

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of Health Care Finance



Office of the Senior Deputy Director/Medicaid Director

Transmittal 22-14

TO: All Interested Parties

FROM: Melisa Byrd
Senior Deputy Director and State Medicaid Director

DATE: March 31, 2022

SUBJECT: Public Notice of Intent to Submit State Plan Amendment – Medicaid Reimbursement of Adult Substance Use Disorder and Mental Health Rehabilitative Services

The Department of Health Care Finance (DHCF) hereby gives notice of the intent to submit an amendment to the District of Columbia State Plan for Medical Assistance (State Plan) to the Centers for Medicare and Medicaid Services (CMS) for review and approval.

The American Rescue Plan Act (ARPA) of 2021 was signed into law on March 11, 2021. Section 9817 of ARPA provides states with a temporary ten (10) percentage point increase to the federal medical assistance percentage (FMAP) for Medicaid Home and Community-Based Services (HCBS). States must use funds equivalent to the amount of federal funds attributable to the increased FMAP to implement activities that enhance, expand, or strengthen Medicaid HCBS.

In its February 2022 quarterly submission to CMS, DHCF, in coordination with the Department of Behavioral Health, proposed the use of ARPA funds to increase behavioral health rehabilitative service reimbursement rates in District fiscal year 2022 by an amount equal to growth in the Medicare Economic Index. To implement the proposed ARPA initiative, DHCF plans to submit an amendment to the State Plan for CMS approval.

The reimbursement rates for each service will be included on the Medicaid Fee Schedule and will become effective on April 1, 2022 or on the effective date established by CMS in its corresponding approval of the State Plan amendment, whichever is later.

The Medicaid Fee Schedule for behavioral health rehabilitative services is located on the DHCF website at <https://www.dc-medicaid.com/dcwebportal/nonsecure/feeScheduleDownload>.

As a result of the proposed change, DHCF estimates that the aggregate impact on Medicaid expenditures will be an increase of \$800,000 in fiscal year (FY) 2022 and \$600,000 in FY 2023.

If you have any questions, please contact Mario Ramsey, Associate Director, Health Care Research and Policy Administration, Department of Health Care Finance at mario.ramsey@dc.gov.

Cc: DC Medical Care Advisory Committee Stakeholders
DC Hospital Association
DC Primary Care Association
DC Health Care Association
DC Home Health Association
DC Behavioral Health Association
DC Coalition of Disability Service Providers
Medical Society of DC