CMS approval of 1115 waiver paves the way for more behavioral health treatment options for Alaskans

Sept. 5, 2019 ANCHORAGE – The Centers for Medicare and Medicaid Services (CMS) approved the behavioral health component of the State of Alaska’s Medicaid Section 1115 Demonstration Project on Tuesday. Also known as an 1115 waiver, this project allows the Department of Health and Social Services (DHSS) to address a range of behavioral health needs for Medicaid recipients with, or at-risk of, serious mental illness, severe emotional disturbance, and substance use disorders.

This behavioral health component is the second part of Alaska’s 1115 waiver. At the guidance of CMS, DHSS separated out the substance use disorder (SUD) component in order to more rapidly address the growing opioid epidemic. That component received approval from CMS in November 2018 and began implementation July 1, 2019. In the first two months of implementation, 96 locations have already been approved to provide substance use disorder services under the SUD 1115 waiver.

“CMS is pleased to support Alaska’s continued investment in expanding behavioral health treatment,” said CMS Administrator Seema Verma. “This approval will build on their efforts to provide more comprehensive care to those with substance use disorder, and will help enhance the comprehensive services provided to those with behavioral health needs.”

The department applied for the 1115 waiver in January 2018 after the Alaska Legislature passed Senate Bill 74 in 2016 which established a framework for reforming the Medicaid program. The bill required DHSS to apply for an 1115 waiver specific to behavioral health to help address Alaska’s fragmented behavioral health care system and build more opportunities for providers to implement a variety of behavioral health and substance misuse services.
“Medicaid waivers offer the state more flexibility in the types of services health care providers can be reimbursed for, which allows them to offer a wider range of services to their patients,” said Gennifer Moreau, director of DHSS Division of Behavioral Health. “Having the complete 1115 waiver approved ensures that Medicaid recipients will have options across the full continuum of care, from early intervention all the way through acute care.”

These types of waivers are commonly used by states to test new approaches in how Medicaid services are delivered, managed or expanded. They provide each state with the ability to be innovative in addressing their own unique needs, within the federal requirements. Budget neutrality is one of those requirements, meaning that costs to the federal government under the waiver should not be more than they would be without the waiver. Including Alaska, 32 states currently have CMS-approved 1115 waivers.

With this week’s approval from CMS and once new state regulations are in place, a full array of 1115 Medicaid substance use disorder and behavioral health services will help Alaskans with mental health needs across the continuum of care. These services will include, but are not limited to: residential treatment for substance use disorder, partial hospitalization program services for substance use disorder and behavioral health, adult mental health residential services, and mobile outreach and crisis response services.

More information about Alaska’s 1115 waiver, including the special terms and conditions for the full waiver, can be found on the DHSS website at: http://dhss.alaska.gov/dbh/Pages/1115/

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