MEDICAID 101

Substance Use Disorder Waiver

WEST VIRGINIA
Department of
Health & Human Resources
BUREAU FOR
MEDICAL SERVICES

Medicaid 101: West Virginia's 1115 Substance Use Disorder Waiver

Introduction

This manual provides a brief overview of the West Virginia Department of Health and Human Resources, Bureau for Medical Services' (BMS) recent implementation of the 1115 Substance Use Disorder (SUD) waiver. The 1115 SUD waiver is intended to expand the array of treatment services available to Medicaid beneficiaries with SUD. The information in this manual should not be considered official Medicaid policy. Rather, this manual is intended to serve as an accessible resource to answer frequently asked questions related to the 1115 SUD waiver. Every effort was taken to document sources used in the creation of this document. If you have additional questions related to the 1115 SUD waiver, or any of the information presented in this manual, please see the contact information in the appendix.

What are 1115 waivers?

The US Department of Health and Human Services (HHS) and the Centers for Medicare and Medicaid Services (CMS) have affirmed their support for states to develop programs to serve low-income individuals in line with each state's unique circumstances and culture. Section 1115 of the Social Security Act authorizes waivers that are experimental, pilot, or demonstration projects intended to promote the objectives of Medicaid programs. Specifically, the 1115 waiver program gives states an opportunity to implement evidence-based interventions designed to improve health and well-being beyond the boundaries of the traditional Medicaid program.

Successful proposals for 1115 waivers improve access to efficient care, promote upward mobility and beneficiary engagement, strengthen provider capacity, and facilitate smooth beneficiary transitions to commercial health insurance. CMS considers 1115 waiver demonstrations an important part of continuous program improvement, and, therefore, all waivers require a robust evaluation design and implementation. CMS conducts a case-by-case review of each proposal to ensure it is aligned with Medicaid's objectives and that any expenditures align with federal policies. All demonstrations must be "budget neutral" in terms of federal Medicaid expenditures. This means that the cost savings that accrue from better health outcomes, reduced service utilization, or other areas are greater than the increased cost of new services covered under 1115 waivers.

Section 1115 demonstrations are generally approved for an initial five-year period, with possible extensions for three to five years. Demonstrations that have completed a full extension cycle without major program changes are eligible for a "fast track" review process by CMS.

Further Reading: *Medicaid.gov: Section 1115 Demonstrations*

What does WV's 1115 SUD waiver look like?

West Virginia's 1115 SUD waiver demonstration, *Creating a Continuum of Care for Medicaid Enrollees with Substance Use Disorders*, was approved on October 10, 2017. The overarching objective of the 1115 waiver is to address the immediate and long-term physical, mental, and social needs of individuals with SUD, and to promote and sustain long-term recovery. Although an SUD diagnosis may refer to one or multiple different substances, the BMS 1115 SUD waiver is primarily intended to expand treatment services related to opioid and stimulant use disorders. Prior to waiver implementation, BMS provided coverage for different types of medication-assisted treatment (MAT), individual/group counseling, and other common SUD treatment services. Implementation of the 1115 SUD waiver has allowed BMS to cover a more comprehensive scope of medically necessary SUD treatment services—including Residential Adult Services (RAS), Peer Recovery Support Services (PRSS) and methadone MAT. These services are available to all Medicaid beneficiaries with SUD, including those enrolled in managed care plans.

Further Reading: *West Virginia Medicaid Provider Manual: Chapter 504*

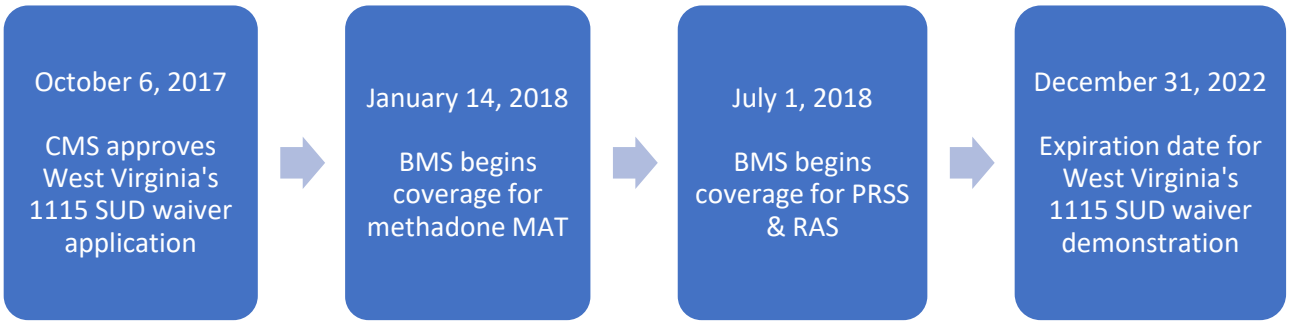
Goals of WV's 1115 SUD waiver

The overall goal of West Virginia's 1115 waiver is to create a continuum of care that will enable BMS to effectively treat Medicaid beneficiaries with SUD and ensure that the right care is provided to individuals in the right time and place. The waiver's specific goals are:

I. Improve quality of care and population health outcomes for Medicaid enrollees with SUD;
II. Increase enrollee access to and utilization of appropriate SUD treatment services based on criteria published by the American Society of Addiction Medicine (ASAM®);
III. Decrease medically inappropriate and avoidable utilization of high-cost emergency department and hospital services by enrollees with SUD; and
IV. Improve care coordination and care transitions for Medicaid enrollees with SUD.

Further Reading: *West Virginia Section 1115 Demonstration Application*

Timeline



WV's 1115 SUD Waiver Services

Residential Adult Services (RAS)

Residential Adult Services are comprehensive, short-term, 24-hour structured treatment programs for adults who have been diagnosed with SUD with or without a co-occurring mental health disorder. RAS includes inpatient treatment with counseling, regular clinical assessments, treatment planning, discharge planning, and recovery support preparations. Some individuals may receive greater benefit from these short-term residential services than from outpatient services alone. The duration of these residential services is typically less than 30 days. RAS providers in West Virginia must utilize standards established by the ASAM® Criteria to ensure patients receive individualized care at an appropriate level of medical necessity. RAS providers must operate as Licensed Behavioral Health Centers, be enrolled Medicaid providers, and receive approval from BMS before rendering services.

Further Reading: *West Virginia Medicaid Provider Manual: Chapter 504*

Peer Recovery Support Services (PRSS)

Peer Recovery Support Services are a form of one-on-one coaching provided by peer recovery support specialists to individuals with SUD. These "specialists" are individuals who have been successful in their own recovery journey and are uniquely equipped to share their experiences, bring hope to people in recovery, and promote a sense of belonging within the community. These services extend the reach of treatment beyond the clinical setting into a member's community and home environment and can help patients to stay engaged in the recovery process. The experiences of peer recovery support

WHAT IS THE ASAM® CRITERIA?

The ASAM® Criteria is a comprehensive set of guidelines developed to ensure patients receive the appropriate intensity of treatment or "level of care" in inpatient or outpatient settings. As part of West Virginia's 1115 SUD waiver demonstration, RAS providers are required to use the ASAM® Criteria to guide patient placement into different levels of care. This ensures that patients are placed in safe and effective levels of care to meet their specific needs in accordance with medical necessity.

specialists as consumers of SUD treatment services allow these individuals to more effectively connect patients with needed recovery or other social support services in the community. These connections can be an important component in promoting and sustaining long-term recovery among individuals with SUD. Peer recovery support specialists must be employed by Comprehensive Behavioral Health Centers or Licensed Behavioral Health Centers.

Further Reading: *West Virginia Medicaid Provider Manual: Chapter 504*

Opioid Treatment Program (OTP) Services – Methadone MAT

Opioid Treatment Programs (OTPs) provide evidence-based treatment to patients with SUD through a combination of medication and therapy. Although OTPs have historically provided other services to Medicaid beneficiaries, the 1115 waiver allows these facilities to receive reimbursement for SUD treatment with methadone MAT. Methadone is one of the three FDA approved medications used to treat Opioid Use Disorder. Prior to implementation of the 1115 waiver, BMS only covered buprenorphine and naltrexone. Methadone MAT services at OTPs include medication, counseling, and regular drug screening services. Individuals beginning methadone treatment in OTPs are required to attend a minimum of four hours of psychotherapy services per month, including a minimum of one hour of individual psychotherapy. After 12 months or more of treatment compliance, patients will receive a minimum of one hour of psychotherapy with individual, family, or group modalities with at least one drug screen per month. The frequency of therapeutic services may increase based upon medical necessity.

Further Reading: *West Virginia Medicaid Provider Manual: Chapter 504*

FEE-FOR-SERVICE AND MANAGED CARE

Fee-for-service (FFS): States directly pay providers a flat fee for each service provided. Managed care: States contract with health plans or MCOs and pay these groups a monthly per member capitation payment to provide all covered Medicaid services.

Who pays for 1115 SUD waiver services?

When West Virginia's 1115 SUD waiver demonstration initially went into effect, BMS reimbursed providers for RAS, PRSS, and methadone MAT through traditional fee-for-service coverage. Since July 1, 2019, RAS and PRSS services have been covered by West Virginia Medicaid's Managed Care Organizations (MCOs), which received an increase in their capitation payments as a result. Methadone MAT services at OTPs continue to be covered by traditional fee-for-service Medicaid. While provision of 1115 waiver services will increase short-term costs to BMS, the waiver is ultimately intended to be budget neutral. Eventually, the increased costs associated with providing 1115 waiver services should be offset by cost-savings from reduced hospital admissions and emergency department visits among the Medicaid population with SUD.

Trends in 1115 SUD waiver utilization

BMS has been closely monitoring trends in the utilization and costs associated with 1115 SUD waiver covered services. The figures and tables presented below are intended to provide a high-level overview of trends in the utilization of waiver covered services. These numbers are generally derived from analyses of Medicaid administrative claims data. Utilization of waiver related services was identified using procedure codes on professional and facility claims. An individual was considered to be a recipient of waiver services if they had at least one claim with a relevant procedure code from January 2018 – June 2019. Costs were calculated by summing the total FFS spending and MCO spending on waiver-related services during the relevant time period. Figures derived from claims data only present data from incurred claims through June 2019 due to limited availability of claims data for the second half of calendar year 2019.

The three 1115 SUD waiver covered services have been utilized by thousands of Medicaid beneficiaries over the last two years. Figure 1 displays the total number of Medicaid enrollees who utilized any of the three waiver services between January 2018 and June 2019. Please note that these counts are not mutually exclusive, and some individuals have likely received more than one of the three covered services.

Figure 1: Distinct Recipients of 1115 Waiver Services (January 2018 – June 2019)

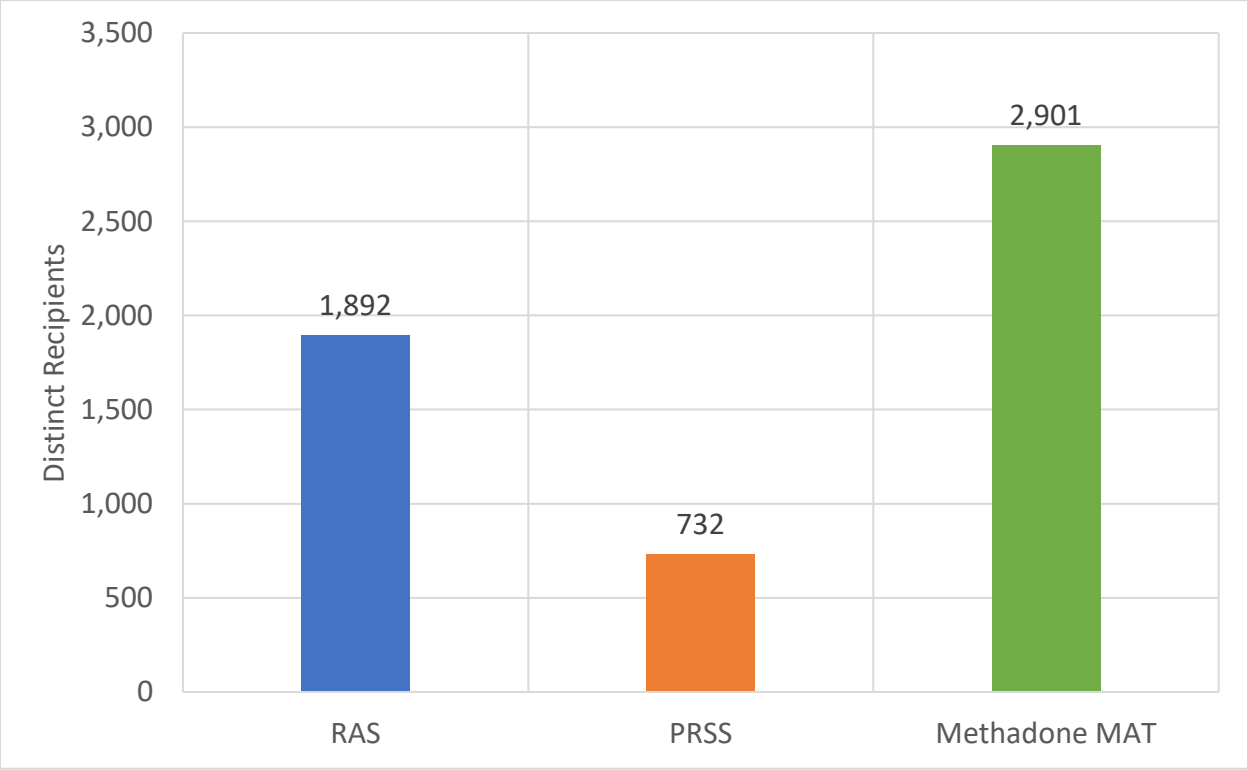
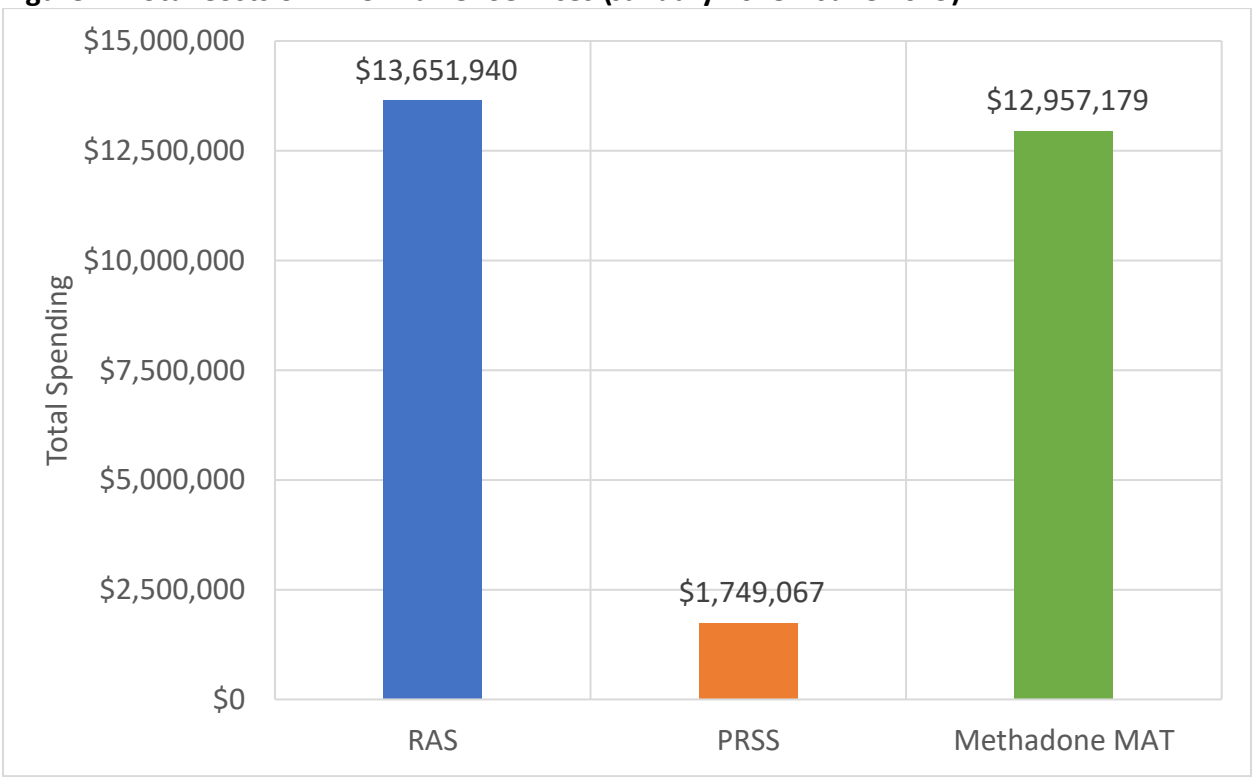


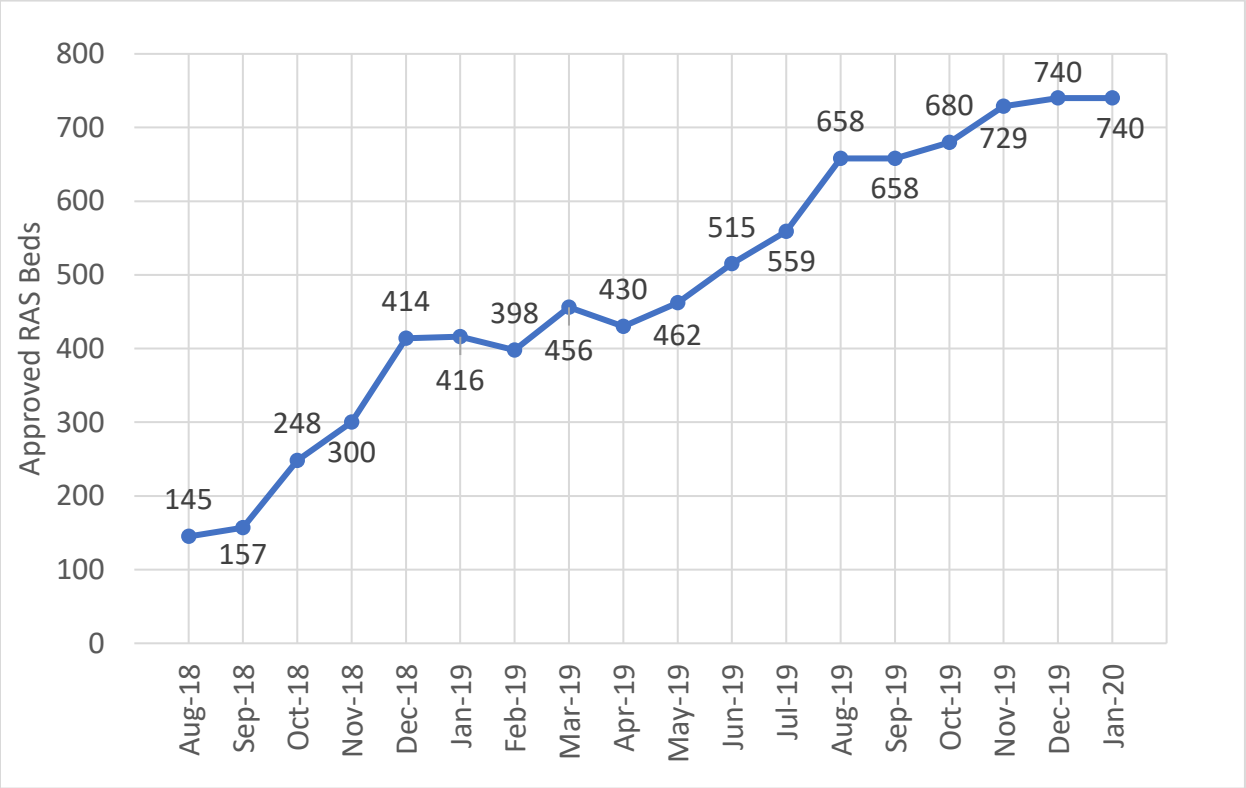
Figure 2 shows the total spending on each 1115 SUD waiver service from January 2018 to June 2019. Spending on waiver covered services totaled $28,358,186 over this time period. While more beneficiaries utilized methadone MAT services than any other waiver related service (Figure 1), this was not the primary driver of 1115 waiver-related spending. RAS accounted for 48.1% of the spending on 1115 waiver services while methadone MAT accounted for 45.7%, and PRSS services accounted for just 6.2% of total spending on these services.

Figure 2: Total Costs of 1115 Waiver Services (January 2018 – June 2019)



The total number of approved RAS beds from August 2018 to January 2020 is displayed in Figure 3. The number of available RAS beds has increased rapidly as more facilities have opened and requested certification. This in turn has provided greater access to these services for more individuals from different parts of West Virginia. The rapid increase in the number of approved beds may be due in part to funding from the Ryan Brown Addiction Prevention and Recovery Fund. This fund was created by the West Virginia Legislature in 2017 to expand residential SUD treatment capacity across the state.

Figure 3: Approved Residential Adult Services (RAS) Beds (August 2018 – January 2020)



Tables 1 and 2 display the number of approved RAS beds as of January 2020 by provider and county, respectively. As of January 2020, a total of 740 beds were available in 14 counties. As seen in Table 1, some providers operate RAS facilities in multiple counties. Note: These tables only list the number of RAS treatment beds approved by BMS, though there may be other treatment facilities throughout the state.

Table 1: Residential Adult Services (RAS) Bed Capacity by Provider (January 2020)

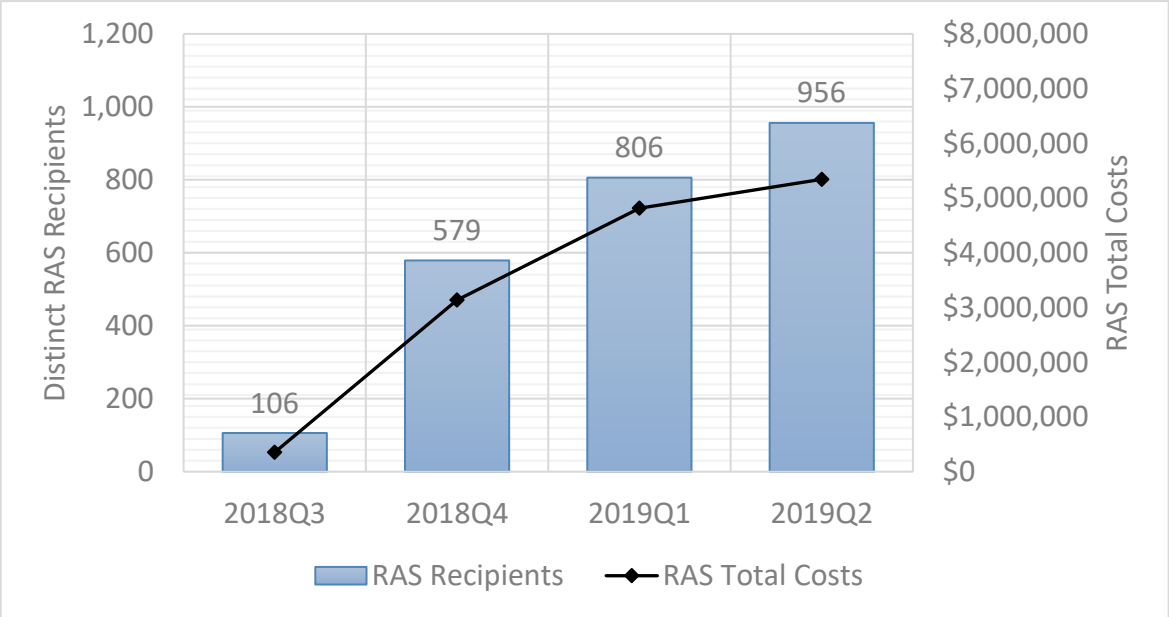
Provider	County	Bed Capacity
Charleston Hospitals, Inc./Thomas Hospital	Kanawha	**36**
FMRS	Raleigh	**16**
Harmony Ridge Recovery Center	Wood	**75**
Healthways	Brooke	**10**
	Ohio	**10**
Heart 2 Heart Volunteer, Inc	Ohio	**72**
Hope Drug Rehabilitation LLC	Kanawha	**20**
Hope For Tomorrow LLC	Mason	**10**
Jacob's Ladder at Brookside Farm LLC	Preston	**28**
Logan Mingo Area Mental Health	Mingo	**24**
Marshall University	Cabell	**18**
Mountaineer Behavioral Health	Jefferson	**49**
Prestera	Kanawha	**32**
	Cabell	**88**
	Mason	**8**
Southern Highlands Community Mental Health Center	Mercer	**42**
St. Joseph Landing	Wood	**65**
United Summit Center	Harrison	**28**
	Preston	**16**
Valley HealthCare System	Monongalia	**12**
	Marion	**6**
Westbrook Health Services	Wood	**33**
WVU Medicine Center for Hope and Healing	Monongalia	**42**
Total	**All counties**	**740**

Table 2: Residential Adult Services (RAS) Bed Capacity by County of Facility (January 2020)

County of Facility	Bed Capacity
Brooke	10
Cabell	106
Harrison	28
Jefferson	49
Kanawha	88
Marion	6
Mason	18
Mercer	42
Mingo	24
Monongalia	54
Ohio	82
Preston	44
Raleigh	16
Wood	173
Total	740

Utilization of RAS has increased rapidly since the implementation of the 1115 waiver. Figure 4 shows the number of distinct RAS recipients as well as spending on these services from Q3 2018 to Q2 2019. There was a rapid increase in the number of RAS recipients after Q3 2018, and a commensurate increase in spending over this time period. The increase in utilization of RAS services over this time period has generally coincided with the increase in available RAS treatment beds (Figure 3).

Figure 4: Residential Adult Services (RAS) Recipients and Costs per Quarter (2018Q3 – 2019Q2)



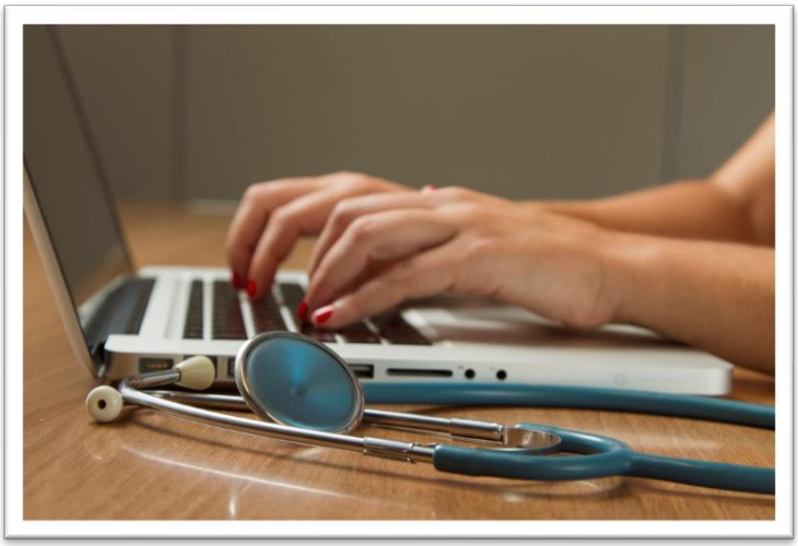
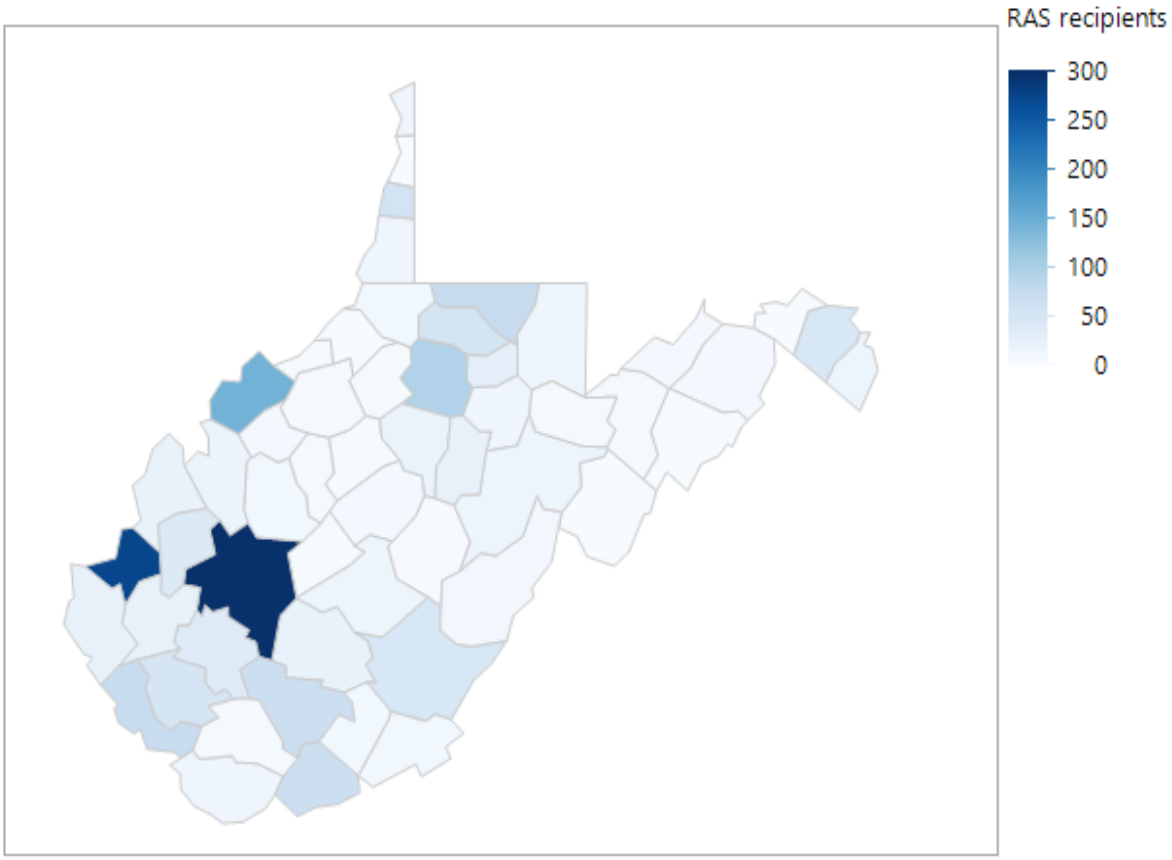


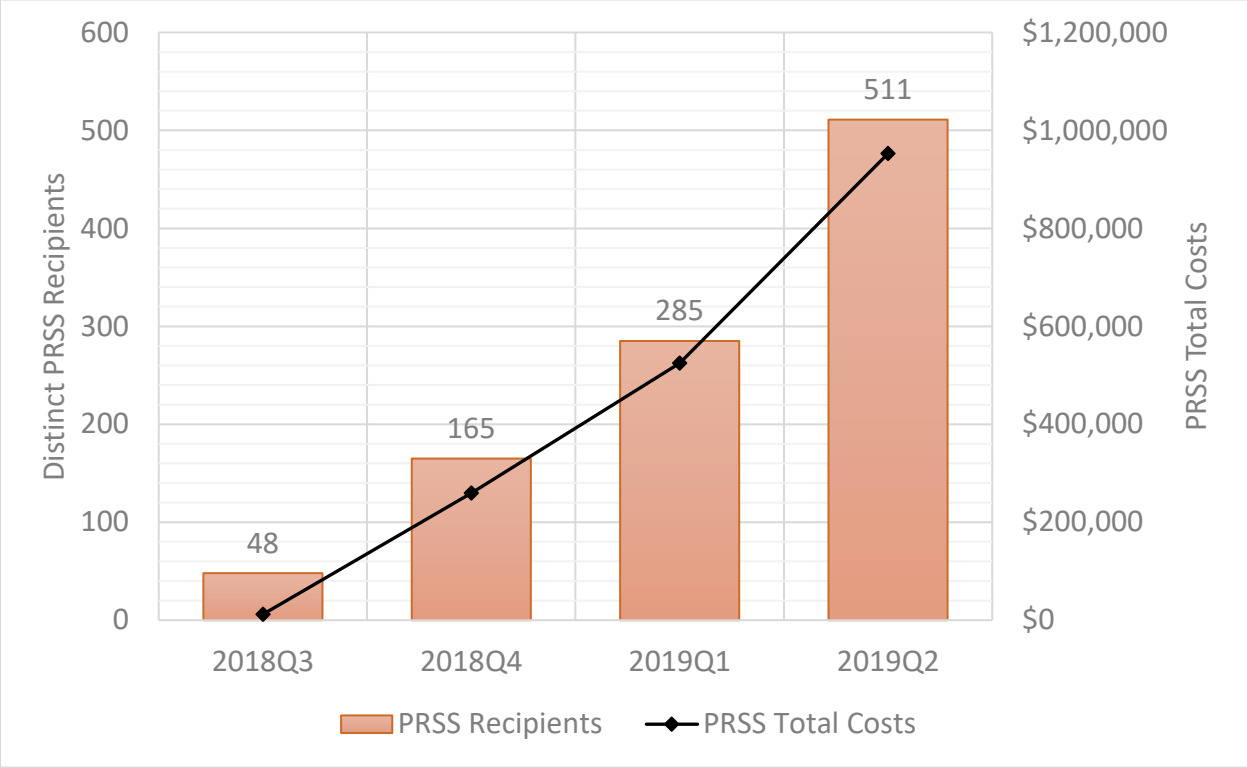
Figure 5 shows the number of RAS recipients by the recipient's county of residence at first service. With some exceptions, the map generally shows that the highest numbers of RAS recipients can be found near the state's population centers and the southern parts of the state. Unsurprisingly, counties that did not have any RAS beds available tended to have lower utilization than other counties.

Figure 5: Residential Adult Services (RAS) Recipients by County of Residence (July 2018 – June 2019)



Similar to trends in utilization of RAS, use of PRSS has also increased substantially since the implementation of the 1115 waiver. Figure 6 displays the number of PRSS recipients, as well as spending on th ese services by quarter from Q3 2018 to Q2 2019. There was a rapid increase in the number of recipients following Q3 2018 as well as a commensurate increase in spending on these services. Once again, these increases can likely be attributed to an expansion in the number of providers available as well as greater awareness of these services being covered.

Figure 6: Peer Recovery Support Services (PRSS) Recipients and Costs per Quarter (2018Q3 – 2019Q2)



The total number of certified peer recovery support specialists from September 2018 to January 2020 is displayed in Figure 7. The number of certified specialists has increased steadily since the implementation of the 1115 waiver as more individuals have completed the required training.

Figure 7: Approved Peer Recovery Support Specialists (September 2018 – January 2020)

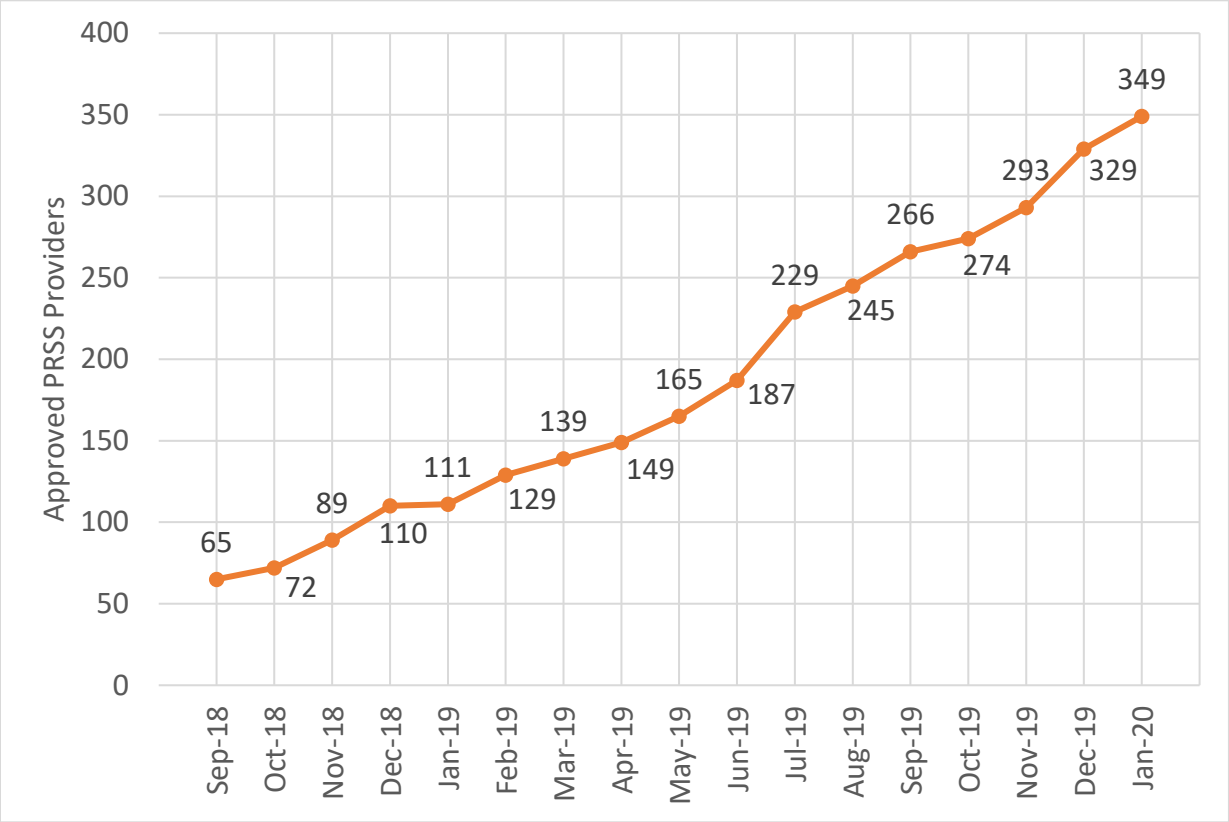
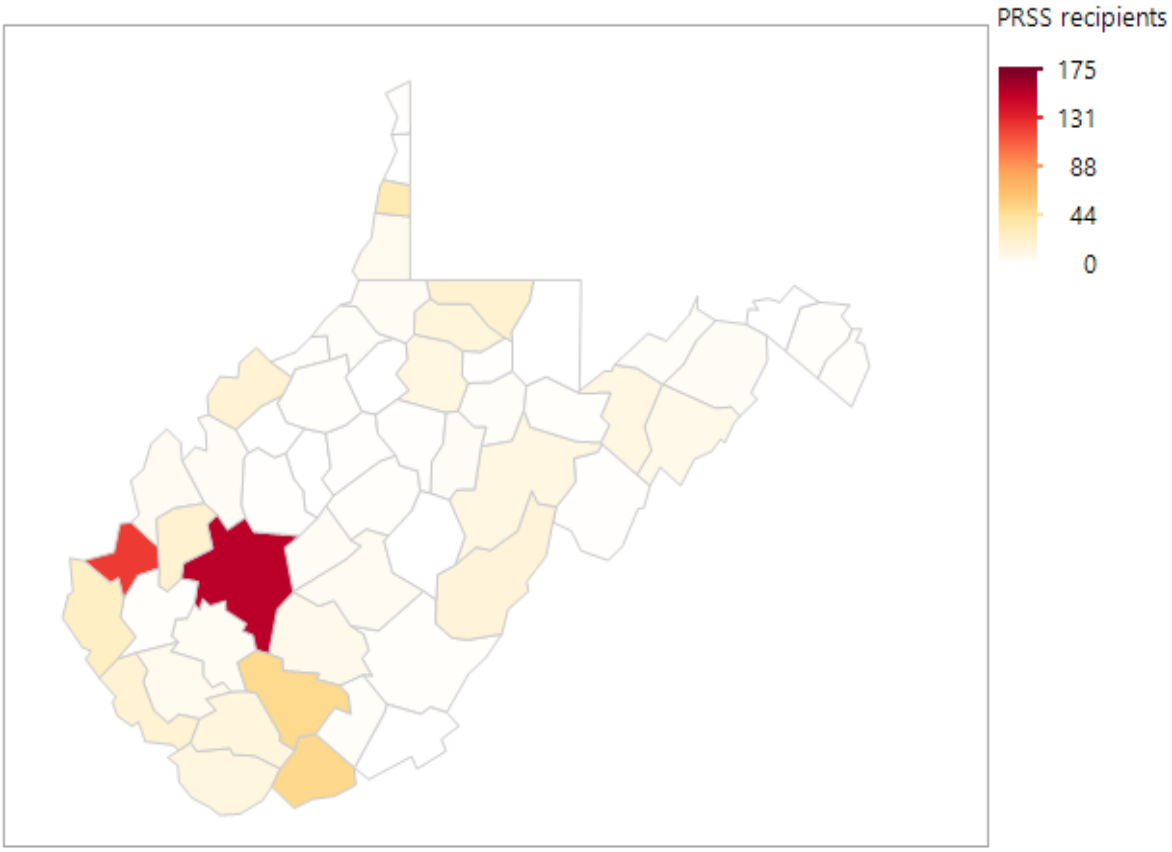
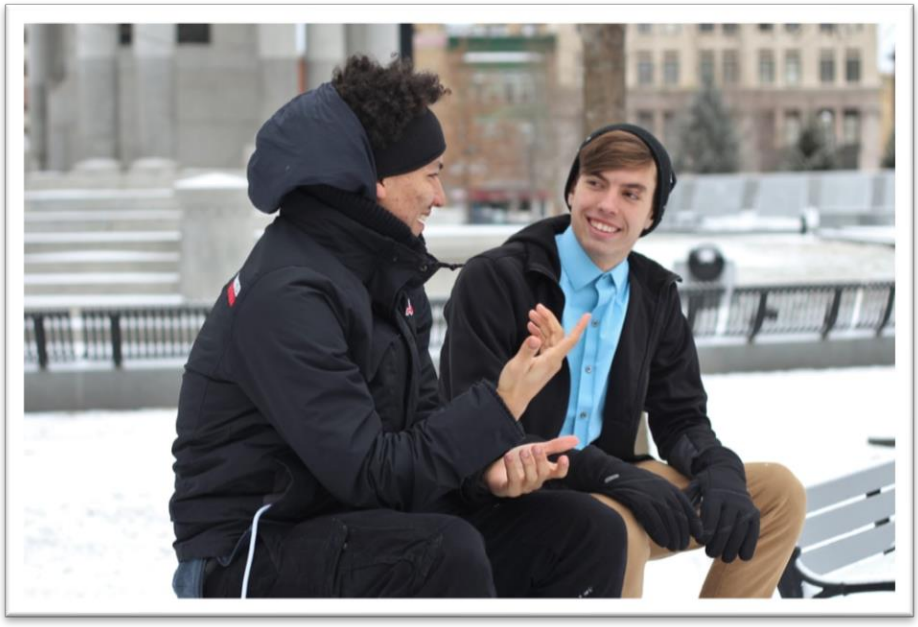


Figure 8 shows the number of PRSS recipients by the recipient's county of residence at first service. Once again, the map shows that the highest numbers of PRSS recipients can generally be found near the state's population centers and the southern parts of the state.

Figure 8: Peer Recovery Support Services (PRSS) Recipients by County of Residence (July 2018 – June 2019)





Trends in the number of individuals receiving methadone MAT, as well as spending on this service are presented in Figure 9. Although the number of individuals receiving methadone MAT services increased by 45% in the first 18 months after the implementation of West Virginia's 1115 SUD waiver, this increase is not as drastic as the increase observed for RAS (Figure 4) and PRSS (Figure 6). This is likely due to the infrastructure for methadone MAT services already being in place prior to the coverage of these services by the 1115 SUD waiver. Notably, methadone MAT had an initial increase in spending that correlated with more people entering treatment, but costs as well as utilization appear to have stabilized. For comparison, Figure 10 and Figure 11 show the number of quarterly recipients and total spending on buprenorphine and naltrexone MAT, respectively. The number of buprenorphine recipients and related spending is far greater than those associated with methadone MAT. However, the number of naltrexone recipients and related spending is slightly lower than those attributable to methadone MAT. While the number of buprenorphine MAT recipients has slowly risen from Q1 2018 – Q2 2019, the number of naltrexone MAT recipients has remained relatively stable.

Figure 9: Methadone Medication-Assisted Treatment (MAT) Recipients and Costs per Quarter (2018Q1 – 2019Q2)

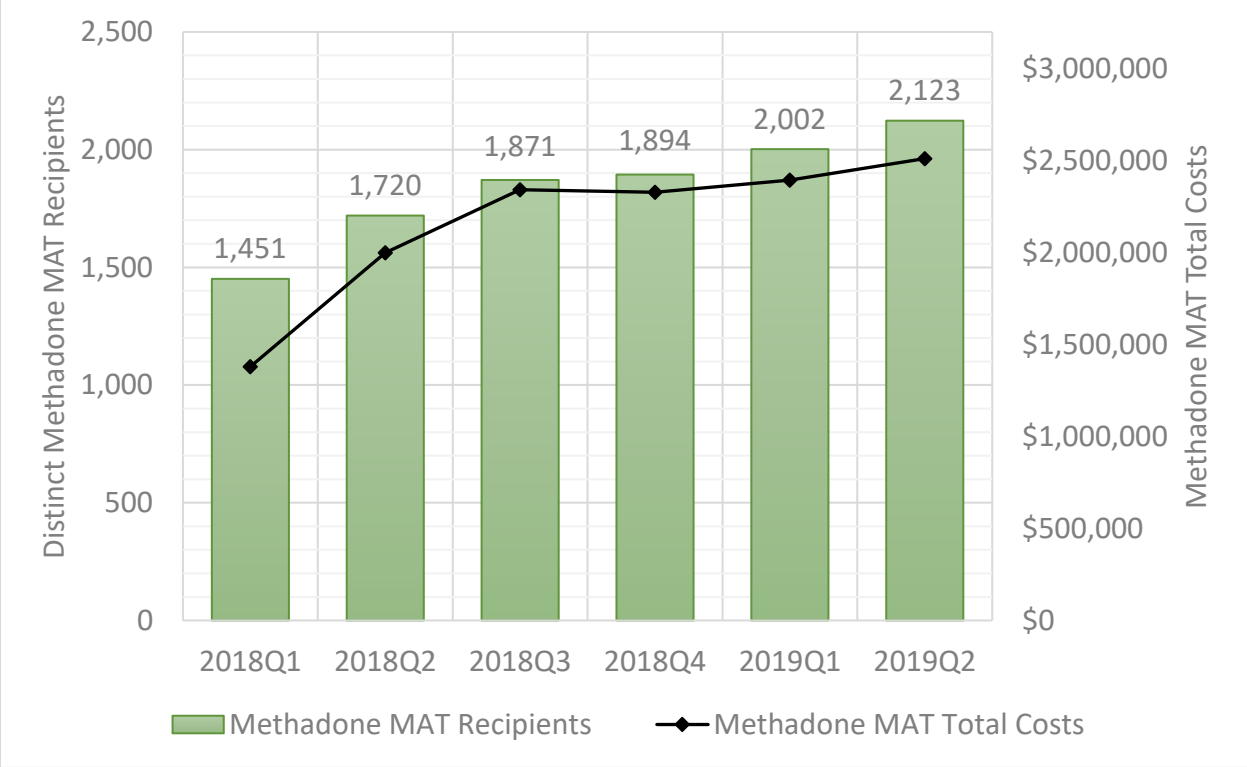


Figure 10: Buprenorphine Medication-Assisted Treatment (MAT) Recipients and Costs per Quarter (2018Q1 – 2019Q2)

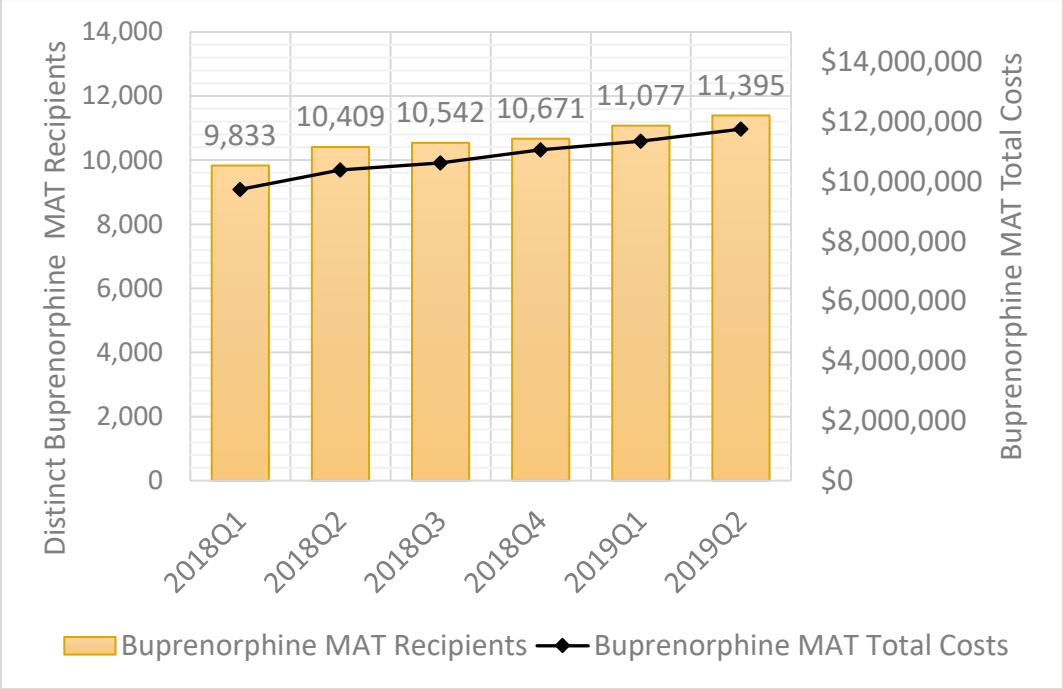
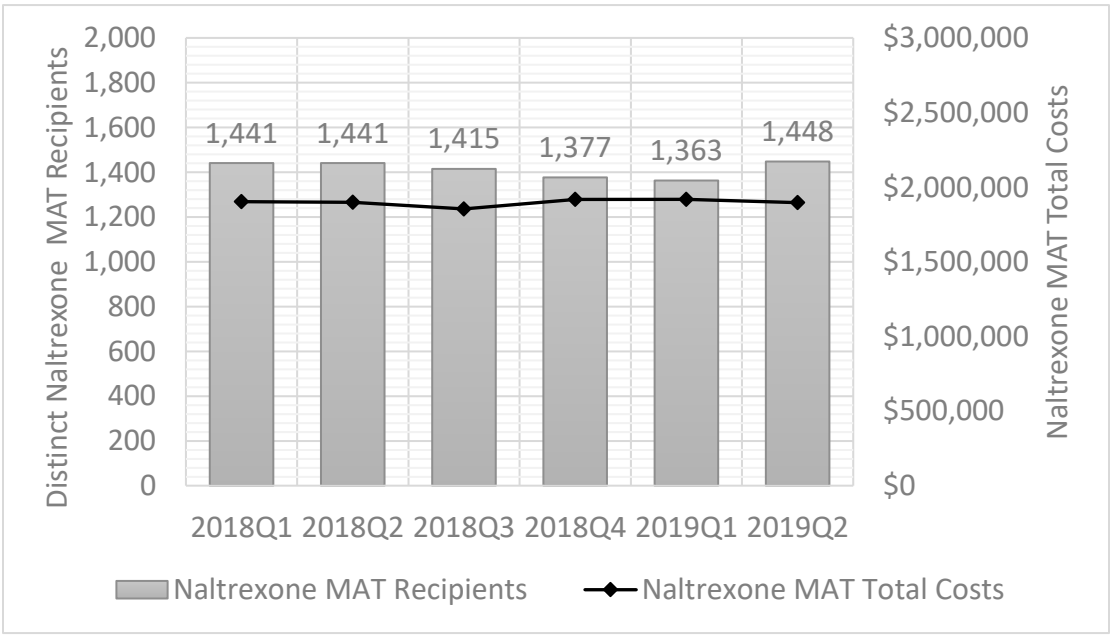
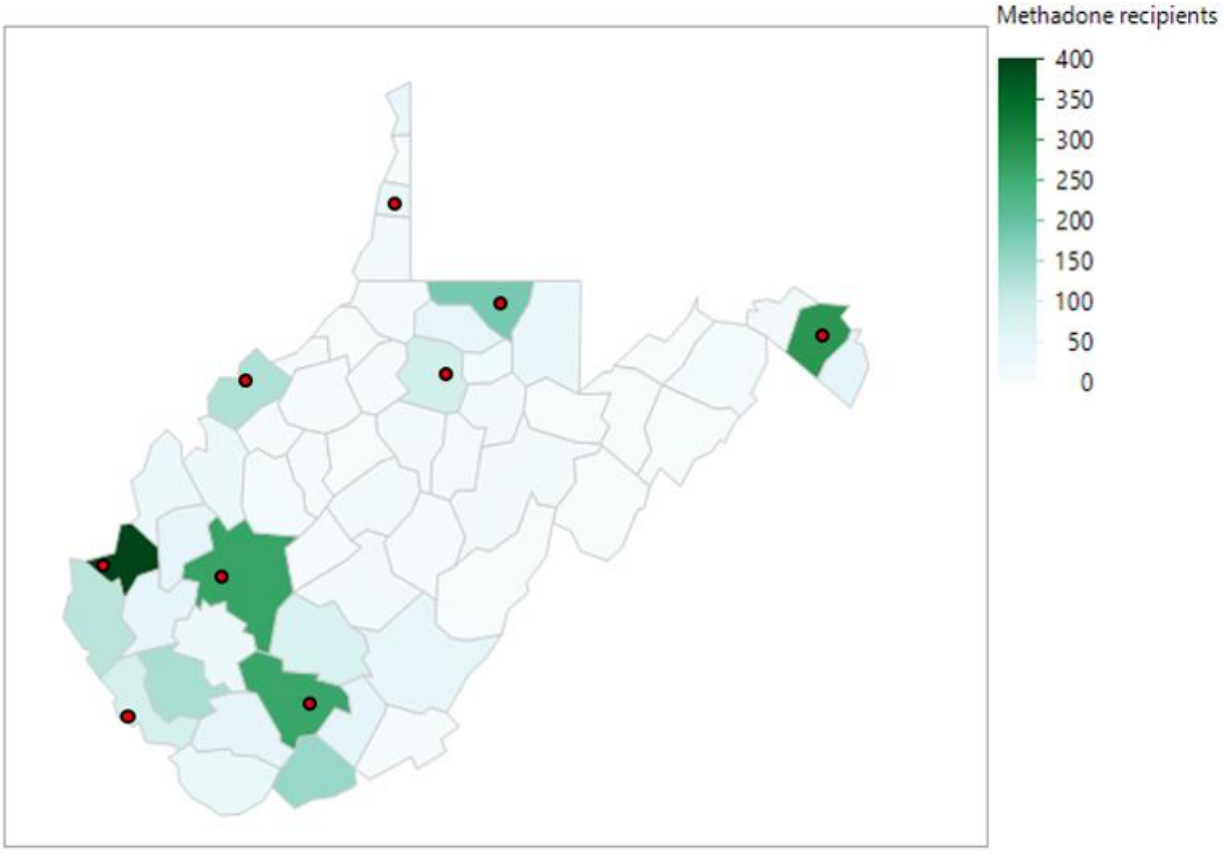


Figure 11: Naltrexone Medication-Assisted Treatment (MAT) Recipients and Costs per Quarter (2018Q1 – 2019Q2)



West Virginia currently has 9 licensed OTPs, which are the only treatment facilities in the state where individuals may receive methadone MAT. There is also a statewide moratorium in place preventing additional OTPs from opening. Figure 12 shows the number of individuals receiving methadone MAT services by the recipient's county of residence at first service, as well as the locations of the state's 9 OTPs. As expected, the highest numbers of methadone MAT recipients can generally be found in counties that contain OTPs.

Figure 12: Methadone Medication-Assisted Treatment (MAT) Recipients by County of Residence (January 2018 – June 2019)



• *Denotes the location of the state's 9 approved OTP facilities*

Evaluating the Impact of the 1115 SUD Waiver

CMS mandates that all states receiving 1115 waivers work with an independent evaluator to conduct a robust assessment of the impact of the demonstration project. BMS has partnered with a team of researchers from the West Virginia University (WVU) School of Public Health to formally evaluate the state's 1115 SUD waiver. The WVU evaluation team worked with BMS to create a series of key evaluation questions. These questions are derived from the four stated goals (presented on page 2 of this manual) outlined in the waiver's special terms and conditions. Ultimately, the evaluation is seeking to assess the impact of the 1115 waiver on the following domains:

1. Quality of SUD treatment for Medicaid beneficiaries
2. Population health outcomes among Medicaid beneficiaries
3. Access to SUD treatment
4. Utilization of SUD treatment services
5. Emergency Department use among enrollees with SUD
6. Inpatient hospital admissions among enrollees with SUD
7. Integration of physical and behavioral health care among enrollees with SUD and other comorbid conditions
8. Care transitions among enrollees with SUD

The 1115 waiver evaluation has been designed to rigorously examine each of the domains listed above. In January 2018, the US Government Accountability Office (GAO) released a report that broadly criticized previous 1115 waiver evaluations. The GAO report argued that many previous 1115 waiver evaluations failed to include an adequate control group that could be used to isolate the impact of the demonstration project. Other states that have limited their 1115 waivers to certain geographic areas or Medicaid subpopulations have identified some with in-state comparison groups. However, the BMS 1115 SUD waiver was rolled out to the entire Medicaid population at the same time, preventing the use of an in-state comparator population. With this in mind, the WVU evaluation team has taken an innovative approach to their evaluation design and will utilize data from another state's Medicaid agency to serve as a control group for the evaluation. West Virginia is the first state in the country to successfully negotiate the use of another state's Medicaid data specifically for the purposes of an 1115 waiver evaluation.

At this time, CMS has yet to approve the final 1115 waiver evaluation design. Full approval is anticipated at some point later this year. After receiving approval from CMS, the WVU evaluation team will begin receiving Medicaid claims data from its identified comparator state and will then commence with data analysis. The final 1115 SUD waiver evaluation report will be submitted to BMS and CMS following the conclusion of the demonstration project in 2023.

List of Acronyms

ASAM® – American Society of Addition Medicine

BMS – Bureau for Medical Services

CMS – Centers for Medicare and Medicaid Services

HHS – US Department of Health and Human Services

FFS – Fee for Service

GAO – Government Accountability Office

MAT – Medication-Assisted Treatment

MCO – Managed Care Organization

OTP – Opioid Treatment Programs

PRSS – Peer Recovery Support Specialist

RAS – Residential Adult Services

SUD – Substance Use Disorder

WVU – West Virginia University

Appendix

For additional information about the West Virginia Medicaid program, please contact BMS at 304-558-1700.

For additional information pertaining to the preparation of this manual, please contact Nathan Pauly at Nathan.J.Pauly@wv.gov.