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**Department of Health and  
Human Services**

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**Waiver to increase reimbursable substance  
use disorder (SUD) services**

Division of Health Care Financing and Policy

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# Agenda

- Purpose of the Waiver
- Process for the Waiver
- Nevada's Current Position
- Next Steps

# Purpose of a Waiver

- Currently, services in an Institution for Mental Disease (IMD) are not reimbursable by Medicaid.
- This service was excluded at the inception of the program to prevent states from cost shifting the care provided in state psychiatric hospitals.
- This waiver would allow some of those services to be reimbursable for substance use disorder (SUD) treatment.
- Demonstration waivers allow states to experiment with alternative payment arrangements and services to demonstrate the most effective programs.



# Current Guidance from CMS

## **November 1, 2017: [CMS Letter for State Medicaid Directors](#)**

Following declaration of the opioid epidemic as a public health emergency, CMS included the IMD exclusion as allowable services and could be provided and funded through the 1115 Demonstration Waivers for SUD services.

## **October 24, 2018: SUPPORT Act was passed**

### **Sec. 5052. State Option to Provide Medicaid Coverage for Certain Individuals with Substance Use Disorders Who are Patients in Certain Institutions for Mental Diseases**

This section temporarily (October 1, 2019 through September 30, 2023) allows states to apply to receive federal Medicaid match for services provided in Institutions for Mental Diseases (IMD) and for other medically necessary services for enrollees (aged 21 to 64) with substance use disorders. Services may be covered for a total of up to 30 days in a 12-month period for an eligible enrollee.

An eligible IMD must follow reliable, evidence-based practices, and offer at least 2 forms of medication-assisted treatment for substance use disorders on site, including, in the case of medication-assisted treatment for opioid use disorder, at least 1 antagonist and 1 partial agonist.



# Waiver Financing

- This type of waiver is required to be budget neutral over the five-year demonstration period. So, DHHS must demonstrate the cost of these services will not exceed the cost of other services that would have been provided.
- The non-federal portion of the reimbursement must be identified.



# Nevada's Current Status

In the 2019 Session, DHHS developed budget concepts for the 1115 Waiver aligned with the CMS guidance to include a comprehensive array of services.

**The extension and expansion of CCBHC was funded**  
CCBHCs increased from 3 to 10 centers.

During the review process with CMS, it was determined the CCBHC services expansion better sits within the 1915(i) authority rather than the 1115 waiver authority.





# Next portion of the service array

## **Residential treatment facilities and withdrawal management**

- Historically, services were excluded from Medicaid reimbursement for most people.
- Another piece of the array of services designed by ASAM and proven to effectively treat substance use disorder.
- 1115 Waiver authority will be needed due to the IMD exclusion.



# Next Steps

- Planning grant through SUPPORT Act – includes additional work on development and other pieces of the services infrastructure.
- Waiver process includes a needs assessment, cost projections, payment methodologies, determinations of cost neutrality, and evaluation criteria.
- Waiver applications must go through an approval process with CMS, approximately 18 months.
- Funding for the non-federal portion of the reimbursement for the services must be secured.





# Questions?



# Contact Information

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# Acronyms and Definitions

- ASAM - American Society of Addiction Medicine
- CCBHC - Certified Community Behavioral Health Clinics
- CMS - Centers for Medicare and Medicaid Services
- IMD - Institutions for Mental Disease
- SUD - Substance use disorder
- SUPPORT Act - Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act