

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 974 (Delegate Parrott, *et al.*)
Health and Government Operations

Maryland Medical Assistance Program - Substance Use Disorder Treatment
Services - Out-of-State Treatment

This bill requires Medicaid to authorize a recipient to receive adult residential substance use disorder treatment services from an out-of-state provider if the provider (1) meets Medicaid requirements for such services; (2) enrolls as a Medicaid provider; and (3) accepts the Medicaid reimbursement rate for such services.

Fiscal Summary

State Effect: None. The bill codifies existing practice.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background: Out-of-state providers are currently permitted to serve as adult residential substance use disorder service providers as long as they are accredited, meet Medicaid's attestation requirements, and enroll as a Medicaid provider, consistent with regulatory requirements (COMAR 10.09.06).

Maryland Medicaid currently covers adult substance use disorder residential treatment through § 1115 waiver authority. As part of the § 1115 waiver renewal application submitted on June 30, 2016, the federal Centers for Medicare and Medicaid Services (CMS) permitted Maryland to expand coverage for Medicaid enrollees aged 21 to 64 to include stays in an institution for mental disease (IMD). Effective July 1, 2017, Medicaid

provides reimbursement for up to 2, nonconsecutive 30-day stays annually at the following levels of care: American Society of Addiction Medicine (ASAM) level 3.7WM (licensed at 3.7D in Maryland), 3.7, 3.5, and 3.3. Medicaid phased in coverage of ASAM level 3.1 beginning on January 1, 2019.

Medicaid is awaiting approval of another § 1115 waiver amendment to further extend coverage for ASAM level 4.0 (medically managed intensive inpatient services) to capture enhanced federal participation for a large cohort of Medicaid adults aged 21 to 64 who have a primary substance use disorder diagnosis and a secondary mental health diagnosis. Services would be covered for up to 15 days in a calendar month. However, based on CMS guidance, coverage for this level of care may be restricted to in-state providers only.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Health; Department of Legislative Services

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