

Expanding Substance Use Disorder (SUD) Provider Capacity Technical Assistance Opportunity



Reimbursement Strategies for Medicaid Substance Use Disorder (SUD) Services

Thursday, September 25, 2025
2:00-3:15 PM ET

Logistics for the Webinar



Closed captioning is available at the bottom of the screen



If needed, please dial: 646-931-3860

Zoom Meeting ID: 858 2116 5142



Technical difficulties? Contact: SUDprovidercapacityTA@norc.org



Have a question? Enter it into the “Q&A” box

Agenda



- Opening remarks from CMS
- Learning objectives
- Presentation from Deb Steinberg, Legal Action Center
- Q&A
- Presentation from Kristen Donheffner and Jennifer Poore, Oregon Health Authority
- Q&A

Welcome & Opening Remarks



Melanie M. Brown, PhD, MPH

Technical Director

Division of Community Systems Transformation

Medicaid Benefits and Health Programs Group

Center for Medicaid and CHIP Services

Centers for Medicare & Medicaid Services

Learning Objectives



By the end of this session, participants will be able to:

- Describe policy levers to review and, as needed, adjust Medicaid reimbursement rates for SUD treatment and recovery services
- Identify strategies to ensure parity across settings is achieved and maintained
- Better understand how one state has adjusted reimbursement rates to encourage broader adoption of SUD treatment and recovery services among health care providers serving Medicaid beneficiaries

Policy Levers to Review and Adjust SUD Reimbursement Rates

Deb Steinberg, JD¹

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¹ The following slides were developed by Deb Steinberg, senior health policy attorney at the Legal Action Center.

Legal and Regulatory Mechanisms



State Medicaid agencies and relevant partners have many policy levers to review and adjust reimbursement rates for SUD services:

- State plan amendments and demonstrations
 - May require state legislation
 - May have opportunities for additional federal funds
- Leverage existing federal laws and regulations
 - Mental Health Parity and Addiction Equity Act (MHPAEA)
 - Regulations on payment sufficiency, network adequacy, etc.
 - *Ensuring Access to Medicaid Services (CMS-2442-F) and Medicaid and Children's Health Insurance Program (CHIP) Managed Care Access, Finance, and Quality (CMS-2439-F) final rules*
 - Payment rate analyses

Policy Mechanisms

ASAM
Criteria
4th
Edition

New &
updated
Medicare
codes

State-
based
enrollees
&
experts

Opioid Treatment Programs &
Office-based bundled payment

Emergency department initiation
of medications for opioid use
disorder

Intensive Outpatient Programs

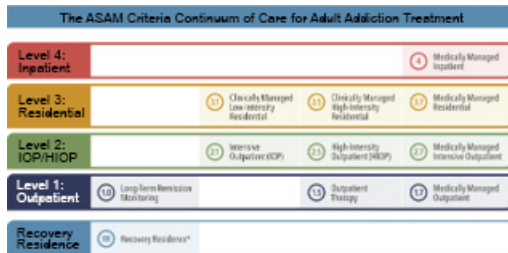
Peer & Navigator Services

Safety Planning Interventions

Beneficiary Advisory
Council (BAC)

State provider associations

Single State Authority



Overcoming Challenges



MHPAEA oversight best practices

- Update parity analysis whenever there is a change (leverage rate analysis)
- Partner with other state agencies or contractors with expertise
- Managed care contract language

Monitor for unintended consequences

- Resources distribution across practitioner types and treatment settings
- Determine if other barriers to care remain after any increases to reimbursement rates

Q&A

with Deb Steinberg

A State's Approach to Adjusting Medicaid Reimbursement Rates: Oregon

Kristen Donheffner, MPH²

Medicaid Behavioral Health (BH) Policy Manager - Fee for Service

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Jennifer Poore²

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Oregon Health Authority (OHA)

Behavioral Health Policy Unit – Medicaid Division

²The following slides were developed by Kristen Donheffner, Medicaid BH policy manager and Jennifer Poore, systems of care and coordinated supports analyst – FFS at OHA.

Overview of Presentation



- Foundational work
- Rate approvals and incremental progress
- Implementation & program evolution
- Enhanced rates
- Updated regulatory framework
- Rate adjustments to expand care
- Provider reimbursement barriers
- Shared space for questions



Delivery system coordination in Oregon began with looking at our “chemical dependency coverage”

- Initial questions raised:
 - What does “coverage” mean?
 - What levels and types of care are included in chemical dependency coverage?
- Residential and withdrawal management dollars were given to counties, and not to providers
- Focus of care for providers was primarily on outpatient services and residential rates were at \$89.00 per diem

Rate Approvals and Incremental Progress



- Conducted a rate study
- Adjusted for cost of living due to gaps in time
- Rate study results shared with the Governor:
 - Modest rate increase was implemented, balancing need with availability of funds
- Introduced incremental rate increases over a many-year timeline, as funds have become available

Rate Approvals and Incremental Progress (cont.)



- Applied for Section 1115 SUD Demonstration waiver, State Plan Amendment, and Policy Option Package (POP) (an agency funding request to the state legislature)
- Services folded into Coordinated Care Organization (CCO) structures
- Ongoing focus: ensure sustainability, modernize facilities, and support tech upgrades
- Provider training given on:
 - Billing
 - Understanding customary charges for sustainability

Policy Measures: Implementation & Program Evolution



- Five years total from rate study to implementation
- Expanded specialty residential rates
- Estimated 12-year total process with strong provider engagement, actively still pursuing rate and policy updates

Policy Measures: Enhanced Rates



Launched additional enhanced reimbursement percentages for:

- Licensed clinicians delivering integrated/co-occurring disorder care
- Person- and linguistically-specific SUD services

Policy Measures: Updated Regulatory Framework



Revised Oregon Administrative Rules (OARs) for:

- Residential treatment
- Outpatient SUD services
- Withdrawal management
- Focused on improving provider capacity, service access, and clinical consistency across care levels

Policy Measures: Updated Regulatory Framework (cont.)



Defined standards for the American Society of Addiction Medicine (ASAM) levels of care (LOC)

- Matched services to appropriate ASAM levels
- OHA reviewed existing providers and reissued licenses/certificates based on ASAM LOC compliance
- Providers now required to apply for approved ASAM levels of care
- ASAM implementation is foundational for system-wide consistency
- Ensured provider credentials match tiered services
- Improved licensing and billing alignment

Policy Measures: Updated Regulatory Framework (cont.)



Expansion to ASAM 4th Edition

- The state of Oregon is working towards implementing ASAM 4th Edition criteria by July 2027
- This date considers the timing on ASAM's release of a 4th Edition version for treating adolescents and rate considerations
- It is also intended to allow providers time for an effective transition

Continued Rate Adjustments to Expand Care



Provider capacity assessment

- Led by Oregon Health & Science University-Portland State University (OHSU-PSU) School of Public Health
- Focused on accessibility and adequacy of SUD services, especially residential treatment
- 30% rate increase for BH providers
- Funded through Medicaid savings from residential treatment bed utilization

Workforce support funding

- Additional funding provided to support hiring and training of BH professionals
- Aimed at addressing critical workforce shortages

Provider Reimbursement Barriers & Strategy



Complex billing requirements

Strategy: Billing clarity

- Updates accompanied by updated billing guides and memos
- Definitions of approved services under the section 1115 SUD Demonstration waiver
- New BH billing guide in process
- Beginning technical assistance virtual office hours in the fall
- Aiming to align billing practices with CCOs

Provider Reimbursement Barriers & Strategy



System pressures: Increased demand + workforce shortages

Strategy: Continue barrier busting to support provider stability in all continuing work

- Evaluate provider payment structures
- Continue to refine rules and service definitions
- More clearly delineate what is included in the residential per diem rate
- Expand withdrawal management coding for better tracking

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Q&A

with Kristen Donheffner and
Jennifer Poore

Thank you!

Please contact
SUDProviderCapacityTA@norc.org
if you have any questions.