Department of Health Care Finance Publishes First Proposed Medicaid Demonstration for Mental Health and Substance Use Disorders Under New CMS Guidance

(WASHINGTON, D.C.) – Today, in collaboration with the Department of Behavioral Health, the District of Columbia Department of Health Care Finance (DHCF) announced its intent to apply for an 1115 Medicaid Behavioral Health Transformation Demonstration from the federal Centers for Medicare and Medicaid Services (CMS). The proposed demonstration combines new innovative treatment strategies with proven community-based services to promote better health outcomes for the nearly one third of Medicaid beneficiaries with a behavioral health diagnosis.

The 1115 Medicaid Behavioral Health Transformation Demonstration proposes to allow Medicaid to pay for services provided to adults with serious mental illness (SMI) or substance use disorder (SUD) by an institution for mental disease (IMD). Additionally, it will add new community-based services designed to improve treatment capacity and strengthen transitions from emergency, inpatient and residential treatment.

The District is the first state Medicaid program to submit a new application for a combined SMI and SUD demonstration under Section 1115 of the Social Security Act since CMS announced the SMI/SED opportunity in November, 2018.

By expanding the range of services offered and creating a new focus on improving community service delivery across the SMI and SUD continuum of need, the demonstration is the first step in transforming Medicaid’s delivery of behavioral health services. The demonstration also enables the District to advance its goals to reduce opioid use, misuse and related deaths as outlined in Live.Long.DC., the District’s opioid strategic plan, while establishing a clearer pathway for recovery.

“This demonstration holds the promise to transform how Medicaid delivers behavioral health services and make a real difference in the lives of the tens of thousands of District residents living with mental illness or a substance use disorder.” said Wayne Turnage, Deputy Mayor for Health and Human Services and Director of the Department of Health Care Finance.

The proposed demonstration will increase Medicaid coverage for a series of behavioral health services specifically targeted to treat or prevent SMI/SED and SUD, including:

- adding residential and inpatient services provided for adults in IMDs,
- expanding crisis stabilization and mobile outreach services,
- providing comprehensive recovery support services including peer supports;
- adding coverage for psychologists and licensed clinical social workers
- providing expanded supported employment services
- eliminating the $1 copayment for prescriptions for medication assisted treatment (MAT);
- piloting a new screening, brief intervention and referral for treatment (SBIRT) model for emergency hospital providers and eight primary care sites.

“This is an important step forward in our journey to allow Medicaid to treat the whole person and break down current silos of care,” said DHCF Senior Deputy Director/Medicaid Director Melisa Byrd. “This demonstration enables the District Medicaid program to help our residents lead their healthiest lives.”

To view the District's proposed 1115 Medicaid Behavioral Health Transformation Demonstration application, please go to: http://dhcf.dc.gov/1115-waiver-initiative. DHCF is seeking public input on the demonstration application for 30 days and will accept comments through 6 PM, May 13, 2019. DHCF will be holding three hearings in coordination with DBH to solicit public comment on the application. For more information on the planned hearings, please go to: http://dhcf.dc.gov/1115-waiver-initiative.

The Department of Health Care Finance is the District’s State Medicaid Agency. The mission of the Department of Health Care Finance is to improve health outcomes by providing access to comprehensive, cost-effective and quality healthcare services for residents of the District of Columbia. For more on DHCF, please visit https://dhcf.dc.gov/