

# **SECTION 1115 INSTITUTIONS FOR MENTAL DISEASE (IMD) WAIVER**

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# PURPOSE OF IMD WAIVERS

- Historically, federal regulations have prohibited Medicaid reimbursement for adult stays in facilities considered to be Institutions for Mental Disease, or IMDs.
- IMDs refer to facilities that primarily provide diagnosis, treatment or care to persons with behavioral health needs and have more than 16 beds.
- Through submission of a Section 1115 demonstration waiver of the IMD exclusion (IMD waiver), states can request Medicaid reimbursement for services provided in IMDs.
- States must show how coverage of these services will complement, but not replace, provision of services in less restrictive settings.
- State must also engage in an evaluation process that tests certain hypotheses.



# OVERVIEW OF OKLAHOMA'S IMD WAIVER

- States can pursue an IMD waiver for mental health or substance use disorder treatment services.
- Oklahoma's IMD waiver application includes both categories of services through a joint Serious Mental Illness (SMI) and Substance Use Disorder (SUD) waiver.
- The waiver will be effective for five years from the date of approval, with a potential for renewal.
- Oklahoma's approval date is December 22, 2020.
- The SMI portion of the waiver was implemented immediately upon approval.
- The SUD portion of the waiver was implemented on January 18.



# INCLUDED POPULATIONS AND SERVICES

Inpatient stays in psychiatric hospitals (with more than 16 beds).

- Adults ages 21-64.

Crisis stabilization services in crisis units (with more than 16 beds).

- Adults ages 18-64.

Substance use disorder treatment in residential settings (with more than 16 beds).

- Adults ages 18-64.
- Individuals under 18 years old.



# INCLUDED POPULATIONS AND SERVICES (CONTINUED)

## Qualified Residential Treatment Programs

- While not currently implemented in the state, it is anticipated that congregate care facilities for children in state custody will be transitioned to QRTPs.
- Such facilities that qualify as IMDs will be covered under the waiver.
  - While there are likely few of these that qualify as IMDs in the state, they were included to provide the necessary authority if needed.

## Medicaid Expansion Population

- Newly eligible adults covered through Medicaid expansion starting July 1, 2021 will be covered within the IMD waiver if they receive included services.



# WAIVER REQUIREMENTS

- Length of stay
  - An statewide average length of stay of 30 days is required across included providers.
  - For inpatient psychiatric stays, Medicaid reimbursement will not be provided for stays that exceed 60 days.
- National accreditation
  - Residential SUD providers are required to obtain accreditation from the Joint Commission, the Commission on Accreditation of Rehabilitation Facilities or the Council on Accreditation no later than January 1, 2022.
- Provision of Medication Assisted Treatment
  - Residential SUD providers will be required to provide Medication Assisted Treatment (MAT) or have a relationship with a MAT provider.



# GOALS OF THE WAIVER

Overarching goals for SUD include:

- Increased engagement in and adherence to treatment.
- Reduction in overdose deaths.
- Reduced utilization of emergency departments or hospital settings.
- Reduced readmissions to the same or higher levels of care.
- Improved access to care for physical health conditions.



# GOALS OF THE WAIVER

Overarching goals for SMI include:

- Reduced utilization of emergency departments for beneficiaries with SMI awaiting mental health treatment.
- Reduced preventable readmissions to acute care hospitals.
- Improved availability of crisis stabilization services and community-based services.
- Improved care coordination.





# RELATED POLICY INITIATIVES

- The movement of services from 100% state funding to Medicaid state match only (approx. 32% for most populations and 10% for expansion population) for SoonerCare enrollees is anticipated to produce significant state savings.
- An increased rate for specialty care for children in psychiatric residential treatment facilities (PRTFs) is being pursued with anticipated savings, with a goal to increase the availability of in-state specialty care for children with co-occurring psychiatric and intellectual/developmental disabilities.
- Effective October 1, 2020 the SUPPORT Act requires coverage of all medically necessary Medication Assisted Treatment (MAT), including methadone. This has allowed Opioid Treatment Programs (OTPs) to become Medicaid providers and their medications and services to be Medicaid compensable for SoonerCare members.
  - IMD Waiver requires that access to MAT be provided when medically necessary for all members receiving residential SUD services.



Questions?