

# Amendment to Washington's Medicaid Transformation Project (MTP):

## The substance use disorder (SUD) IMD initiative

In July 2018, Centers for Medicare & Medicaid Services (CMS) approved an amendment to our state's Section 1115 Medicaid demonstration waiver, called the Medicaid Transformation Project (MTP). This amendment creates a fourth initiative under MTP: the SUD IMD<sup>1</sup>.

### What's the SUD IMD?

This initiative is an agreement with CMS for Washington State to pursue milestones for improved services. Under the SUD IMD, the state can use federal funds to pay for adult Medicaid enrollees receiving SUD treatment in dedicated SUD treatment facilities that have more than 16 beds.

### What's the purpose of this initiative?

Washington State is a leader in providing innovative medical and SUD treatment, investing millions of dollars annually at all levels of care. We are focusing on empowering recovery through evidence-based practices that builds on 'what works' with innovative strategies. These strategies include medications for opiate use disorders and recognizing the importance of peers, housing, and peers.

### What's the value added for the SUD IMD?

- Washington State can expand bed capacity. This means more people can receive SUD treatment and care.
- Providers who provide quality service can realize savings from greater economies of scale.
- Facilities that provide care under this initiative can receive Medicaid funds.
- Medicaid clients will have access to more health care services at new settings that were previously ineligible.
- This initiative focuses on improving the quality of services, not just quantity.

### What are the goals of this initiative?

- Better treatment
- Better linkages between levels of care
- Improved outcomes

### Is there a cost savings with implementing the SUD IMD?

Because of this initiative, Washington State anticipated savings of about \$1.03 million in Fiscal Year 2019.

As part of MTP, this initiative must also remain budget neutral. This means spending will not exceed the projected, per-member per-month amount that would have occurred without the waiver. Operating under budget neutrality is a commitment we made to CMS when they awarded our waiver.

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<sup>1</sup> IMD stands for institutions for mental diseases. They are large facilities dedicated to psychiatric care (more than 16 beds where more than 50 percent of the residents are admitted for psychiatric care).



## What are the state's obligations for the initiative?

Under the SUD IMD, Washington State is responsible for specific deliverables, contained in the special terms and conditions. These deliverables consist of metrics, monitoring reports, and information related to budget neutrality. These mutually agreed upon deliverables track this initiative's milestones to ensure goals are being met.

## When will the SUD IMD end?

The SUD IMD is an MTP initiative. It will end on December 31, 2021, along with the other MTP initiatives.

**Note:** The Health Care Authority (HCA) is currently awaiting CMS approval for a [one-year extension for MTP](#). If approved, the SUD IMD—along with the other MTP initiatives—would continue for a sixth year, through December 2022.

## What's MTP?

Under the MTP waiver, Washington State will receive up to \$1.5 billion through December 2021. MTP is a five-year agreement with CMS that allows our state to create and continue to develop projects, activities, and services that improve Washington's health care system. All work under MTP benefits those enrolled in Apple Health (Medicaid).

## Where do I go for more information?

Contact HCA's Division of Behavioral Health and Recovery Federal Programs Manager [David Johnson](#).

[Visit our website](#) to learn more about MTP, including other initiatives.

