



**Commonwealth of Kentucky
Cabinet for Health and Family Services**

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**Federal Government Approves Kentucky's Plan for
Innovation in Medicaid Substance Use Disorder (SUD)
Services**

Reforms are part of the Kentucky HEALTH 1115 Demonstration Waiver

Frankfort, KY (Nov. 6, 2018) - The federal government recently approved Kentucky's implementation plan for substance use disorder services under the 1115 waiver submission from the Cabinet for Health and Family Services (CHFS). The plan will increase Medicaid enrollees' access to care and enhanced benefits to improve treatment and outcomes for substance use disorder (SUD).

The enhanced Kentucky Medicaid SUD treatment package is one part of the state's 1115 demonstration waiver, Kentucky HEALTH. While a judge's ruling in June 2018 vacated approval of many of the changes proposed under Kentucky HEALTH, the SUD component of the waiver submission remained approved, and the Cabinet continues to work with CMS as it awaits a final decision on the rest of the waiver.

Specifically, the Centers for Medicare and Medicaid Services (CMS) granted approval for the SUD portion of the Kentucky HEALTH demonstration waiver, granting the state

more flexibility in the delivery of services to Medicaid enrollees. Through the program, beneficiaries will have access to enhanced mental health and substance use disorder treatment services, raising the standard of care for drug treatment in Kentucky.

“Expanding access to treatment and recovery services for individuals with substance use disorder is critical to our efforts to combat the opioid epidemic in Kentucky,” said CHFS Secretary Adam Meier. “We have worked diligently to identify areas within the Medicaid program where care and treatment options can be expanded and improved. This demonstration waiver gives us the opportunity to help more Kentuckians get treatment and start on the path to recovery.”

Current Medicaid benefits do provide a full range of care, including residential treatment options. New flexibility under the SUD portion of the 1115 expands access to SUD providers, allows Medicaid to reimburse for short-term residential stays (up to 30 days) in mental health facilities, and creates the circumstances necessary to add coverage for methadone, a form of medication-assisted treatment not currently covered under Kentucky Medicaid.

“This implementation plan allows us to begin working to improve the system of SUD care in Kentucky, as well as the quality of treatment and services for individuals with substance use disorder,” said Van Ingram, executive director of the Kentucky Office of Drug Control Policy.

Per guidelines established by CMS, Kentucky Medicaid is seeking to expand its network of providers with an established level of care for SUD treatment. Under the implementation plan, providers can attest to the level of care provided at treatment facilities, which will be verified through subsequent certification visits. This process will ensure more bed capacity for residential treatment facilities (the current policy limits coverage to 16 beds), while also elevating program standards regarding the types of services, hours of clinical care, and credentials of staff in such settings.

The enhancements to Kentucky Medicaid’s SUD benefits will be available to all beneficiaries. These services will be delivered through the managed care delivery

system. All Medicaid beneficiaries in Kentucky will continue to have access to all current mental health and SUD benefits.

“We are transforming Kentucky Medicaid not only to ensure the sustainability of the program, but to better meet the needs of beneficiaries,” said Carol Steckel, commissioner for the Kentucky Department for Medicaid Services. “Not only will we be able to serve more Kentuckians, but the benefit package is more flexible and covers a broader array of SUD treatment options, such as coverage for methadone and more residential treatment options.”

CHFS will continue to share updates about the program as additional information becomes available.

Additional information is available at <http://chfs.ky.gov/>.

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The Cabinet for Health and Family Services is home to most of the state's human services and healthcare programs, including the Department for Medicaid Services, the Department for Community Based Services the Department for Public Health, the Department for Aging and Independent Living and the Department for Behavioral Health, Developmental and Intellectual Disabilities. CHFS is one of the largest agencies in state government, with nearly 8,000 full- and part-time employees located across the Commonwealth focused on improving the lives and health of Kentuckians.