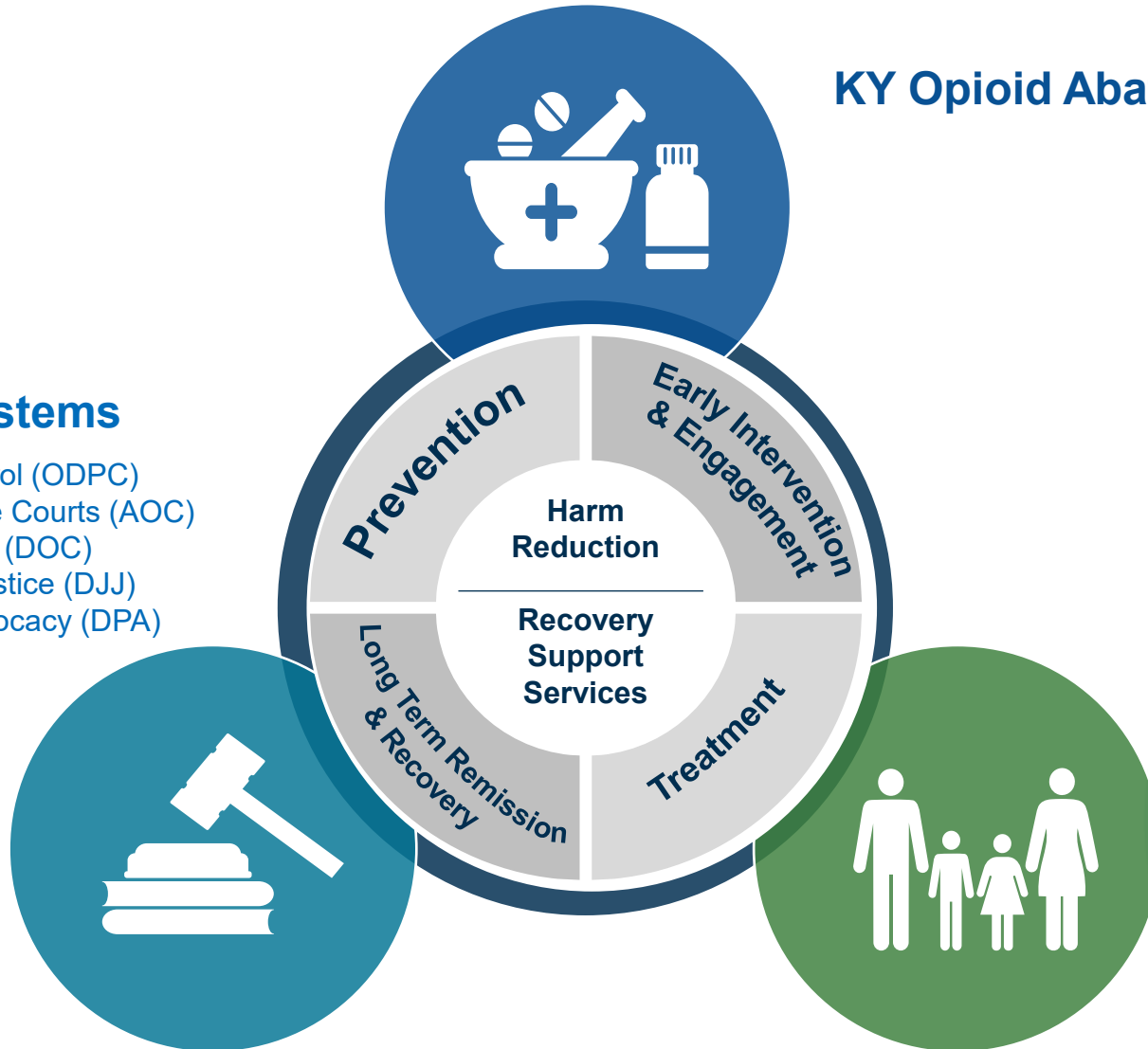
*\*Kentucky's SUD 1115 was Implemented July 1, 2019.*

# Supporting Kentucky's Continuum of Care

## KY Opioid Abatement Advisory Commission

### Criminal-Legal Systems

- Office of Drug Policy Control (ODPC)
- Administrative Office of the Courts (AOC)
- Department of Corrections (DOC)
- Department of Juvenile Justice (DJJ)
- Department for Public Advocacy (DPA)



### Cabinet for Health and Family Services (CHFS)

- Department for Medicaid Services (DMS) and Managed Care Organizations (MCOs)
- Department for Behavioral Health, Developmental and Intellectual Disabilities (DBHDID)
- Department of Public Health (DPH)
- Department for Community Based Services (DCBS)
- Office of Inspector General (OIG)
- Office of Data Analytics (ODA)

# Quality Initiatives and Program Impacts

## KY's Monitoring and Quality Strategies:

- Evaluate program performance
  - Monitor for desired outcomes
    - ▲ Established process for monitoring rolling metrics.
  - Identify areas for improvement/change
    - ▲ Example: Early intervention and engagement services.
- Ensure program sustainability
  - Determine program capacity and access to quality services
  - Demonstrate cost effectiveness
- Ensure racial and healthy equity within the program
  - Including race and ethnicity fields as subpopulations in future reporting.
- Determine potential for growth
  - Amendment requests to include SMI and Reentry.

## Department and Inter-Agency Initiatives:

- Comprehensive Managed Care Quality Strategy Plan
- SUD Section 1115 Monitoring
- SUD Treatment Quality and Outcome Workgroup
- Certified Community Behavioral Health Clinic (CCBHC) Quality Measures



Questions?

