



All-State Medicaid and CHIP Call August 8, 2023



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Agenda

- State Medicaid Director Letter: Extension of 1915(c) Home and Community-Based Services Waiver Appendix K Expiration Dates
- CMCS: Mental Health & Substance Use Disorder Action Guide
- Commercialization of COVID-19 Vaccines
- CDC COVID-19 Vaccine Bridge Access Program
- Open Mic Q and A



State Medicaid Director Letter: Extension of 1915(c) Home and Community-Based Services Waiver Appendix K Expiration Dates

Verbal Update

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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SMD# 23-004

RE: Extension of 1915(c) Home and Community-Based Services Waiver Appendix K Expiration Dates

August 2, 2023

Dear State Medicaid Director:

The Centers for Medicare & Medicaid Services (CMS) is issuing the following guidance to states as they take actions to return to normal operations after the end of the flexibilities available to support states and beneficiaries during the COVID-19 Public Health Emergency (PHE). Specifically, this guidance announces an update to CMS's policy regarding the end date for flexibilities approved in states' section 1915(c) Home and Community-Based Services (HCBS) waiver Appendix K amendments. Under our prior policy, these flexibilities were set to expire six months after the expiration of the COVID-19 PHE. However, as described below, these flexibilities may remain in effect for a longer period of time.

States have relied extensively throughout the PHE on flexibilities permitted under Appendix K to authorize actions in their home and community-based services programs such as the use of telehealth or remote service provision, increased payment rates, expansion of self-direction service delivery models, addition or expansion of services, and expansion of provider networks to include family members and legally responsible individuals. In prior guidance¹, CMS indicated that the Appendix K authority for COVID-19 provisions would expire no later than six months after the expiration of the PHE. Given the end of the PHE on May 11, 2023, Appendix K authority would expire on November 11, 2023.

CMS is now indicating through this guidance that COVID-19 Appendix K flexibilities currently approved to end six months after the expiration of the PHE may be extended if the state takes action by November 11, 2023 to incorporate desired Appendix K provisions into underlying HCBS programs. The expiration extension allows states to avoid a lapse in approved provisions and only applies to Appendix Ks with flexibilities that are incorporated into underlying section 1915(c) waiver programs. The applicable Appendix K will remain in effect until the effective date of the section 1915(c) waiver action (amendment or renewal). Frequently, a single Appendix K submission reflects flexibilities applicable to multiple section 1915(c) waivers. Going forward, any flexibility previously granted in an Appendix K that a state would like to continue will need to be incorporated by formal submission of an amendment to or renewal of

¹ <https://www.medicare.gov/federal-policy-guidance/downloads/sho20004.pdf>

Center for Medicaid and CHIP Services: Mental Health and Substance Use Disorder Action Plan

Kirsten Beronio
August 2023



Center for Medicaid & CHIP Services
Mental Health and Substance Use Disorder Action Plan



Introduction

As the largest single source of funding for mental health (MH) and substance use disorder (SUD) treatment and support services,¹ Medicaid, along with the Children's Health Insurance Program (CHIP), underpins the delivery of care for MH conditions and SUDs across the United States and provides critical support for millions of people with these conditions. Improving access to high quality MH and SUD treatment is among the Centers for Medicare & Medicaid Services' (CMS) highest priorities and is integral to the Center for Medicaid and CHIP Services' (CMCS) partnership with states to provide high quality health care coverage to over 90 million individuals. CMCS also collaborates closely with other federal agencies, particularly the Substance Abuse and Mental Health Services Administration (SAMHSA), to improve the quality and availability of MH and SUD services for Medicaid and CHIP enrollees.

Medicaid and CHIP can provide coverage for a full array of services and supports for people with MH conditions and SUDs, including services and supports that generally are not covered by other health care programs or plans. Providing the full array of services and supports is particularly critical for individuals with more serious MH conditions and/or SUDs as they are more likely to be enrolled in Medicaid and CHIP.² In addition, special protections incorporated into Medicaid and CHIP, including the mandatory Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) benefit in Medicaid, provide assurance that enrollees struggling with serious MH conditions or SUDs have coverage for the care they need.

As highlighted in a recent CMCS Informational Bulletin "[Leveraging Medicaid, CHIP, and Other Federal Programs in the Delivery of Behavioral Health Services for Children and Youth](#)", the mandatory EPSDT benefit requires coverage of all medically necessary care for children and adolescents under the age of 21 enrolled in Medicaid, including coverage of prevention, screening, assessment, and treatment services for MH conditions and SUDs. This clarification is critically important since MH and SUD conditions are among the most prevalent health conditions affecting children,³ and Medicaid and CHIP provide health care coverage for about half of the children and adolescents in the U.S.⁴

In addition, the Mental Health Parity and Addiction Equity Act (MHPAEA) requirements that apply to Medicaid and CHIP coverage have helped improve access to MH and SUD treatment among individuals at higher risk of these conditions. Under the Affordable Care Act (ACA), for example, MHPAEA requirements were extended to the alternative benefit plans for Medicaid expansions that have significantly increased access to MH and SUD treatment among low-income adults in states that have expanded coverage to this group.⁵ The MHPAEA requirements are a critical element of those Medicaid expansions since individuals covered are at heightened risk of MH conditions and SUDs.

Mental Health and Substance Use Disorder Action Plan - Background

- On July 25th, CMCS released a Mental Health and Substance Use Disorder Action Plan on <https://www.medicaid.gov/sites/default/files/2023-07/cmcs-mntl-helth-substnce-disrdr-actn-plan.pdf>
- Improving access to high quality MH and SUD treatment is integral to the Center for Medicaid and CHIP Services' (CMCS') partnership with states to provide high quality health care coverage.
- Medicaid and CHIP can provide coverage for a full array of services and supports for people with MH conditions and SUDs, including services and supports that generally are not covered by other health care programs or plans.
- Special protections incorporated into Medicaid and CHIP, including --
 - Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) benefit; and
 - Mental Health Parity and Addiction Equity Act (MHPAEA) requirements .
- A hallmark of Medicaid and CHIP, coverage of home and community-based services (HCBS), is particularly essential for individuals with more serious MH conditions and SUDs:
 - Promotes engagement in treatment, which is fundamental for improving outcomes for individuals with MH conditions and/or SUDs.

Mental Health and Substance Use Disorder Action Plan - Background (continued)

- Individuals with MH conditions or SUDs often experience high rates of co-occurring physical health conditions that drive much of the elevated cost of treating these individuals:
 - Support for more integrated care can also improve outcomes for physical health conditions and help manage health care costs
 - Help engage individuals in treatment
- Provider workforce shortages are common with nearly half of the U.S. population living in a mental health workforce shortage area.
 - Rural areas are especially impacted by shortages of MH and SUD providers.
- Children and adolescents have been particularly affected by the impact of COVID-19 on MH and substance use.
- Adults and adolescents with serious mental illness (SMI) and/or SUD – particularly those from marginalized groups – have higher rates of involvement in the criminal justice system.

MH and SUD Action Plan Overview

The three overarching goals with prioritized strategies that guide CMCS's actions to improve treatment and support for Medicaid and CHIP enrollees with MH conditions and/or SUDs are-

- I. Increase Access to Prevention and Treatment by**
 - A. Improving Coverage of MH and SUD Screening and Therapies and Promoting Parity**
 - B. Supporting Integration and Coordination of MH and SUD Treatment with Other Health Care**

- II. Improve Engagement in Care by**
 - A. Increasing Treatment and Support in Home and Community-Based Settings**
 - B. Supporting Access to MH and SUD Services through Non-Traditional Settings**

- III. Enhance Quality of Care by**
 - A. Encouraging Implementation of Evidence-Based Practices**
 - B. Enhancing Quality Measurement**
 - C. Analyzing and Publicizing Data on Key Topics**

I. Increase Access to Prevention and Treatment

A. Improving Coverage of MH and SUD Screening and Therapies and Promoting Parity

1. Supporting Connections to Health Care Coverage through
 - a. Engagement with States on Medicaid Renewals and
 - b. Connecting Kids to Coverage Campaign
2. Increasing Network Adequacy and Participation by MH and SUD Treatment Providers through
 - a. Managed Care and Access Rulemaking
 - b. Improved Reimbursement through Section 1115 Demonstrations
 - c. Demonstration to Increase SUD Provider Capacity
3. Ensuring Compliance with Mental Health Parity and Addiction Equity Act and Other Requirements
4. Improving Implementation of Early Periodic Screening, Diagnostic and Treatment Services Requirements

I. Increase Access to Prevention and Treatment (continued)

B. Supporting Integration and Coordination of MH and SUD Treatment with Other Health Care by

1. Encouraging Support for Use of Health Information Technology (HIT) among MH and SUD Treatment Providers
2. Supporting Continued and Improved Coverage of Telehealth
3. Increasing Availability of MH and SUD Treatment through Interprofessional Consultation

II. Improve Engagement in Care

A. Increasing Treatment and Support in Home and Community-Based Settings by

1. Funding a Continuum of Crisis Stabilization Services through
 - a. Mobile Crisis Intervention Services Grants and State Plan Amendments
 - b. Guidance and Technical Assistance on Medicaid and CHIP Support for Crisis Services
 - c. Support for Crisis Response by Certified Community Behavioral Health Clinics
2. Expanding the Certified Community Behavioral Health Clinic Demonstration
3. Strengthening Support for Home and Community-Based Services
4. Increasing Awareness of Medicaid Coverage of Peer Supports

II. Improve Engagement in Care (continued)

B. Supporting Access to MH and SUD Services through Non-Traditional Settings and Services by

1. Improving Connections to Care and Support for Individuals Leaving Jails and Prisons
2. Increasing Support for Youth Leaving Juvenile Justice Settings
3. Promoting School-Based Services including MH and SUD Prevention and Treatment
4. Improving Connections with Supports to Address Health Related Social Needs

III. Enhance Quality of Care

A. Encouraging Implementation of Evidence-Based Practices by

1. Leveraging Medicaid, CHIP, and Other Federal Programs in the Delivery of Behavioral Health Services for Children and Youth
2. Working with States on SUD and Serious Mental Illness/Serious Emotional Disturbance Section 1115 Demonstration Initiatives
3. Supporting State Efforts to Improve Access to Contingency Management
4. Providing Learning Collaboratives to Address Pressing Issues

III. Enhance Quality of Care (continued)

B. Improving Quality Measurement by

1. Implementing Mandatory Reporting on Core MH and SUD Measures

C. Analyzing and Publicizing Data on Key Topics by

1. Posting SUD and SMI/SED Section 1115 Demonstration Evaluation Rapid Cycle Reports
2. Developing and Posting the SUD Databook
3. Analyzing TMSIS Data and Posting Findings Regarding Enrollees with MH Conditions

Commercialization of COVID-19 Vaccines

August 2023



COVID Vaccine Commercialization

- The Food and Drug Administration (FDA) advised COVID-19 vaccine manufacturers to develop an updated vaccine that more closely aligns with the current COVID-19 variant. The updated vaccines are expected to be available in the fall of 2023.
- The American Medical Association is developing codes for these vaccines.
- The updated COVID-19 vaccines, which will be available for all ages, will, with some exceptions, generally not be federally purchased and distributed in the manner of previous COVID-19 vaccines, and instead will be commercially available as are other routinely recommended vaccines.
- Commercialization is the transition of COVID-19 medical countermeasures, including vaccines, treatments, and test kits previously purchased by the U.S. Government (USG), to established pathways of procurement, distribution, and payment by both public and private payers. Providing medical countermeasures in the commercial market is something that manufacturers, logistics companies, and payors do every day.

COVID Vaccine Commercialization (continued)

- HHS began phasing down federal distribution of federally purchased COVID-19 vaccine doses in early August 2023.
- CMS Administrator Brooks-LaSure sent a [letter](#) to states and payors on July 13th addressing commercialization.
- The Centers for Disease Control and Prevention (CDC) will support the vaccination of uninsured children through the Vaccines for Children (VFC) program and the vaccination of uninsured adults through a temporary [Bridge Access Program](#). Both programs will provide public-purchased COVID-19 vaccines to uninsured persons after commercialization occurs.

Vaccine Purchase After Commercialization

- With commercialization, vaccine purchase for COVID-19 vaccines will align with vaccine purchase for other vaccines.
- Specifically, for most children enrolled in Medicaid, the vaccine doses will be federally purchased and distributed through the VFC program like other routine pediatric vaccines, which means that states and VFC providers will not incur costs with respect to vaccine doses for those children.
- States with separate CHIP programs will have the same option to purchase COVID-19 vaccine doses through the Centers for Disease Control and Prevention (CDC).

Vaccine Purchase After Commercialization (continued)

- For other Medicaid populations, and for beneficiaries enrolled in CHIP, states will need to determine their process for covering COVID-19 vaccine doses, which could be the same as for all other vaccines.
- States with separate CHIP programs will have the same option to purchase COVID-19 vaccine doses through the CDC contracts as is available for other pediatric vaccines. CHIP programs are encouraged to contact their state immunization program if they are interested in pursuing this option for COVID-19 vaccine purchase.

ARP Coverage Period for COVID-19 Vaccines

- Under statutory amendments made by the American Rescue Plan Act of 2021 (ARP) (Pub. L. 117-2), state Medicaid programs are currently required to cover COVID-19 vaccines and their administration, without cost sharing, for nearly all Medicaid beneficiaries, including most eligibility groups receiving limited benefit packages under the state plan or a section 1115 demonstration, for a specific period of time (referred to herein as the ARP coverage period).
- This coverage requirement began on March 11, 2021, and generally will end on the last day of the first calendar quarter that begins one year after the last day of the COVID-19 public health emergency (PHE) declared by the Secretary of Health and Human Services. That PHE ended on May 11, 2023, so the last day of the ARP coverage period will be September 30, 2024.
- For all separate CHIP enrollees, similar to the Medicaid ARP coverage requirement, states must cover COVID-19 vaccines and their administration, without cost sharing, during the ARP coverage period.

ARP FMAP for COVID-19 Vaccines

- The ARP also established a temporary Medicaid federal medical assistance percentage (FMAP) and CHIP enhanced FMAP (EFMAP) of 100 percent for amounts expended by a state for medical assistance for COVID-19 vaccines and their administration.
- This 100 percent FMAP and EFMAP period (ARP FMAP period) began on April 1, 2021, and will also end on September 30, 2024.
- The ARP also adjusted CHIP allotments to account for the increase in expenditures due to the temporary increase in EFMAP for COVID-19 vaccines and their administration.
- After the commercialization of COVID-19 vaccines and through the end of the ARP FMAP period, states will be able to claim the temporary 100 percent FMAP for their expenditures on COVID-19 vaccine doses and COVID-19 vaccine administration.

Federal Match for State Expenditures on COVID-19 Vaccine

- After commercialization, states and providers will need to negotiate the price for the vaccine directly with COVID-19 vaccine manufacturers for purchase of the COVID-19 vaccines
 - As previously noted State Medicaid and CHIP programs will be responsible for covering COVID-19 vaccine doses for eligible beneficiaries, with their expenditures on COVID-19 vaccine doses (and COVID-19 vaccine administration) federally matched at 100 percent until September 30, 2024. After that date, state expenditures on COVID-19 vaccine doses and vaccine administration services would be matched at the applicable state FMAP.
 - This does not include COVID-19 vaccine doses for most children enrolled in Medicaid, as COVID-19 vaccine doses will be purchased and distributed through the VFC program for VFC federally vaccine-eligible children.
 - The VFC program does not cover vaccine administration, so Medicaid programs must cover vaccine administration for VFC-eligible beneficiaries who are eligible for vaccine administration under Medicaid. Since COVID-19 vaccines are included in the VFC program, the VFC administration fee schedule will apply.

Federal Match for State Expenditures on COVID-19 Vaccine

(continued)

- State Medicaid programs would also be responsible for covering both vaccine doses and administration for anyone who is not eligible for VFC but who is eligible for this coverage under Medicaid.
- Individuals enrolled in separate CHIP are not eligible for VFC, so separate state CHIP programs would be responsible for covering both vaccine doses and administration for eligible beneficiaries.
- States have significant discretion in how they set payment rates and pay for vaccine products and their administration, provided that the rates are consistent with efficiency, economy, and quality of care.
- States should check their state plans to determine whether they need to change payment rates for COVID-19 vaccine products and submit a state plan amendment for any needed changes.

Ongoing Coverage of COVID-19 Vaccines and Administration

- Beginning October 1, 2023, under amendments made by the Inflation Reduction Act (IRA), most adults enrolled in Medicaid and CHIP will have mandatory coverage of all FDA approved ACIP-recommended vaccines, and the administration of those vaccine without cost-sharing. This would include all FDA-approved ACIP-recommended COVID-19 vaccinations.
- When this IRA coverage becomes available, most children and adults in Medicaid and CHIP will have coverage of FDA-approved ACIP-recommended COVID-19 vaccines and their administration without cost-sharing, beyond the ARP coverage period.
- Benefits for adults and children enrolled in a Basic Health Program (BHP) include mandatory coverage of all vaccinations recommended by ACIP for routine use (including COVID-19 vaccinations), generally without cost sharing.
- For additional information on Medicaid and CHIP coverage of vaccines, including COVID- 19 vaccines, please refer to the June 27, 2023, [State Health Official](#) letter and [fact sheet](#).

Key Takeaways

- In order to be prepared for the availability of updated COVID-19 vaccines this fall through the commercial market, states should start planning for the transition now.
- States should determine how COVID-19 vaccine doses will be purchased and distributed within their state, as well as Medicaid and CHIP payment rates for vaccine doses. This could include working directly with vaccine manufacturers to order vaccine, if that is how the state chooses to purchase COVID-19 vaccines. (For most children in Medicaid, COVID-19 vaccine doses will be provided through the VFC program.) Federal match is only available after the vaccine is administered to an eligible beneficiary.
- States with separate CHIP programs should determine if they want to purchase vaccine through the CDC contract. If interested, states should contact their state immunization program.
- The AMA is developing new codes for the updated vaccines and CMS will share them once they are available.
- CMS is available to provide technical assistance with this transition.

Bridge Access Program Update

August 2023



What is the Bridge Access Program?



GOALS OF PROGRAM

- Ensure all Americans have **continued access** to COVID-19 vaccinations, regardless of insurance status
- Implement a public-private partnership to help maintain **uninsured** individuals' access to COVID-19 prevention



HEALTH SECURITY IMPACT

- Maintain **broad access** to COVID-19 vaccines for millions of uninsured Americans
- Improve **health equity** through community outreach to underserved populations



NEXT STEPS

- Establish continued **cost-free** access to **COVID-19 vaccines** for uninsured and underinsured adults through:
 - Existing **public health Infrastructure**
 - Establishment of **contracts with pharmacies**

Where will vaccines be made available?



Local Healthcare Providers

Existing partnerships with state and local health departments (S/LHDs) will facilitate distribution of vaccines through providers in networks

CDC will manage purchase and distribution of COVID-19 vaccines and provide oversight and technical assistance



Local Health Centers

Federally qualified health centers will partner with S/LHDs and state immunization programs to ensure access to vaccines for uninsured adults

HRSA will provide funding to network of FQHCs to support services that will help ensure equitable access



Pharmacies

Pharmacies will ensure access to cost-free COVID-19 vaccinations and treatments using extensive footprints and community partnerships

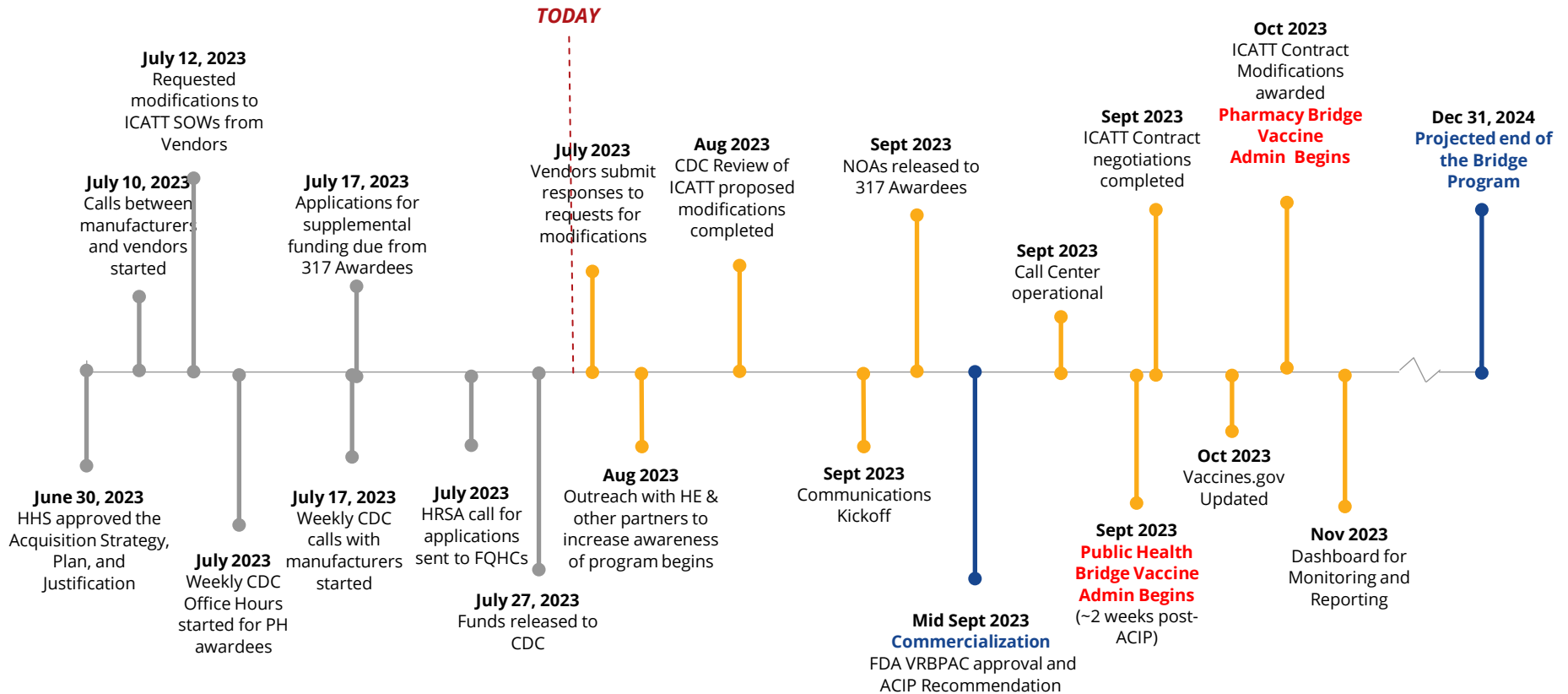
Vaccines are expected to be provided to CDC-contracted pharmacies by vaccine manufacturers, while costs of **administration** will be covered by CDC

Sites of vaccination through the Bridge Access Program will be listed and searchable at [vaccines.gov](https://www.vaccines.gov)

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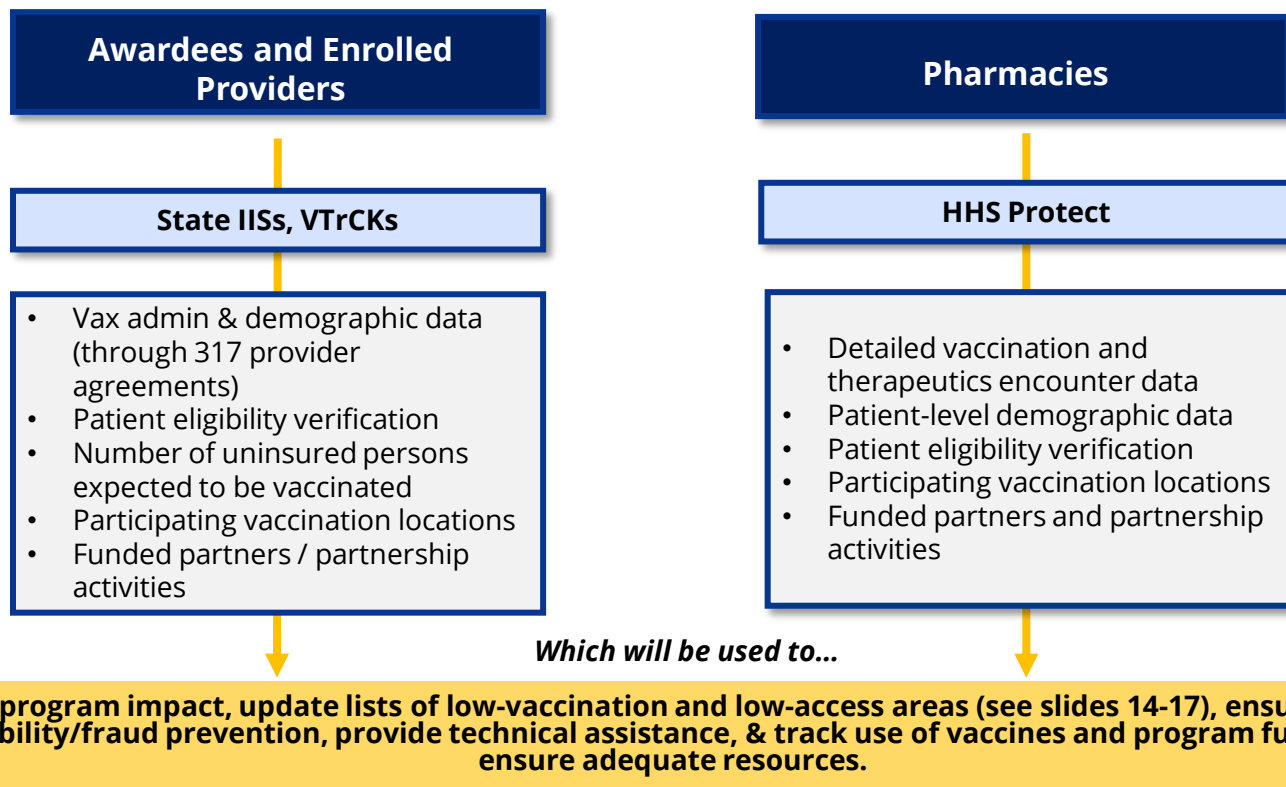


Updated Program Timeline (June 2023 - Dec 2024)



Next Steps: Data and Reporting Overview

Awardees and their enrolled providers and contracted pharmacies will **all be required to report data** to the CDC to be used for multiple purposes.



Questions
