DEPARTMENT OF HEALTH AND HUMAN SERVICES
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CMCS Informational Bulletin

IAP Medicaid Innovation Accelerator Program

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SUBJECT: Delivery Opportunities for Individuals with a Substance Use Disorder

The Centers for Medicare and Medicaid Services (CMS) recently launched the Medicaid Innovation Accelerator Program (IAP) to improve care, improve health, and reduce costs. The IAP will support state efforts to accelerate Medicaid innovation by offering technical assistance and other resources to states engaged in these activities. Building on ideas and recommendations we have heard from states and stakeholders, the IAP will offer resources to support system reform innovations through the development of new delivery models, data analytics, quality measurement and rapid-cycle learning and evaluation.

Based on our work with states and stakeholders, CMS has identified substance use disorders (SUD) as an area of focus for IAP efforts. As part of a strategy to improve the care and outcomes for individuals with a SUD, CMS invites states to leverage IAP resources to introduce system reforms that better identify individuals with a SUD, expand coverage for effective SUD treatment, and enhance SUD practices delivered to beneficiaries.

The purpose of this Informational Bulletin is twofold. The first part of the Bulletin is intended to share areas of focus that states may want to consider as they undertake efforts to improve SUD service coverage and delivery. The second part of the Bulletin is a description of a high-intensity, data-driven IAP Learning Collaborative centered on SUD system reforms and the process for states to express interest in participating in this opportunity. Through this high intensity IAP SUD Learning Collaborative, CMS plans to work with states that are committed to making changes to their infrastructure, benefit design and delivery systems that are consistent with the goals of the IAP. Participating states will receive individualized technical assistance, expertise resources, and peer-based shared learning opportunities to improve the care provided to treat individuals with a SUD. The goal is for this high intensity IAP Learning Collaborative to support states to better use:

- Evidence-based benefit designs to improve care for individuals with a SUD;
- Unified measures to learn, share lessons and drive quality improvements; and
- Data analytics to size and identify solutions for pressing problems, such as high-cost populations and prescription drug abuse.

Some states may not want to engage in this high-intensity process, either because they have already made substantial changes to their delivery systems for individuals with a SUD or because they do not currently have the resources to undertake major delivery system transformations in this area. CMS welcomes the opportunity to work with these states through the IAP platform as well. In Part II of this Informational Bulletin, we solicit feedback from all states on their needs and interest in our next steps on SUD-focused technical assistance. Based on the input we receive, CMS will offer additional IAP opportunities for these states to leverage as SUD strategies.

Part I: Characteristics of a Transformed System of Care

Medicaid is playing an increasingly important role as a payer of services for individuals with a SUD in the United States. Nearly 12 percent of Medicaid beneficiaries over 18 have a SUD.[1] In addition, 15 percent of uninsured newly eligible individuals have a SUD.[2] CMS is committed to helping states effectively serve these individuals. Current federal policies and programs support states' efforts to reform their service delivery systems in different ways, especially for individuals with disabilities and chronic health conditions.

States have already achieved notable success in improved care and lower costs for SUD services through benefit, practice and payment reform. For instance:

- A Medicaid contracting health plan experienced medical costs for Medicaid patients that decreased by one-third over three years following engagement in medication-assisted treatment (MAT). This includes reduced expenditures in all types of health care settings, including hospitals, emergency departments and outpatient clinics.[3]
- Massachusetts found that monthly Medicaid expenditures were significantly less for beneficiaries receiving SUD treatment compared to diagnosed but untreated beneficiaries. Treatment included ambulatory detoxification and MAT services.[4]
- Washington found that Screening, Brief Intervention and Referral to Treatment (SBIRT) services significantly reduced healthcare costs among Medicaid beneficiaries, resulting in savings of $250 per member per month associated with inpatient hospitalization from emergency department admissions.[5]
- In addition, Washington tackled SUD and emergency department (ED) usage by adopting seven best practices. As a result, ED visits decreased by 9.9%; the number of people with

[1] http://store.samhsa.gov/shin/content/SMA13-4757/SMA13-4757.pdf, p.10
[2] Busch, S, et al (2013). Characteristics of Adults with Substance Use Disorders Expected to be Eligible for Medicaid under the ACA. *Psychiatry Services*, 64(6).
[3] Walter, L. et al (2006). *Medicaid Chemical Dependency Patients in a Commercial Health Plan*, Robert Wood Johnson Foundation, Princeton, New Jersey, 2006.
[4] Clark, R.E., et al (2011) The Evidence Doesn't Justify Steps by State Medicaid Programs to Restrict Opioid Addiction Treatment with Buprenorphine. *Health Affairs*, 30(9), 1425-1433.
[5] Estee, S et al. *Medicaid Cost Outcomes.* Department of Social and Health Services, Research and Data Analysis Division. Olympia, Washington, 2006.

frequent ED use dropped by 10.7%; and the number of visits resulting in narcotic prescriptions dropped by 24%. The state attributed savings of about $34 million.[6]

- A large health plan found that total healthcare costs, including inpatient, ED, outpatient, ambulatory and pharmacy costs, were 30% less for alcohol-dependent individuals receiving MAT than for alcohol-dependent individuals not receiving MAT.[7]

While progress has been made, states continue to report challenges in achieving better care for the SUD population. States cite a lack of data analytics to accurately identify prevalence and need in the Medicaid population, difficulties in integrating primary and mental health care, too few endorsed metrics for quality measurement, a lack of resources to collect and evaluate data, variation in provider qualifications, and federal payment prohibitions as barriers to providing a comprehensive benefit package and delivery system. We are committed to supporting state efforts to address these challenges through the IAP SUD Learning Collaborative.

A health care system capable of successfully treating SUD should include a robust benefit package of evidence-based services, fidelity to industry standard levels of care, integration with primary care, smart use of data analytics and metrics, collaboration with the SUD Single State Agency, provision of recovery services and supports, and a strong commitment from leadership designating SUD system transformation as a priority focus area.

Based on conversations with partners, including the Substance Abuse and Mental Health Services Administration (SAMHSA), we have identified the following characteristics of transformed systems of care that states are building to treat individuals with a SUD:

- A comprehensive benefit design covering vital evidence-based treatment and best practices;
- Care standards in line with nationally accepted criteria for medical necessity and levels of care, such as those developed by the American Society of Addiction Medicine;
- Care coordination, with a focus on care transitions among levels of SUD and acute care;
- Integration with primary care and physical health, through such approaches as health homes, integrated care models, and primary care medical homes;
- Efforts to improve sharing of information among providers while complying with the necessary state and federal confidentiality requirements;
- A strategy to curb prescription drug abuse;
- A strategy to identify and treat SUD in the youth and adolescent population;
- The ability to collect, use and report the relevant Medicaid Adult Core and Child Core quality measures, in addition to other measures;
- The ability to conduct data analytics on an ongoing basis; and
- A strategy to enhance business operations of SUD providers to ensure program integrity.

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[6] Washington State Health Care Authority, Report to the Legislature: Emergency Department Utilization: Update on Assumed Savings from Best Practices Implementation, March 20, 2014. At http://www.hca.wa.gov/Documents/EmergencyDeptUtilization.pdf

[7] Baser, O., Chalk, M. Rawson, R. et al. (2001) Alcohol treatment dependence: comprehensive healthcare costs, utilization outcomes, and pharmacotherapy persistence. *The American Journal of Managed Care*, *178*(8), S222-234.

There are a number of pathways available to states to pursue delivery system reform and improve coverage for individuals with a SUD, including:

- 1945 Health Homes for Enrollees with Chronic Conditions[8]
- Integrated Care Models
- 1915(i) Home and Community-Based Services
- 1915(b) Managed Care options
- 1905(a) State Plan authority
- 1937 Alternative Benefit Plan

In general, these existing Medicaid authorities provide states the flexibility necessary to implement their desired reforms. However, there may be instances when states may want to consider a section 1115 demonstration waiver. As you know, section 1115 allows the Secretary of Health and Human Services to waive certain statutory provisions that permit states to test innovative policy and delivery approaches, including for individuals with a SUD, including those targeted to select populations or geographic areas. Section 1115 demonstrations may be designed to provide more effective treatment of SUD by allowing states to cover services normally prohibited by federal statute, such as short-term acute treatment for SUD, which may include some residential and/or inpatient services. CMS is developing additional guidance on section 1115 SUD policy (which will be released in a forthcoming publication) for a limited number of proposals to address comprehensive SUD system transformation, ensuring integrated and community-based care.

Part II: Expressing Interest in the IAP SUD Learning Collaborative

As indicated previously through the launch of the IAP, CMS is interested in working with states that will exercise strong leadership and commit to meaningful delivery system reforms. CMS invites states that are interested in significantly improving their delivery system for individuals with a SUD to participate in a new IAP SUD Learning Collaborative (LC). We ask that the state Medicaid agency or Governor's office submit the Expression of Interest form provided at the end of this Bulletin (the form is also available on the IAP page on Medicaid.gov). Specifically, we seek to partner with states that express a significant interest and readiness to devote the necessary staff and technical resources to produce and share data analytics and programmatic progress with other states participating in the Learning Collaborative. We encourage states interested in participating in the LC to include staff with policy and data proficiency, as well as staff from the Single State Agency for substance abuse disorders. While states may vary in their initial readiness, we are asking states to express a commitment to invest the resources necessary to collect and analyze data during the learning collaborative.

The LC will provide resources that we hope will enable states to introduce the necessary policy and infrastructure changes that effectively treat SUD as a primary, chronic disease requiring

[8] Several states have already pursued SUD opportunities using Section 1945 authority. For example, Rhode Island received approval for a health home model serving opioid dependent Medicaid beneficiaries. The Rhode Island health home model supports stronger, formalized relationships between opioid treatment providers and community healthcare providers. In Vermont, the *Hub and Spoke* health home model provides a targeted approach for the spectrum of opioid dependent beneficiaries, and includes physician training for buprenorphine treatment.

long-term treatment to achieve abstinence or low recurrence of relapse. CMS will work with states in the high-intensity LC designed to meet the particular needs of participating states, aiming to address the policy and data levers that represent a truly transformed system. The high-intensity LC will consist of monthly peer-based learning sessions designed to facilitate the spread of successful reforms. These learning sessions will also include bimonthly "deep dive" webinars featuring policy, data and industry leaders addressing the focus areas identified above as well as topics suggested by participating states. The content and schedule of the learning sessions will be specifically tailored to meet the needs of participating states. On alternating months, learning collaborative states can tap into shared experience through facilitated peer-based forums designed to identify common challenges and showcase solutions. The goal is to disseminate proven strategies and to identify pockets of success in overcoming state-specific barriers.

For states that commit to producing the necessary policy, program and payment reforms to improve their systems of care for individuals with a SUD, CMS will provide expert resource documents and hands-on technical assistance appropriate for a robust delivery design. These resources will include materials on federal pathways, strength of evidence of SUD interventions for the Medicaid population, data analytics, other payers' use of metrics, ongoing lessons learned as interventions progress, and other topics. For instance, through the new IAP resources, states could develop an approach to identify individuals with a SUD in the Medicaid population, perform the necessary data analytics to develop or refine their benefit package, and use quality metrics to evaluate the success of these changes. This work could focus on the overall Medicaid population with a SUD or target individuals that have SUD and are high users of health care (including SUD treatment) services. Data collection and analysis activities could also include a needs assessment of the Medicaid population with a SUD and an assessment of the provider network capacity to address these needs. This gap analysis could assist states in better targeting efforts to enhance access to services.

Through the LC, CMS will support states in navigating the appropriate federal pathways to successfully redesign their systems and implement desired reforms. High-intensity LC states will have access to individualized technical assistance from CMS and strategic partners on an ongoing and real-time basis. The technical assistance available through the LC will be designed to support states as they lay the groundwork and prepare to submit successful SPAs and waivers necessary to introduce and achieve key reforms.

As part of their work in the high-intensity IAP SUD Learning Collaborative, participating states will develop a work plan that will outline and describe their state-specific ideas for system reforms. In consultation with CMS, states will identify an appropriate strategy for introducing coverage, delivery, data and policy reforms necessary for improving care provided to treat individuals with a SUD in their state. The work plan can serve as a blueprint for transformation, guiding each state's participation in the IAP SUD Learning Collaborative.

To learn more about states' areas of interest and levels of readiness, CMS will hold one-on-one discussions with states interested in participating in the high-intensity LC during the month of November. Our hope is that these conversations will help inform the LC's curriculum and serve as a starting point for states to develop their work plans. Please fill out the Expression of Interest

form and email it to MedicaidIAP@cms.hhs.gov with "SUD LC" in the subject line no later than November 21, 2014.

Additional IAP Opportunities for Substance Use Disorder

For states that may choose not to participate in this high intensity LC, there are opportunities for other forms of technical assistance with the aim of improving services for individuals with a SUD. Over the next several months, CMS will be actively soliciting feedback from states to identify and develop additional opportunities for states interested in SUD. If your state is interested in receiving technical assistance in other areas of focus related to SUD benefits and delivery, please email MedicaidIAP@cms.hhs.gov. In the email, please describe your state's needs and areas of interest as they relate to the system of care for SUD services. In addition, CMS is committed to disseminating materials and lessons learned from early efforts, so all states can learn and benefit from the experience of the IAP SUD learning collaborative work.

Substance Use Disorder High-Intensity Learning Collaborative

Expression of Interest

State/Territory:	
[Insert a brief description of what your state wants to achieve through participating in this learning collaborative. As part of this description, you can include information such as specific topic areas you want to focus on, the types of data analysis your team would like to do, etc.]	
Team Members	Name and Contact Information
Medicaid lead*	
Data lead	
SSA for Substance Use Disorder lead	
Other potential stakeholders for team (e.g., health plans, provider groups)	

*Please identify a single point-of-contact

Please email this form to MedicaidIAP@cms.hhs.gov with "SUD LC" in the subject line no later than *November 21, 2014*. Please provide the name and contact information for the representative from the Medicaid agency that will be the primary point of contact for the Learning Collaborative.