

# Section 1115 Demonstration Waiver Public Notice

## Nevada's Treatment of Opioid Use Disorders (OUDs) and Substance Use Disorders (SUDs) Transformation Project

**State of Nevada  
Department of Health and Human Services**



**Nevada Department of  
Health and Human Services**

Helping People  
It's who we are and what we do.

*Nevada Division of Health Care Financing and Policy  
April 28, 2022*

**Steve Sisolak**  
*Governor  
State of Nevada*

**Richard Whitley, MS**  
*Director  
Department of Health and  
Human Services*

## **1115 Demonstration Summary**

### *A. Program Summary*

The Nevada Department of Health and Human Services (DHHS) is requesting authority from the Centers for Medicare & Medicaid Services (CMS) for a five-year, Section 1115 Demonstration to expand statewide access to comprehensive behavioral health services for the most vulnerable Nevadans, including those with opioid use disorders (OUDs) and other substance use disorders (SUDs). Specifically, DHHS seeks authority to provide a limited waiver of the federal Medicaid Institutions for Mental Diseases (IMD) exclusion (hereinafter referred to as the “Demonstration”). This Demonstration will further the objectives of Title XIX and Title XXI of the Social Security Act by improving access to high-quality, person-centered services that produce positive health outcomes for individuals; and advancing an innovative delivery system and payment models to strengthen provider network capacity and drive greater value for Medicaid. The Demonstration will not modify the State’s current Medicaid program or Children’s Health Insurance Program (CHIP) outside of the benefits and reimbursement methodologies described within the application.

### *B. Demonstration Goals and Objectives*

The Demonstration’s goals and objectives will increase access to critical substance use treatment levels of care that are currently not funded within the Nevada Medicaid program. With increased access to a full continuum of substance use treatment, Medicaid beneficiaries will be able to receive the appropriate treatment needed at a time when a beneficiary is determined to need an American Society of Addiction Medicine (ASAM) residential/inpatient level of care within an IMD.

### *C. Eligible Populations*

All mandatory and optional eligibility groups approved for full benefit coverage under the Nevada Medicaid and CHIP State Plans will be eligible for the Demonstration.<sup>1</sup> The Demonstration will target high-risk, high-need beneficiaries including Nevada Medicaid eligible American Indian/Alaska Native (AI/AN) beneficiaries requiring enhanced services to effectively treat SUD and/or OUD.

### *D. Enrollment Projections*

No enrollment limits will be applied to the Demonstration. This Demonstration is not expected to increase enrollment projections for Nevada’s Medicaid program, this waiver will be available for Nevada Medicaid recipients based on need rather than a waiver specific eligibility criteria. Using files obtained from Nevada’s Substance Abuse Prevention Treatment Agency (SAPTA), as well as provider specific IMD data supplied to the State, the State identified the unduplicated beneficiaries in the target population with an inpatient stay in an IMD facility of at least 1 day.

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<sup>1</sup> A comprehensive listing of State Plan eligibility groups is available on the DHCFP website at <http://dhcfp.nv.gov/Resources/AdminSupport/Manuals/MSP/Eligibility/MSPeligHome/>

Below is the projected enrollment and expenditures for each demonstration year.

**Table 2.2**

	DY23	DY24	DY25	DY26	DY27
Projected Enrollment (# of Individuals)	5,587	5,643	5,700	5,757	5,814
Expenditures	\$6,987,676	\$7,361,049	\$7,754,357	\$8,168,668	\$8,605,143

*E. Demonstration Hypothesis*

Nevada is committed to providing high-quality health care through a comprehensive delivery system that promotes the use of evidence-based placement and practices. Through this Demonstration, the State is specifically seeking to increase access to services and improve clinical outcomes for Medicaid beneficiaries with OUD and/or SUD. To accomplish these goals, the State will leverage prior experience, recent policy initiatives, as well as the proposed enhanced SUD benefits and IMD exclusion waiver. While the State anticipates partnering with CMS to develop a formal evaluation protocol post-waiver approval, Table 1.1 below represents a preliminary framework for evaluating the Demonstration, including hypotheses, methodologies, and example data sources.

**1. Table 1.1: Preliminary Evaluation Plan**

Hypothesis	Methodology	Example Data Sources
The Demonstration will increase access to intensive levels of care in residential and inpatient settings, as well as medically supervised withdrawal management services, for Nevada Medicaid beneficiaries with OUD and SUD.	Track and compare rates of OUD and SUD treatment among Medicaid beneficiaries with associated conditions.	Encounter & claims data; number and availability of residential treatment beds; and ED boarding data.
The Demonstration will improve outcomes for Nevada Medicaid beneficiaries by reducing the rate of OUD and/or SUD-related deaths.	Track and compare OUD and SUD overdose death rates.	Encounter & claims data.
The Demonstration will reduce preventable or inappropriate inpatient and ED utilization among Nevada Medicaid beneficiaries. <sup>2</sup>	Track and compare rates of: OUD, SUD, and general behavioral health inpatient and ED encounters for Medicaid beneficiaries with associated conditions.	Encounter & claims data.

<sup>2</sup> Note, the State recognizes that waiver of the IMD exclusion may result in an increase in overall inpatient admissions for beneficiaries with OUD and SUD diagnoses. This measure is intended to focus on encounters that could be classified at triage as non-urgent or where similar medical services could be provided at alternative or more appropriate sites of care for a lower cost.

The Demonstration will increase adherence to treatment for parenting individuals (definition of parent can be found in Nevada Revised Statute (NRS) here: <a href="#">NRS 126</a> ) who will have their children with them in the transitional and residential IMD setting.	Track and compare rates of acute inpatient readmission and ED encounters for Medicaid beneficiaries with associated conditions following IMD discharge.	Encounter & claims data.
The Demonstration will increase access to medical and community-based services in pregnant and parenting individuals in an IMD.	Track and compare rates of: OUD, SUD, and general behavioral health inpatient and ED encounters for Medicaid beneficiaries with associated conditions.	Encounter & claims data.
The Demonstration will allow for care coordination of services resulting in a better care transition upon discharge.	Track and compare rates of: OUD, SUD, and general behavioral health inpatient and ED encounters for Medicaid beneficiaries with associated conditions.	Encounter & claims data.

#### F. IMD Exclusion

The State seeks a limited waiver of the federal IMD exclusion to ensure meaningful access to services. Nevada residential and withdrawal management providers are currently licensed as either residential facilities (i.e., “Facility for the treatment of abuse of alcohol or drugs,” or ADA), community triage centers (CTC), or withdrawal management facilities (i.e., “Facility for modified medical detoxification,” or MDX).<sup>3</sup> As the majority of these providers are located in Las Vegas and Reno, Nevada’s two urban areas, most individuals residing in rural or frontier areas must travel great distances to find an adequate level of care. Despite the number of licensed IMD providers in Nevada, access to SUD treatment services is severely limited for the uninsured, underinsured, and Medicaid beneficiaries. This is primarily due to the federal IMD exclusion, which prohibits Federal Financial Participation (FFP) for medically necessary services provided in hospitals, nursing facilities, or other institutions of more than 16 beds, that are primarily engaged in providing diagnosis, treatment, or care of persons with mental diseases, including medical attention, nursing care, and related services.<sup>4</sup>

Nevada Medicaid managed care organizations are contractually permitted to authorize coverage for stays of up to 15 days in an IMD for inpatient services related to SUD in lieu of other settings; however, this option is limited to managed care enrollees and the allowance is not always sufficient to meet beneficiaries’ clinical needs. As such, the State is requesting a limited waiver of the IMD exclusion for all Medicaid beneficiaries ages 21-64, regardless of delivery system, with short-term stays averaging 30 days. The State does not intend to implement any limitations in amount, duration, or scope of these services beyond the aforementioned average length of stay target. By making residential and withdrawal management services reimbursable for these providers, Nevadans across the State will have significantly improved access to medically appropriate care.

Below is a preliminary list of expenditure authorities related to Title XIX and XXI authority that the State believes it will need to operate its Demonstration. The State acknowledges that additional authorities may be identified by CMS during the waiver approval process.

<sup>3</sup> ADA, CTC and MDX are license types/designations established by the Nevada Bureau of Health Care Quality and Compliance (HCQC). See NV. DEPT. OF HEALTH AND HUMAN SERVS., *Health Facilities Licensing*, <https://nvdpbh.aithent.com/Protected/LIC/LicenseeSearch>.

<sup>4</sup> Limited State general funding and block grant funding is available for certain designated providers (i.e., those denoted with an asterisk in Table 3.3).

## 1. IMD Expenditure Authority

Expenditures for otherwise covered services furnished to otherwise eligible individuals who are primarily receiving treatment and withdrawal management services for SUD who are short-term residents in facilities that meet the definition of an IMD.

## 2. Amount, Duration, Scope and Service Section 1902(a)(10)(B)

To permit the state to provide enhanced benefits for the populations covered under this waiver that are not available in the standard Medicaid benefit package.

### *G. Benefits and Cost Sharing*

Eligible beneficiaries receiving substance use treatment in an IMD as part of this Demonstration will continue to have Nevada Medicaid coverage. The Demonstration will not impose any new cost sharing requirements for Medicaid eligible recipients, if a Medicaid eligible individual accesses these services through the waiver, they will be subject to the same cost sharing requirements under Nevada Medicaid State Plan.

### *G. State Public Notice and Comment Period*

The Nevada DHHS published a notice of the public comment period for the Demonstration waiver on September 23, 2021. The notice was published on the DHCFP website at <http://dhcfp.nv.gov/Public/AdminSupport/PublicNotices/> , and on the State's public notice website at <https://notice.nv.gov/> . The latter may be accessed by using the website's drop-down menus by selecting "State" as the Government type, "Department of Health and Human Services" as the Entity type, and "Division of Health Care Financing and Policy" as the Public Body.

The published notice includes details of the waiver application, dates, and locations for public hearings of which include teleconferencing and videoconferencing, as well as the physical and email addresses where interested parties could submit written comments.

The initial comment period began on September 23, 2021 and concluded with a Public Hearing on October 26, 2021 . Further, the DHHS sent emails to stakeholder groups via an online announcement and a subscription email listserv to inform them of the waiver and the public comment period. All materials including the published notice, hearing information, and waiver application were made available online at: <https://notice.nv.gov/Notice> The public hearing agenda was made available at District Offices throughout the State.

With support and further recommendation from CMS, Nevada has developed a dedicated webpage for 1115 Demonstrations to further outline and provide easy access to core information related to the 1115 process, for example, Public Notice, Public Hearings held, minutes from public meetings, 1115 application, 1115 Implementation Plan, etc.

For additional detail on this waiver please attend the second public hearing on May 31, 2022 and we invite public comment and review of the Demonstration application beginning April 28, 2022 when the revised application and public notice will be reposted on the DHCFP website under 1115 waivers or go to

<http://dhcftp.nv.gov/Pgms/Waivers/1115/> where you can also provide public comment. Public comments can be submitted to [1115waivers@dhcftp.nv.gov](mailto:1115waivers@dhcftp.nv.gov) through 5 p.m. Pacific Standard Time on May 31, 2022.

This notice and agenda have been posted online also at <http://dhcftp.nv.gov>, <http://dhcftp.nv.gov/Pgms/Waivers/1115/>, and <http://notice.nv.gov>, as well as Carson City, Las Vegas, Elko, and Reno central offices for DHCFT. Please see addresses for central office locations:

1100 E. William Street, Suite 101 Carson City, Nevada 89701  
1010 Ruby Vista Drive, Suite 103, Elko, Nevada 89801  
1210 S. Valley View, Suite 104, Las Vegas, Nevada  
745 W. Moana Lane, Suite 200, Reno, Nevada 89509

E-mail notice has been made to such individuals as have requested notice of meetings (to request notifications please contact [1115waivers@dhcftp.nv.gov](mailto:1115waivers@dhcftp.nv.gov), or in writing at 1100 East William Street, Suite 101, Carson City, Nevada 89701.)

If you require a physical copy of supporting material for the public meeting, please contact [1115waivers@dhcftp.nv.gov](mailto:1115waivers@dhcftp.nv.gov), or at 1100 East William Street, Suite 101, Carson City, Nevada 89701. Supporting material will also be posted online as referenced above. Note: We are pleased to make reasonable accommodations for members of the public with a disability that wish to participate. If accommodated arrangements are necessary, notify DHCFT as soon as possible and at least ten days in advance of the meeting, by e-mail at [1115waivers@dhcftp.nv.gov](mailto:1115waivers@dhcftp.nv.gov) or in writing, at 1100 East William Street, Suite 101, Carson City, Nevada 89701.