Residential Treatment for Individuals with Substance Use Disorder
Frequently Asked Questions #1
May 11, 2017

1) **When will Maryland Medicaid begin reimbursing residential treatment services for individuals with a substance use disorder (SUD) diagnosis?**

The Centers for Medicare and Medicaid Services (CMS) has granted the Department the authority to reimburse for clinical services provided to Medicaid-eligible adults who meet medical necessity criteria to reside in a non-public IMD. Medical necessity criteria used is based on American Society of Addiction Medicine (ASAM) residential levels 3.1, 3.3, 3.5, 3.7, and 3.7-WM (licensed at 3.7D in Maryland).

Effective July 1, 2017, Maryland Medicaid will provide reimbursement for up to two nonconsecutive 30-day stays in a rolling year for ASAM levels 3.7-WM, 3.7, 3.5, and 3.3.

The Department intends to phase in coverage of ASAM level 3.1 beginning on January 1, 2019.

2) **Maryland Medicaid will only reimburse for 2 separate 30-day residential treatment stays in a rolling year. Will a person be covered if she/he transfers from one residential treatment level to another within 30 days (i.e. 3.7 and then steps down to Level 3.3)? Will that count as a separate residential stay or as a continuation of the 30-day stay?**

As part of the continuum of care, Medicaid will reimburse for up to 30 days of treatment as an individual step down from 3.7-WM, 3.7, to 3.5 or 3.3 level of care within that initial 30-day period. To prevent a gap in services, providers need to initiate referrals to next levels of care when appropriate if the service needs to be delivered by a different provider. The Department is working on the authorization process to account for a seamless continuum of services when there is a need to transfer to a different provider.

If an individual continues to meet ASAM criteria for residential care beyond 30 days, the cost of both services *and* room and board will be financed by the Behavioral Health Administration (BHA). BHA will closely monitor expenditures for the state portion of these services to ensure that it remains within budget. Depending on expenditure levels in relation to the state budget, additional adjustments may be required over time to remain within budget.

3) **How is a 30-day span defined?**

Beginning on July 1, 2017, Medicaid will provide reimbursement for up to two nonconsecutive stays of up to 30 days without a break in treatment within a rolling year for ASAM levels 3.7WM, 3.7, 3.5, and 3.3. An episode of treatment will qualify as a single 30-day stay, even if an individual receives services at multiple different levels of care. For example, if an individual

requires 14 days of care at an ASAM Level 3.7 and then steps down to 14 days of care at an ASAM Level 3.3 or 3.5 without a gap in care, the full 28 days of treatment services would be paid for by Medicaid.

For each level of care, ASAM (medical necessity criteria) must be met. Transitions to lower levels of care should be considered beginning on the first day of residential SUD service entry. Maryland is invested in a robust continuum of services with the goal of moving individuals from higher levels of care to addressing their needs within the community outpatient setting. Administrative days under the Medicaid span may be used if there is a gap in access to the next level of care and these days' count within the 30-day span of treatment.

4) **For patients who exceed the 30-day limit and will need to use state grant funds to pay for ongoing residential treatment, will the authorizations still come from Beacon or will they come from BHA?**

Continued Authorization approvals and denials will come through Beacon. If approved, the services will be paid through the Fee-For-Service system using state funds.

5) **If an individual requires more than 30 days of treatment, will they be discharged from treatment when Medicaid coverage for the cost of services expires?**

The system will be set up so that treatment is based on ASAM criteria. At launch of the new system on July 1, 2017, state funds will be available to pay for the state-funded portion of the costs so long as ASAM criteria are met. BHA will closely monitor expenditures as time goes on to determine if additional adjustments are required to remain within budget.

6) **Can providers seek payment for new services/locations not currently funded by grant funding?**

To be eligible to deliver this service, providers must be licensed by OHCQ and enrolled with Medicaid as a Provider Type 54. The Department recently released information related to the application process. The application link is here: https://mmcp.dhmh.maryland.gov/pages/Provider-Enrollment.aspx .

7) **Will there be funds available to help providers make the transition from grant-based funding to Fee-For-Service reimbursement?**

The Department is working to identify funds to help with the transition.

8) **Will there be technical assistance available to help providers make the transition to billing in a Fee-For-Service environment?**

Technical assistance will be made available to providers as we implement these services. Additional information and trainings will be announced soon.

9) **Will there be state funds available to cover room and board as well as stays meeting ASAM criteria beyond the two 30 day spans for new services/providers?**

At the July 1, 2017 launch, state funds will be available for both of these costs. BHA will closely monitor the budget after launch to determine if additional funds are needed and/or if adjustments will be required for the state portion of these costs.

10) **What will the reimbursement rate be for providers for the provision of services? Will the rates for Medicaid and state-funded services be the same?**

Medicaid will reimburse for 2 separate up to 30-day residential treatment stays in a rolling year. Medicaid reimbursement rates will be as follows for the different levels of care:

(1) For ASAM Level 3.3 the program shall receive a per diem of $189.44

(2) For ASAM Level 3.5 the program shall receive a per diem of $189.44

(3) For ASAM level 3.7 the program shall receive a per diem of $291.65

(4) For ASAM Level 3.7-WM the program shall receive a per diem of $354.67

The cost of room and board is not eligible for reimbursement through the Medicaid Program.

- The state-funded reimbursement rate for room and board will be $45.84 per diem. State funds will be available to pay for room and board costs so long as ASAM criteria are met. If an individual continues to meet ASAM for residential care beyond 30 days or requires more than 2 30-day stays in a rolling year, the cost of both services *and* room and board will be financed by BHA at the rates described above.

- If an individual is not eligible for Medicaid and receives state-funded care, the cost of both services *and* room and board will be financed by BHA at the rates described above. BHA will closely monitor expenditures for the state portion of these services to ensure that it remains within budget. Depending on expenditure levels in relation to the state budget, additional adjustments may be required over time to remain within budget.

- There will be a separate Medicaid billing code required for clinical services and a separate state funded billing code for "room and board", however both codes will be on

the same claim. Expenditures paid through state funds will be monitored closely by the state. BHA will provide advance notification of any changes. The ASO will be providing training during the month of June, prior to go-live which will cover authorization process and claims submissions.

- Rates described above are all inclusive, per diem. Providers are not permitted to balance bill individuals receiving residential SUD services regardless of coverage under Medicaid or BHA financed services.

****Additional guidance and opportunities for training will be available in the weeks preceding and post go-live.**