

Opioid Treatment Program (OTP)

Provider payment options final report

Exploration of opioid treatment program (OTP) payment reform, development of a behavioral health comparison rate for OTP services, and the mobile medication unit payment rate

Engrossed Substitute Senate Bill 5950; Section 215(82,146); Chapter 376; Laws of 2024

June 30, 2025

Executive summary

Legislative directive

Engrossed Substitute Senate Bill (ESSB) 5950 (2024) directs the Health Care Authority (HCA) to explore rate setting methodologies for opioid treatment programs (OTPs), for both brick-and-mortar setting types and mobile medication unit sites (MMUs).

Section 215, proviso 82 directs HCA to work with contracted actuaries to explore rate options that reflect the unique costs of providing OTP services in the MMU specific setting.

Concurrently, Section 215, proviso 146 directs HCA to continue work on the behavioral health (BH) comparison rates project for all major Medicaid managed care BH services in "phase 3". The main objective of phase 3 is to prepare implementation of a minimum fee schedule (MFS) for BH services. An MFS requires managed care organizations (MCOs) to pay no less than the published rate, but it does not remove provider and MCO flexibility in negotiating a rate above that threshold, if warranted.

Analysis

HCA contracted with actuarial partner Milliman, and worked with OTP providers to analyze provider costs of delivering MMU services and identify potential rate options that best fit the nature of providing these services. There is rising demand for services offered by OTP MMUs, evident with the rising number of MMUs being established. As of July 2025, Washington State is leading the nation in the total number of OTP MMUs with 16 active sites. This report summarizes the work that has been done in developing methodologies to create OTP MMU rate enhancement options.

As part of phase 3, it was appropriate to include brick-and-mortar OTP setting types since they were not yet addressed in prior phases of rates development, and the procedure code that is currently billed for providing OTP services (H0020) is the most utilized code without an existing BH comparison rate in Washington State. This report summarizes the work that has been done in developing methodologies to create updated comparison rates for OTP brick-and-mortar sites.

Next steps

The report outlines the co-occurring workflows of HCA and Milliman, including options for potential payment methodologies that could be used in the future to develop payment rates for both MMU and brick-and-mortar OTP settings.

Appendix

Read the full Milliman report online.