

**PUBLIC NOTICE**  
**SMI IMD 1115 WAIVER**  
**June 22, 2022**

In accordance with 42 CFR §431.408, the Missouri Department of Social Services (DSS), MO HealthNet Division is providing public notice of its intent to submit to the Centers for Medicare and Medicaid Services (CMS), an 1115 Demonstration application. The complete waiver application and applicable attachments are available on the MO HealthNet website under Alerts and Public Notices at <http://dss.mo.gov/mhd/>.

### **Waiver Description & Goals**

This request is pursuant to legislation passed during the State's 2020 legislative session. Through this waiver application, MO HealthNet is seeking federal authority to reimburse for acute inpatient stays in institutions for mental disease (IMD) for Medicaid enrollees ages 21-64 diagnosed with a serious mental illness (SMI). Additionally, state operated psychiatric hospitals and facilities will not be classified as IMDs eligible for reimbursement under this waiver. Additionally, the State seeks authority to reimburse Qualified Residential Treatment Programs (QRTPs) that are determined to meet the definition of an IMD. Reimbursement will not be extended to IMDs for residential stays except for QRTPs. This proposal is part of the State's broader efforts to ensure access to a comprehensive continuum of behavioral health services. The waiver will provide the state with a two year transitional period to meet the 30 day average length of stay milestone for QRTPs that meet the definition of an IMD. The waiver also will expand access to critical inpatient psychiatric services necessary to serve the Medicaid expansion population. Additionally, this waiver will ensure comparable access to IMDs for Medicaid enrollees regardless of delivery system. Currently, Missouri Medicaid enrollees receiving services via managed care may receive treatment in IMDs through the "in lieu of" authority. However, individuals served via fee-for-service do not have such access. This waiver will eliminate the inconsistency between managed care and fee-for-service coverage and ensure comparability among delivery systems. The proposed effective date of the waiver is October 1, 2022, pending CMS approval.

MO HealthNet seeks to achieve the following goals through implementation of this waiver:

- Reduced utilization and lengths of stay in emergency departments among Medicaid beneficiaries with SMI or serious emotional disturbance (SED) while awaiting mental health treatment in specialized settings.
- Reduced preventable readmissions to acute care hospitals and residential settings.
- Improved availability of crisis stabilization services utilizing multiple service models to meet the unique needs across the state.
- Improved access to community-based services to address the chronic mental health care needs of beneficiaries with SMI or SED including through increased integration of primary and behavioral health care.
- Improved care coordination, especially continuity of care in the community following episodes of acute care in hospitals and residential treatment facilities.

### **Eligibility**

All Missouri Medicaid enrollees eligible for a mandatory or optional eligibility group approved for full Medicaid coverage, and between the ages of 21-64, will be eligible for acute inpatient stays in an IMD under the waiver. Additionally, Medicaid enrollees under the age of 21 may qualify for services under the waiver when receiving QRTP services.

### **Enrollment & Fiscal Projections**

The waiver amendment will have no impact on annual Medicaid enrollment. Further, it is expected to be budget neutral.

### **Hypotheses & Evaluation**

MO HealthNet proposes the following evaluation plan, which has been developed in alignment with CMS evaluation design guidance for SMI 1115 demonstrations. The State will contract with an independent evaluator to conduct this review.

- **Hypothesis 1.** The demonstration will result in reductions in utilization of stays in emergency department among Medicaid beneficiaries with SMI or SED while awaiting mental health treatment.

- **Hypothesis 2.** The demonstration will result in reductions in preventable readmissions to acute care hospitals and residential settings.
- **Hypothesis 3.** The demonstration will result in improved availability of crisis stabilization services throughout the state.
- **Hypothesis 4.** Access of beneficiaries with SMI/SED to community-based services to address their chronic mental health care needs will improve under the demonstration, including through increased integration of primary and behavioral health care.
- **Hypothesis 5.** The demonstration will result in improved care coordination, especially continuity of care in the community following episodes of acute care in hospitals and residential treatment facilities.

### **Waiver and Expenditure Authority**

MO HealthNet is requesting expenditure authority under Section 1115 for otherwise covered services furnished to otherwise eligible individuals for short term stays for acute care in a psychiatric hospital that qualifies as an IMD. Additionally, Missouri seeks expenditure authority for services provided to otherwise eligible individuals under age 21 in QRTPs that meet the definition of an IMD.

### **Public Hearings**

MO HealthNet will host two hearings at which the public may provide comments.

The first public hearing will be held **June 28, 2022 from 1:00 p.m. to 2:30 p.m. CST**. The WebEx number is **1-650-479-3207**; Access Code: **2454 611 0006**; Meeting Password: **2V5UumS5kmP**

The second public hearing will be held **July 7, 2022 from 3:00 p.m. to 4:30 p.m. CST**. The WebEx number is **1-650-479-3207**; Access Code: **2451 630 9506**; Meeting Password: **X9fpTQtMs45**

The state will take verbal comments at the public hearings.

### **Written Public Comments**

MO HealthNet will also accept written public comments until 5:00 p.m. on July 22, 2022. Written comments may be mailed to:

MO HealthNet Division  
PO Box 6500  
Jefferson City, MO 65102-6500  
Attn: MO HealthNet Director

Additionally, written comments may be sent via email to: [Ask.MHD@dss.mo.gov](mailto:Ask.MHD@dss.mo.gov). Please add “SMI IMD Waiver” in the subject line.