

**AMENDED: Medicaid Substance Use Disorders (SUD) Services
Opportunity for Public Comment**

NOTE: The initial public comment notice has been extended from October 21 to December 1, 2015.

Purpose of Request: The Department of Medical Assistance Services (DMAS) is seeking public comment in relation to future DMAS initiatives to improve Medicaid service benefits and delivery systems for individuals with substance use disorders (SUD), including ensuring that a sufficient continuum of care is available to effectively treat the physical, behavioral, and mental dimensions of SUD. DMAS welcomes public comment on the entire SUD benefit delivery system design.

Instructions For Public Comment Submission:

Mail Submission– Written comments shall be addressed to Brian Campbell, Senior Policy Analyst, Division of Integrated Care and Behavioral Services, Department of Medical Assistance Services 600 East Broad Street, Suite 1300 Richmond, VA 23219

Electronic Submission – For ease in compilation of comments, all submissions must be a Microsoft Word document, submitted as an email attachment to: SUD@dmass.virginia.gov.

Important Date - If you or your organization plans to submit public comments, please send your comments to SUD@dmass.virginia.gov by 5:00 p.m. on December 1, 2015. There will be additional opportunities for public comment. The Department will also continue its longstanding practice of meeting regularly with stakeholder groups, providing information and gathering additional input on the important features of SUD programs.

Background: Virginia recognizes it has an important role as a payor for services provided to individuals with SUD. On September 26, 2014, Virginia Governor, Terry McAuliffe, put Executive Order 29 into place, creating the Governor’s Task Force on Prescription Drug and Heroin Abuse. Dovetailing with Virginia’s concern, in July of 2015, CMS issued [CMS letter, SMD # 15-003](#) to Medicaid directors, highlighting CMS’ new service delivery opportunities for Medicaid members with SUD. The information contained in that letter significantly aligned with Virginia’s belief that prescription drug and heroin overdoses are a public health and public safety crisis that is indiscriminately taking the lives of Virginians. Fully believing that there is work to be accomplished in this area, DMAS plans to seek CMS waiver authority using the guidance found in the CMS letter and the [recommendations created by the Governor’s Task Force](#) to strengthen how Virginia: educates individuals, providers, and communities; treats those identified with SUD; collects and monitors data and health outcomes pertaining to these individuals; and enforces new policies and practices.

This Opportunity for Public Comment will help DMAS identify key areas for SUD reform, in keeping with the Governor’s and General Assembly’s legislative directives and CMS waiver requirements. DMAS is especially interested in receiving public input concerning: SUD benefit design (including treatment and recovery supports), coverage criteria, provider requirements and capacity, reimbursement strategies that reward quality outcomes, and features necessary to ensure high quality and program integrity.

Virginia Medicaid Current SUD System: Virginia Medicaid currently provides an array of substance use disorder services, where the scope of service varies by population, e.g., children (under age 21), adults, and pregnant women. Inpatient SUD coverage is only available to children. Coverage for

residential treatment services is limited to children, pregnant, and postpartum women. Outpatient coverage for adults and children includes traditional outpatient, intensive outpatient, day treatment, crisis intervention, medication-assisted treatment (MAT) and case management services. It is important to note that the rate structure for SUD has not been adjusted since 2007 when Medicaid first began reimbursing for SUD treatment services. DMAS also recognizes that the current Medicaid reimbursement rate for residential treatment for pregnant women and opioid treatment services is low and may adversely impact the number of providers enrolled to provide these services. In addition, reimbursement for opiate treatment programs does not include the cost of the infrastructure required to provide methadone (which can only be administered at a clinic, staffed by a physician, nurses and a pharmacist, and also equipped to address security concerns.) Opiate treatment programs are also required to provide support services and counseling. Due to requirements of the Centers for Medicaid and Medicare Services (CMS), Virginia Medicaid requires that each of these services be billed separately instead of in a “bundle,” which is more consistent with the way these services are actually delivered.

Current Virginia Medicaid SUD Coverage			
SUD Service	Children Under 21	Adults*	Pregnant Women
Traditional Services			
Inpatient	X	NC*	NC
Outpatient	X	X	X
Medication Assisted Treatment (MAT)	X	X	X
Non-Traditional Services			
Residential	X	NC*	X**
Day Treatment	X	X	X
Intensive Outpatient	X	X	X
Opioid Treatment	X	X	X
Crisis Intervention	X	X	X
Case Management	X	X	X
Peer Recovery Coaching (through DBHDS certified providers)	***	NC	NC
An “X” means the service is covered and “NC” means the service is not-covered . *Dual eligible individuals have coverage for inpatient and residential treatment services through Medicare. ** Coverage is limited to substance abuse residential treatment facilities; no coverage in an Institution for Mental Disease (IMD) as defined by the Center for Medicare and Medicaid Services (CMS). ***Coverage exists through the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) program for children under age 21.			

Proposed Strategy to Improve Virginia’s SUD Program: Virginia’s proposed strategy to improve the delivery of SUD services would be built on its current Medicaid delivery system and include a restructuring of the SUD benefit design. DMAS is seeking public comment on the Commonwealth’s interest to pursue a CMS §1115 demonstration waiver to improve its SUD system of care and to meet all of the expectations for a transformed SUD system, as recognized by CMS in its guidance letter referenced earlier.

Critical Elements of Virginia’s Proposed Transformed SUD System of Care

1. **Comprehensive Evidence-based Benefit Design:** Virginia plans to design its SUD system of care to include recognized best practices in the SUD field, including a more robust array of services to address the immediate and long-term physical, mental and SUD care needs of the individual. Virginia’s system of care will be designed to include recognized best practices in the SUD field, including screening, brief interventions, and referral to treatment (SBIRT) for substance use problems, withdrawal management, MAT, care coordination, and long-term recovery services and supports. Virginia may also pursue new delivery opportunities that exist through the 1115

demonstration authority (with federal financial match) for short-term acute and residential SUD treatment in a substance abuse treatment facility. Historically Medicaid has not been able to cover services in SUD facilities that meet the CMS definition of an institution for mental disease (IMD), as defined in 42 CFR 435.1010, for individuals between the ages of 21 through 64. Having this ability would also enable Virginia to provide enhanced services to pregnant and parent women. Virginia's SUD benefit design may also include support services from Certified Peer Providers based upon evidence that indicates that support from trained, qualified peer providers has a measureable impact on engagement, retention and outcomes. Virginia's SUD system will incorporate these providers, as certified by the process implemented by the Department of Behavioral Health and Developmental Services (DBHDS), into appropriate levels of care.

2. **Appropriate Standards of Care:** Virginia plans to use the ASAM criteria, which is a nationally accepted set of treatment criteria, including for the residential and inpatient service continuum, and, where applicable, for other modalities of treatment and levels of care.
3. **Strong Network Development Plan:** Virginia's SUD system plans to ensure member access to timely care through a sufficient network of high quality, credentialed, knowledgeable providers in each level of care.
4. **Care Coordination Design:** Virginia will ensure seamless transitions and information sharing between varied levels and settings of care, consistent with federal and state confidentiality requirements.
5. **Integration of Physical Health and SUD:** Virginia plans to implement a viable strategy for coordinating physical health, including primary care, behavioral health, and pharmacy services with a specific timeframe for a fully integrated care model.
6. **Program Integrity Safeguards:** Virginia's model will ensure that SUD providers enter into participation agreements pursuant to 42 CFR 431.107, and that there is a process in place to address billing, clinical concerns, and other compliance issues.
7. **Benefit Management:** Virginia plans to use its BHSA contractor and its capitated managed care plans to accomplish this benefit management strategy and demonstrate compliance with the Mental Health Parity and Addiction Equity Act (MHPAEA).
8. **Community Integration:** Virginia will ensure compliance with CMS established person-centered planning and community based setting requirements in their service planning and service delivery efforts.
9. **Strategies to Address Prescription Drug Abuse and Opioid Use Disorder:** Virginia's model will include on-going efforts to train health care providers regarding best practices for opioid prescribing, pain management, use of Virginia's Prescription Monitoring Program (PMP), and identification and treatment of individuals at risk of substance abuse through screening, intervention, and referral tools.
10. **Services for Adolescents and Youth with SUD:** Virginia will ensure timely access to the full scope of coverage available to children under age 21, pursuant to the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) benefits.
11. **Reporting of Quality Measures:** Virginia plans to implement a comprehensive strategy to collect, maintain, and report the quality measures required by CMS as part of this demonstration project.
12. **Collaboration with Single State Agency for Substance Abuse:** DMAS plans to partner with DBHDS and relevant local, state, tribal, and social services agencies so that individuals are positioned to respond to treatment successfully.
13. **Implementing Innovative Payment Models:** Includes working with substance use disorder providers to help them develop the infrastructure to support value based payment models.