

## DEPARTMENT OF SOCIAL SERVICES

### **Notice of Proposed Medicaid and Children's Health Insurance Program Substance Use Disorder Demonstration Waiver Pursuant to Section 1115 of the Social Security Act**

The State of Connecticut Department of Social Services (DSS) proposes to submit the following Medicaid and Children's Health Insurance Program (CHIP) Substance Use Disorder (SUD) Demonstration Waiver Pursuant to Section 1115 of the Social Security Act to the Centers for Medicare & Medicaid Services (CMS) within the U.S. Department of Health and Human Services (HHS). **Note:** For more information, see below and DSS website at this link: <https://portal.ct.gov/DSS/Health-And-Home-Care/Substance-Use-Disorder-Demonstration-Project>. **Public comment and public hearing information are at the bottom of this notice.**

#### **Description of Demonstration Waiver**

Pursuant to section 17b-8 of the Connecticut General Statutes and 42 C.F.R. § 431.408, DSS provides notice that it intends to submit to CMS a SUD Demonstration Waiver pursuant to Section 1115 of the Social Security Act for Connecticut's Medicaid Program and CHIP (Demonstration). This Demonstration is the result of a collaborative effort among various state agencies and other partners, including the three partner state agencies of the Connecticut Behavioral Health Partnership (CTBHP): DSS, Connecticut's single state agency for Medicaid and CHIP; the Department of Children and Families (DCF), the lead state agency for children's behavioral health; and the Department of Mental Health and Addiction Services (DMHAS), the single state agency for adult behavioral health. Connecticut's Medical Assistance Program (CMAP) includes the state's Medicaid program and CHIP.

The Demonstration is intended to be effective on or after July 1, 2021 upon CMS approval and is a comprehensive project to enhance the state's SUD service system in accordance with federal guidance. Once approved, the Demonstration will enable federal financial participation (FFP) Medicaid and CHIP matching funds for individuals receiving SUD services residing in Institutions for Mental Diseases (IMDs) that would ordinarily not be covered under federal law. In accordance with CMS guidance, this Demonstration will ensure a complete American Society of Addiction Medicine (ASAM) levels of care (LOCs) service array is available as part of an essential continuum of care for Medicaid enrolled individuals with opioid use disorder (OUD) and other SUDs.

This Demonstration implements CMS guidance for SUD 1115 demonstration waivers, set forth in CMS State Medicaid Director Letter (SMD) # 17-003, Strategies to Address the Opioid Epidemic, posted on the CMS website at this link: <https://www.medicaid.gov/federal-policy->

[guidance/downloads/smd17003.pdf](https://www.cms.gov/medicaid/section-1115-demonstrations/1115-substance-use-disorder-demonstrations/section-1115-demonstrations-substance-use-disorders-serious-mental-illness-and-serious-emotional-disturbance/index.html). Additional information about SUD 1115 demonstrations, including a list of other states that have already established a SUD 1115 demonstration, is posted to the CMS website at this link: <https://www.medicaid.gov/medicaid/section-1115-demonstrations/1115-substance-use-disorder-demonstrations/section-1115-demonstrations-substance-use-disorders-serious-mental-illness-and-serious-emotional-disturbance/index.html>.

**(A) The program description, goals, and objectives to be implemented or extended under the demonstration project, including a description of the current or new beneficiaries who will be impacted by the demonstration.**

#### Program Description, Including Affected CMAP Members

CMAP enrollment is not expected to change as a result of this Demonstration. As detailed above, the Demonstration will enable CMAP coverage for individuals with SUD who are residing in IMDs for which coverage would otherwise be prohibited under federal law. This Demonstration will also ensure enhancements in the SUD service system to provide a full continuum of care in accordance with the latest version of ASAM LOCs.

#### Goals/Objectives

The Demonstration includes the following goals, all of which are designed to improve services and quality of life for CMAP members with SUD.

1. Increased rates of identification, initiation and engagement in treatment for OUD and other SUDs;
2. Increased adherence to and retention in treatment for OUD and other SUDs;
3. Reductions in overdose deaths, particularly those due to opioids;
4. Reduced utilization of hospital emergency departments (EDs) and inpatient hospital settings for OUD and other SUD treatment where the utilization is preventable or medically inappropriate through improved access to other continuum of care services;
5. Fewer readmissions to the same or higher level of care where the readmission is preventable or medically inappropriate for OUD and other SUDs; and
6. Improved access to care for physical health conditions among beneficiaries with OUD or other SUDs.

**(B) To the extent applicable, the proposed health care delivery system and the eligibility requirements, benefit coverage and cost sharing (premiums, co-payments, and deductibles) required of individuals that will be impacted by the demonstration, and how such provisions vary from the State's current program features.**

This Demonstration will not change the underlying program; in particular, it will not change the current CMAP fee-for-service delivery system, eligibility requirements, covered services, or cost-sharing. Connecticut's Medicaid program currently does not include any cost-sharing. Connecticut's CHIP includes specified cost-sharing for certain services.

The Demonstration will not change covered benefits, except that it will enable FFP to the state for individuals with SUD residing in IMDs. Separately, DSS intends to submit a Medicaid State Plan Amendment (SPA) in the future (for which public notice will be published when the draft SPA has been developed) to enable full implementation of this Demonstration to cover residential and inpatient treatment, as well as all levels of withdrawal management (ASAM levels 1 WM, 2-WM, 3.1, 3.2-WM, 3.3, 3.5, 3.7, 3.7 WM, 4).

**(C) An estimate of the expected increase or decrease in annual enrollment, and in annual aggregate expenditures, including historic enrollment or budgetary data, if applicable. This includes a financial analysis of any changes to the demonstration requested by the State in its extension request.**

This Demonstration is not anticipated to change annual CMAP enrollment because this Demonstration does not change CMAP eligibility requirements. This Demonstration is not expected to change to annual aggregate Medicaid and CHIP expenditures because it will comply with federal budget neutrality requirements for SUD 1115 demonstration waivers. Utilization of Medicaid State Plan covered services for individuals who receive SUD treatment services in an IMD will be authorized only if DSS or its designee, determines the admission to a residential setting is medically necessary, which includes consideration of consistency with ASAM placement criteria and all other applicable requirements. Changes in Medicaid State Plan covered services and reimbursement will be set forth in a separate SPA, as noted above, and any fiscal impact of those changes will be part of that SPA, not this Demonstration.

Federal law in section 1115 requires the Demonstration to be budget-neutral to the federal government. In SMD # 18-009, Budget Neutrality Policies for Section 1115(a) Medicaid Demonstration Projects, posted on the CMS website at this link: <https://www.medicaid.gov/federal-policy-guidance/downloads/smd18009.pdf>, CMS set forth budget neutrality guidance for section 1115 demonstration waivers. CMS notes in SMD # 18-009 (p. 6) that it has approved Medicaid payments for services to individuals residing in an IMD primarily to receive treatment for SUD, which would otherwise be coverable by Medicaid but for the federal law exclusion on Medicaid coverage for services in an IMD, as hypothetical expenditures. CMS applies hypothetical expenditures to a budget neutrality test in which with-waiver and without-waiver costs are treated as the same, which means that that the state is not required to account for separate savings to offset costs that would already be federally coverable under Medicaid but for the IMD exclusion.

DSS anticipates that federal budget neutrality for this Demonstration will be determined using per-member per-month (PMPM) CMAP expenditures for SUD IMD services for the following Medicaid Eligibility Groups (MEGs) within CMAP: HUSKY A (children and caretaker adult coverage groups), HUSKY B (CHIP), HUSKY C (aged, blind and disabled coverage groups), and HUSKY D (low-income adult Medicaid expansion coverage groups).

**(D) The hypothesis and evaluation parameters of the demonstration.**

The Demonstration will evaluate whether the CMAP SUD treatment system is more effective through a provision of a complete coordinated continuum of care using ASAM placement criteria and standards, including SUD residential treatment services. Through a contract with an independent contractor, the state will conduct an independent evaluation to measure and monitor the outcomes of the Demonstration in accordance with CMS guidance, focusing on the key goals and milestones of the Demonstration. The researchers will assess the impact of providing the full continuum of SUD treatment services, particularly residential treatment, on hospital ED utilization, inpatient hospital utilization and readmission rates.

**(E) The specific waiver and expenditure authorities that the State believes to be necessary to authorize the demonstration.**

The specific waiver and expenditure authorities necessary to implement this demonstration are those that allow for the state to receive Medicaid and CHIP FFP for otherwise covered services furnished to otherwise eligible individuals, who are receiving treatment and withdrawal management services for SUDs in an IMD, which, absent this waiver, are not coverable in accordance with federal law.

**Where the Demonstration is Posted**

The Demonstration and related materials, including the Demonstration Waiver Application, Implementation Plan, and Budget Neutrality Summary are posted on the DSS website at this link: <https://portal.ct.gov/DSS/Health-And-Home-Care/Substance-Use-Disorder-Demonstration-Project>. The proposed Demonstration and related materials may also be obtained upon request from DSS (see below), at any DSS field office, or the Town of Vernon Social Services Department.

**Where and When to Submit Written Comments**

To send comments about the Demonstration, please email: [Public.Comment.DSS@ct.gov](mailto:Public.Comment.DSS@ct.gov) or write to: Department of Social Services, Medical Policy Unit, 55 Farmington Avenue, 9th Floor, Hartford, CT 06105. In any correspondence, please reference “SUD 1115 Demonstration

Waiver”. Please also send any other questions about the Demonstration to this contact information, including requests for a copy of the Demonstration (and/or related materials).

Anyone may send DSS written comments about the Demonstration. Written comments must be received by DSS at the above contact information no later than March 5, 2021 (which is more than 30 days after the date of the publication of this notice in the Connecticut Law Journal). Please note that comments received will also be posted to the same website referenced above.

### **Public Hearings**

In addition to the opportunity for submitting written comments (see above), DSS will also seek input from the public on the Demonstration at the following public hearings, both of which will include opportunities for members of the public to have an opportunity to provide comments:

1. Public Hearing at a meeting of the Behavioral Health Partnership Oversight Council on Wednesday, February 10, 2021, from 2:00 to 4:00 p.m., link and call-in as follows:

Zoom Meeting:

<https://beaconhealthoptions.zoom.us/j/94763921094?pwd=OTIGNmtiaXBQZUU1SUN0Z05RcE42QT09> Meeting ID: 947 6392 1094; Passcode: 339399

One tap mobile: +13017158592,,94763921094#,,,,\*339399# US (Washington D.C)

Dial by your location:

+1 646 876 9923 US (New York);

+1 669 900 6833 US (San Jose)

Meeting ID: 947 6392 1094; Passcode: 339399

Join by SIP: [94763921094@zoomcrc.com](mailto:94763921094@zoomcrc.com)

Join by H.323: 162.255.37.11 (US West); 162.255.36.11 (US East)

Meeting ID: 947 6392 1094; Passcode: 339399

2. Public Hearing before DSS, on Thursday, February 18, 2021, from 10:00 a.m. to 12:00 p.m., link and call-in as follows:

Zoom Meeting:

<https://zoom.us/j/99666874256?pwd=K2NKZEkyEdmR2dMRGkvakEwL2c3QT09>

Meeting ID: 996 6687 4256; Passcode: 457gYU

One tap mobile: +13126266799,,99666874256#,,,,\*058267# US (Chicago)  
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Dial by your location:

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+1 929 205 6099 US (New York);  
+1 301 715 8592 US (Washington DC)  
+1 346 248 7799 US (Houston)  
+1 669 900 6833 US (San Jose)  
+1 253 215 8782 US (Tacoma)

Meeting ID: 996 6687 4256

Passcode: 058267

For the latest information on the public hearing date, time, and the link/call-in information for each public hearing, please go to the DSS website at this link: <https://portal.ct.gov/DSS/Health-And-Home-Care/Substance-Use-Disorder-Demonstration-Project> and **please check that website regularly for updates before logging onto the public hearing.**

As a result of restrictions and guidelines to protect public health due to the Coronavirus Disease 2019 (COVID-19) pandemic and ongoing state and federal public health emergency declarations, the public hearings referenced above are being convened only using electronic means, with opportunity for individuals to participate by electronic device, telephone, or both.