



Early Findings from Medicaid Section 1115 Substance Use Disorder (SUD) Demonstrations



Danielle Daly, PhD

Division Director

***Division of Demonstration Monitoring and
Evaluation***

Centers for Medicaid and CHIP Services

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Agenda

- What are Section 1115 Substance Use Disorder (SUD) Demonstrations?
- State and Federal Monitoring and Evaluation Activities
- Key Findings
- Upcoming Reports

What are Section 1115 SUD Demonstrations?

- Under Section 1115 of the Social Security Act, the Secretary of HHS is authorized to:
 - Waive compliance with certain requirements of the Medicaid statute to enable states to experiment with different approaches to promoting the objectives of the Medicaid program (42 USC 1315(a)(1))
 - Provide federal Medicaid matching funds for programs and services that may not otherwise be permitted under normal Medicaid rules (42 USC 1315(a)(2))
- State Medicaid Director Letter (SMDL) #17-003, Strategies to Address the Opioid Epidemic, outlines opportunities for states to improve access to high quality, clinically appropriate treatment for opioid use disorder (OUD) and other substance use disorders (SUDs).

SUD Demonstration Goals and Milestones

Goals

- 1: Increased rates of identification, initiation, and engagement in treatment
- 2: Increased adherence to and retention in treatment
- 3: Reductions in overdose deaths
- 4: Reduced utilization of ED and inpatient hospital settings
- 5: Fewer readmissions to the same or higher level of care
- 6: Improved access to care for physical health conditions

Milestones

- 1: Access to critical levels of care for opioid use disorder (OUD) & other SUDs
- 2: Use of evidence-based, SUD-specific patient placement criteria
- 3: Use of nationally recognized SUD-specific program standards for residential treatment facilities
- 4: Sufficient provider capacity at critical levels of care
- 5: Implementation of comprehensive treatment and prevention strategies to address opioid abuse and disorders
- 6: Improved care coordination and transitions between levels of care

State and Federal Monitoring and Evaluation Activities

- States are required to monitor and evaluate their section 1115 SUD demonstrations.
- CMS also conducts federal monitoring and evaluation to assess national-level outcomes and identify best practices.
 - In 2023, CMS released a Cross-State Analysis (CSA) which:
 - Synthesized narrative information from monitoring reports from 33 states with approved demonstrations that reported through June 1, 2022
 - Assessed standardized metrics data from 26 states
 - CMS is also conducting a meta-evaluation, which includes data:
 - Abstracted from implementation plans and monitoring reports to identify demonstration features
 - Gathered from semi-structured interviews with state stakeholders to understand demonstration context and challenges (December 2020 to July 2021)
 - From T-MSIS and other secondary data sources to assess pre-demonstration context and early impacts (2012 to 2019)



Key Findings from Federal Monitoring and Evaluation Activities

SUD Milestone #1: Access to critical levels of care for OUD (opioid use disorder) and Other SUDs

Key Finding: SUD treatment increased during demonstration implementation, especially through medication assisted treatment (MAT).

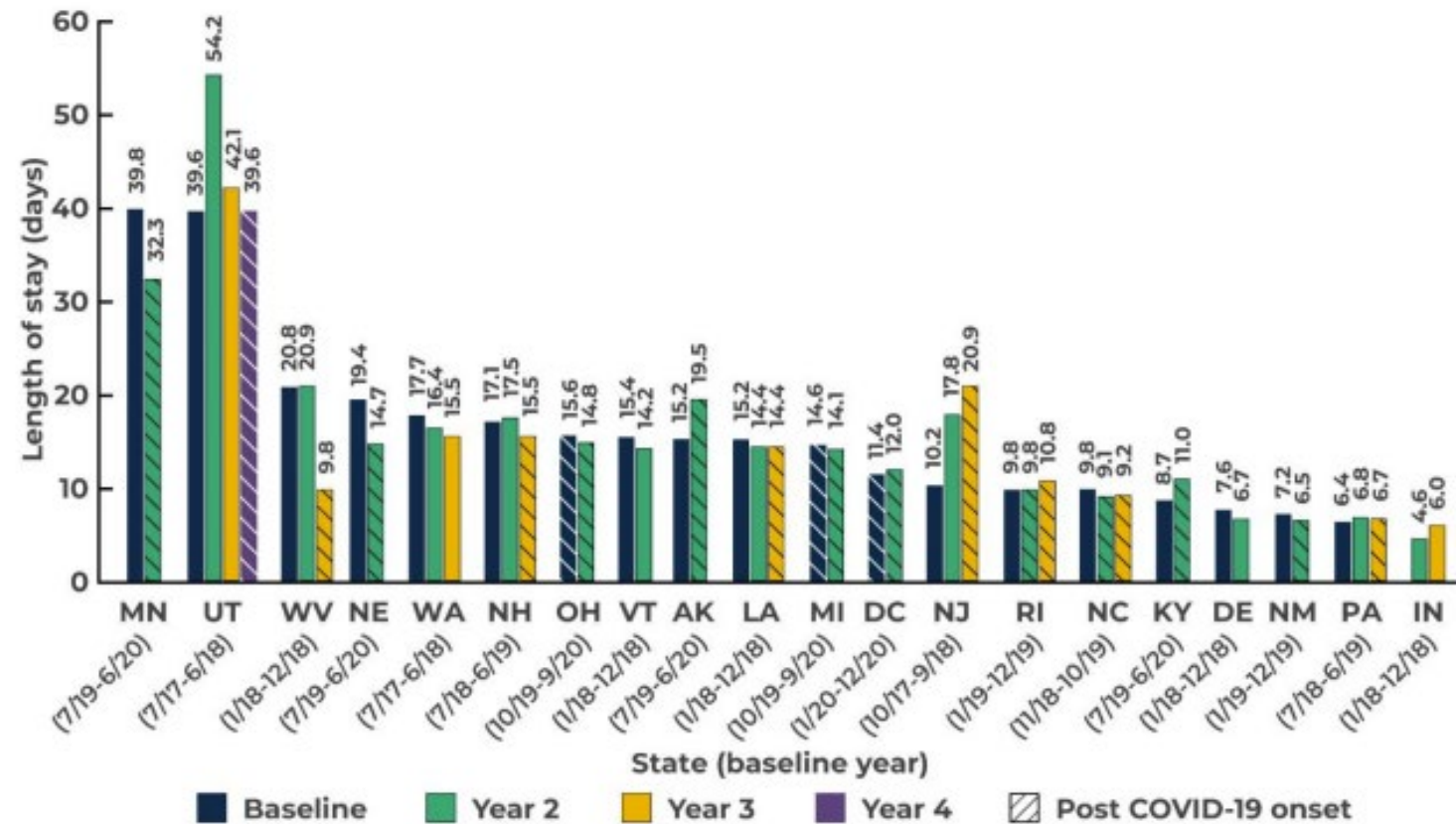
- Overall, SUD demonstrations were associated with a significant 17.1 percent increase in SUD treatment service users between the baseline and year 3 and later.
 - Individually, this metric increased in 15 out of 20 states.
- Regression analyses show statistically-significant increases in the share of beneficiaries using any SUD treatment who received MAT, as well as in the number of beneficiaries with OUD receiving medication for OUD continuously for at least six months.
- State stakeholders noted that states faced challenges in implementing demonstrations, most often noting stigma related to MAT, lack of provider experience with Medicaid, workforce shortages, and new payment policies as obstacles to implementation.

SUD Milestone #2: Use of evidence-based, SUD-specific patient placement criteria

Key Finding: IMD (Institution for Mental Diseases) use and ALOS changed in almost all reporting states, but the direction of the change varied.

- The share of beneficiaries with a SUD using services in IMDs significantly increased in 7 states, but significantly decreased in 7 states.
- The ALOS significantly increased in 7 states and significantly decreased in 11 states.
 - Only 2 states had an ALOS greater than 30 days.

Average Length of Stay (ALOS) by State and Demonstration Year



SUD Milestone #3: Use of nationally recognized, evidence-based SUD program standards to set provider qualifications for residential treatment facilities

Key Finding: Most states added or updated their residential treatment provider standards and residential MAT access requirements. Additionally, During the initial 24 months after demonstration approval, states reported varied approaches to implementing and monitoring compliance with evidence-based standards. States continued to refine and enhance compliance monitoring in later demonstration years.

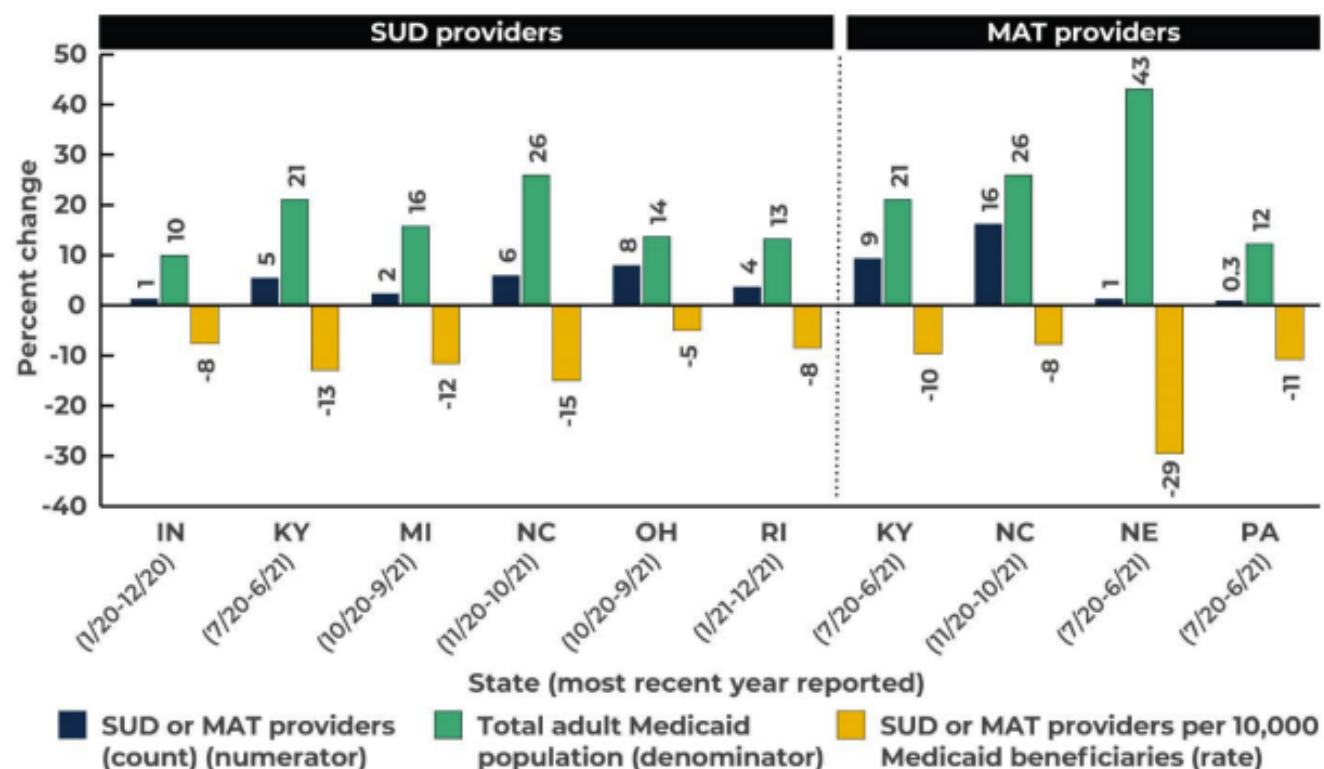
State (approval date)	Initial implementation period (0-24 months)	Ongoing implementation period (25 or more months)
Kentucky (01/12/2018)	Began conducting desk audits of residential providers	Established workgroups to develop quality measures for SUD treatment across the state
Nebraska (06/28/2019)	Added specific provider standards for residential treatment settings, including MAT availability and quality assurance level-of-care assessment standards for managed care organizations (MCOs)	Continued to develop MCO contract language requiring compliance reviews
New Hampshire (07/10/2018)	Developed a shared audit process with MCOs to monitor use of ASAM criteria	Continued audits to ensure compliance with ASAM criteria

SUD Milestone #4: Sufficient provider capacity at critical levels of care, including medication assisted treatment (MAT) for OUD

Key Finding: SUD and MAT providers increased in most states, though not always at the pace of the Medicaid population.

- Of the 20 states analyzed, SUD and MAT providers per 10,000 Medicaid beneficiaries had increased significantly between years in 5 states and decreased significantly between years in 8 states.
 - However, the decline in the rate was often due to a large increase in the number of Medicaid beneficiaries, not a decline in the number of providers.
- Across milestones, states frequently reported offering provider trainings to improve provider capacity. These trainings were most frequently focused on MAT, the ASAM Criteria, and workforce development and support.

SUD/MAT Provider Increases Compared to Medicaid Population

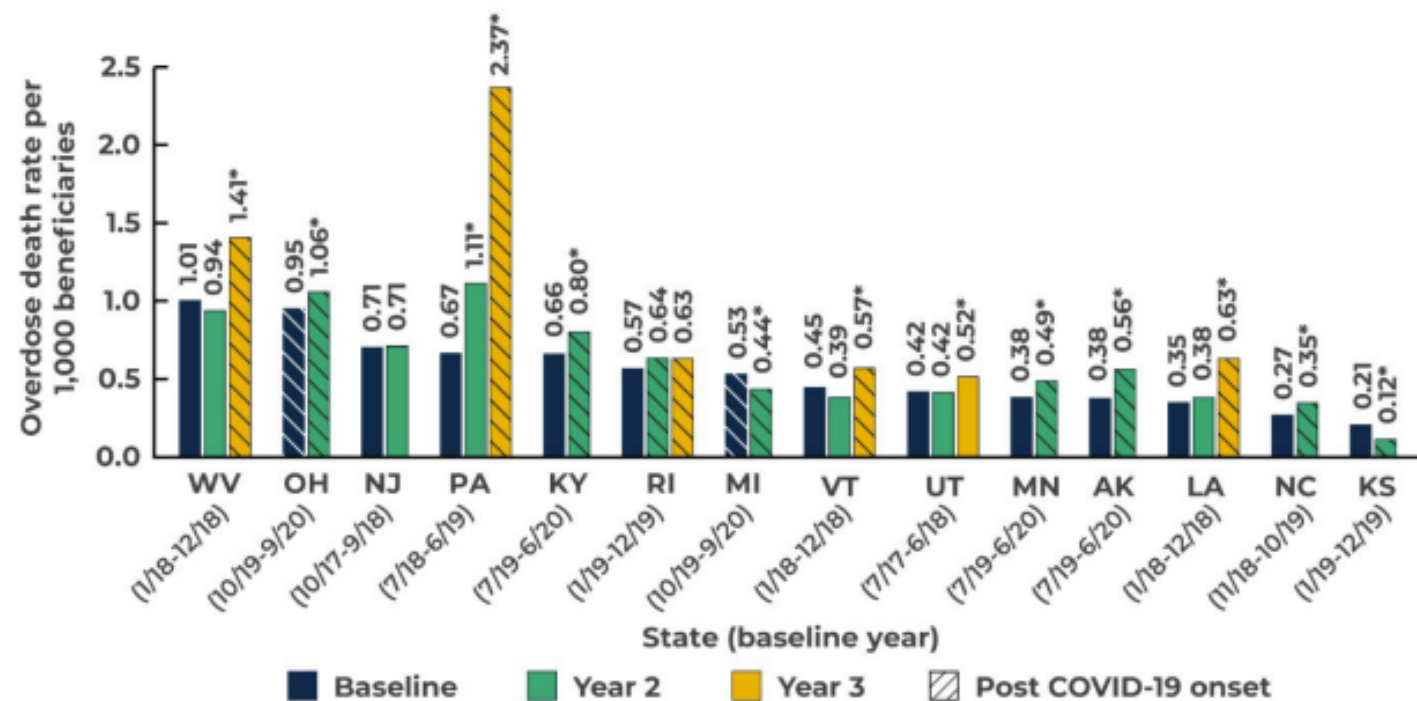


SUD Milestone #5: Implementation of comprehensive treatment and prevention strategies to address opioid abuse and OUD

Key Finding: Despite some positive findings, overdose deaths for Medicaid beneficiaries increased during the demonstration period for most states.

- Concurrent use of opioids and benzodiazepines significantly decreased in 8 of 15 reporting states (UT, PA, MI, RI, WA, OH, LA, and NC) between 2019 and 2020.
- However, overdose deaths for Medicaid beneficiaries significantly increased in 10 states, and significantly decreased only in 2 (MI, KS).
- 9 states reported a variety of activities to increase access to naloxone, such as distributing naloxone kits to law enforcement, local public health agencies, first responders, etc.

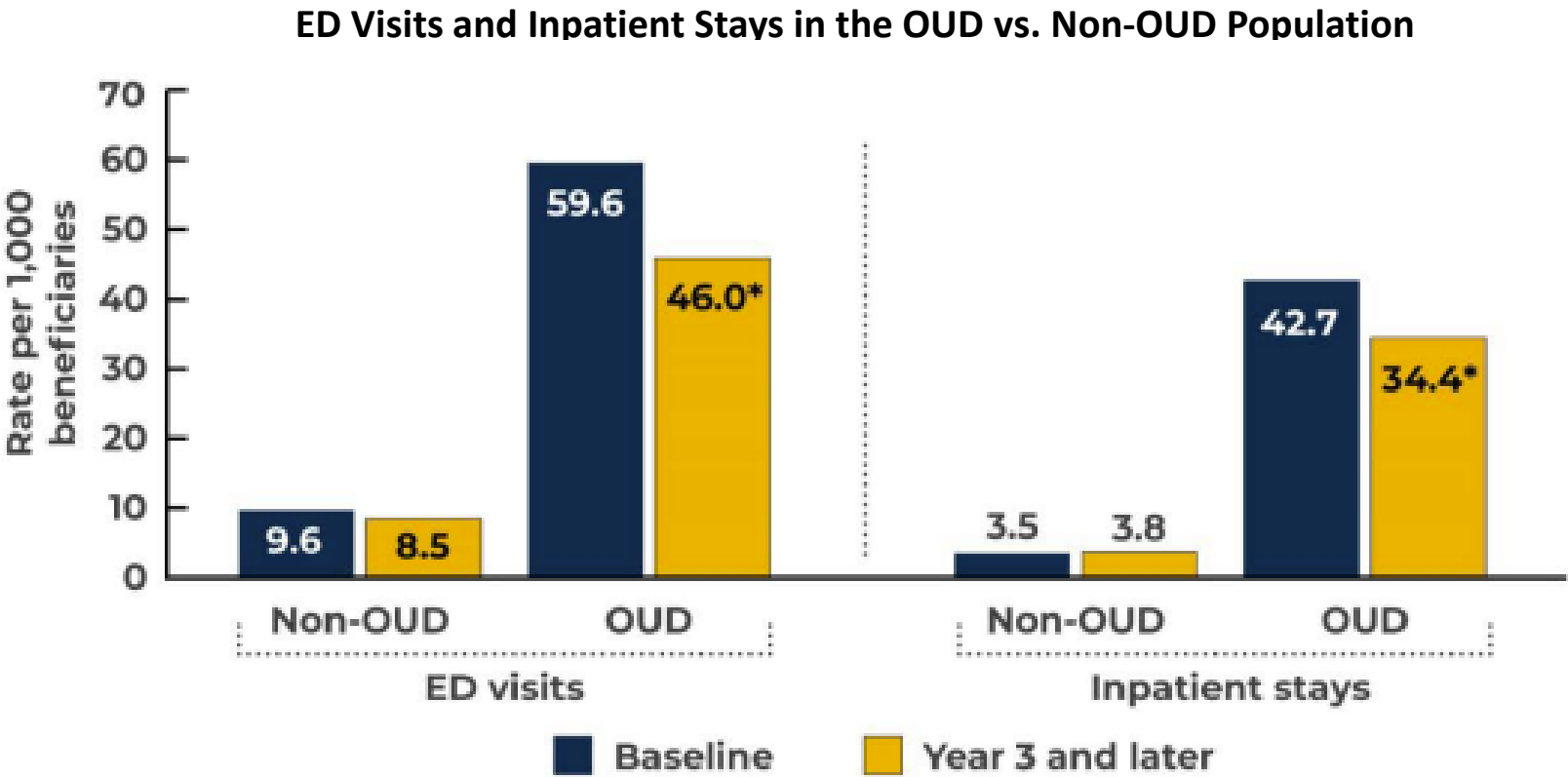
Overdose Death Rate per 1,000 Beneficiaries



SUD Milestone #6: Improved care coordination and transitions between levels of care

Key Findings:

- Between CY 2019 and CY 2020, the rate of treatment engagement for beneficiaries with OUD significantly increased in 5 of 14 states, and the rate of follow-up within 30 days of ED visit significantly increased in 6 of 17 states. Each rate significantly decreased in 2 states.
- Additionally, among beneficiaries with OUD, the demonstration was associated with a significant decline in ED visits and inpatient stays (22.8 percent and 19.3 percent respectively) between the baseline and year 3 and later.



Future Analyses

- Updated Cross-State Analysis of Section 1115 SUD Demonstrations
- Federal Meta-Evaluation
- Rapid Cycle Reports:
 - T-MSIS data analysis: impacts on SUD service access
 - State experiences of managed care and SUD provider organizations in changes in care coordination and expansion of coverage of SUD services (qualitative)
 - Medicaid acceptance and MOUD provision among SUD treatment facilities in early implementing states
 - Managed care and SUD provider organizations experiences with changes in patient placement criteria and utilization management

References

- [State Medicaid Director Letter #17-003: Strategies to address the Opioid Epidemic](#)
- [Section 1115 SUD Federal Meta-Evaluation Design](#)
- [Section 1115 SUD Demonstration Cross State Analysis](#)
- [Medicaid Section 1115 Substance Use Disorder \(SUD\) Demonstrations: An In-Depth Look Into Pre-demonstration Measures of SUD Need, Treatment Use, Availability, and Outcomes Across States](#)
- [Medicaid Section 1115 Substance Use Disorder \(SUD\) Demonstrations: Features of State Approaches to Improve Medicaid SUD Treatment Delivery Systems](#)
- [Medicaid Section 1115 Substance Use Disorder \(SUD\) Demonstrations: State Experiences Expanding Availability of Medication Assisted Treatment for Beneficiaries in Residential Settings](#)
- [Medicaid Section 1115 Substance Use Disorder \(SUD\) Demonstrations: Implementation Challenges Across States](#)