



Medicaid Section 1115 Substance Use Disorder (SUD) and Serious Mental Illness and Serious Emotional Disturbance (SMI/SED) Demonstrations

Mid-Point Assessment Technical Assistance

Version 1.0 (October 2021)

State Demonstrations Group (SDG)
Center for Medicaid and CHIP Services (CMCS)
Centers for Medicare & Medicaid Services (CMS)

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I. Introduction

The State Medicaid Director Letters (SMDLs) for the section 1115 Medicaid substance use disorder (SUD) and serious mental illness and serious emotional disturbance (SMI/SED) demonstrations specify that state monitoring data will inform a mid-point assessment that will help the state and the Centers for Medicare & Medicaid Services (CMS) understand whether the state is making sufficient progress towards meeting its demonstration milestones and monitoring metric targets.^{1,2} The mid-point assessment will provide an opportunity for CMS and the state to work together on plans to ensure ongoing progress towards the state’s demonstration goals. Mid-point assessment findings may also be used by the state Medicaid

agency and its stakeholders, including managed care organizations (MCOs), state behavioral health agencies, and/or treatment providers, to inform demonstration planning and quality improvement efforts, and to highlight successful approaches for consideration across the broader Medicaid population.

A. How to use this document

The purpose of this document is to support states in planning and conducting a mid-point assessment (hereafter “assessment”) of Medicaid section 1115 SUD and SMI/SED demonstrations. The guidance presented in this document is applicable to both SUD and SMI/SED assessments.³ The remainder of Section I provides an overview of the requirements and presents considerations for the state related to developing and completing the assessment. [Section II](#) provides an overview of the components that the state should include in its assessment report, including example templates that the state may adapt. In addition, there are two appendices to this document. Appendix A details the assessment requirements described in the SUD and SMI/SED SMDLs and STCs. Appendix B provides guidance for using monitoring metrics data to determine sufficient progress towards each demonstration milestone.

Why is the state asked to conduct a mid-point assessment?

The mid-point assessment provides an opportunity for a state with a SUD and/or SMI/SED demonstration to:

- Describe progress towards milestones and monitoring metric targets at the demonstration mid-point
 - Identify necessary adjustments to demonstration activities
 - If needed, work with CMS to develop a corrective action plan to help the state meet its demonstration requirements and milestones.▲
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¹ The November 1, 2017 SMDL (SMDL # 17-003 RE: Strategies to Address the Opioid Epidemic) The SMDL is available at: <https://www.medicaid.gov/sites/default/files/federal-policy-guidance/downloads/smd17003.pdf>.

² The November 13, 2018 SMDL (SMDL # 18--011 RE: Opportunities to Design Innovative Service Delivery Systems for Adults with a Serious Mental Illness or Children with a Serious Emotional Disturbance) is available at: <https://www.medicaid.gov/sites/default/files/federal-policy-guidance/downloads/smd18011.pdf>.

³ States with SUD and SMI/SED demonstrations that were approved at different times are expected to submit separate mid-point assessment reports in accordance with the timeline for the mid-point assessment specified in each of their STCs. States with SUD and SMI/SED demonstrations that were approved concurrently may submit a single report summarizing findings from their mid-point assessments of each demonstration. In this latter case, the state should clearly distinguish the SUD and SMI/SED components of its report.

B. Requirements for the mid-point assessment

The SUD and SMI/SED SMDLs and STCs specify that the state must work with an independent assessor to conduct the assessment between years two and three of the demonstration; the STCs for each state's demonstration provide a specific deadline for providing the assessment report to CMS. The state should also review its demonstration STCs to understand its responsibilities related to the assessment and direct related questions to its CMS demonstration team, as necessary.

Based on the findings from the assessment, the state must provide a report to CMS presenting demonstration monitoring metrics data as evidence of the state's progress towards demonstration milestones.⁴ The state may also include in its report a summary of findings from its assessment of other available information including, but not limited to, the state's progress towards completion of action items identified in the implementation plan, feedback from key stakeholders, and other state-specific data. The state should use these findings to assess its risk of not achieving each milestone (see box below) and, if needed, describe how the state plans to achieve progress toward that milestone. To the extent possible, the state should also describe internal and external factors that influenced the early years of the demonstration, and facilitators and barriers to its progress. This risk assessment will help CMS support the state in developing strategies to address any challenges the state may be experiencing and to assess any proposed modifications to the state's implementation plan or monitoring protocol.

How should the state determine its risk of not meeting demonstration milestones?

The state should identify its overall risk of not meeting each demonstration milestone as low, medium, or high based on an assessment of its progress on critical monitoring metrics associated with the milestone:

- **Low risk:** For all or nearly all of the critical metrics associated with the milestone, the state is moving in the direction expected according to its annual goals and overall demonstration targets.
- **Medium risk:** For most of the critical metrics associated with the milestone, the state is moving in the direction expected according to its annual goals and overall demonstration targets.
- **High risk:** For few of the critical metrics associated with the milestone, the state is moving in the direction expected according to its annual goals and overall demonstration targets.
- When assessing risk, the state may also consider its progress towards implementation plan action items associated with the milestone and risks related to meeting the milestone identified by key stakeholders. [Section II](#) lays out additional guidance for determining the state's overall risk for not achieving each milestone, and Appendix B specifies the monitoring metrics that CMS considers critical to achieving each demonstration milestone.

The SUD and SMI/SED SMDLs and STCs additionally indicate an expectation that the assessment would include an analysis of whether the state is on track to meet its budget neutrality requirements, including recommendations for adjustments in the state's implementation plan or to factors that the state can influence that will support improvement, if necessary. At this time, CMS would consider this segment of the assessment to be addressed through the state's ongoing quarterly budget neutrality reporting, CMS's reviews of those and other pertinent deliverables, and our continued coordination and collaboration with the state on necessary updates and revisions to such reporting. As such, a separate budget neutrality assessment is not necessary for the state's mid-point assessment.

⁴ In the event that a state has not submitted its first monitoring report including metrics data by the demonstration mid-point, the state should discuss with the CMS demonstration team a plan for submitting the mid-point assessment report in a timely manner.

C. Accounting for the COVID-19 public health emergency

CMS recognizes that the 2019 Coronavirus (COVID-19) public health emergency (PHE) may impact monitoring activities for the state’s SUD and SMI/SED demonstrations. To support state decision making related to the COVID-19 PHE, CMS has developed a technical assistance document that provides additional information on how the state can approach challenges in assessing trends in monitoring data and describe pauses and delays in demonstration implementation.⁵ CMS encourages the state to indicate in its assessment report how the COVID-19 PHE has affected its demonstration implementation, including changes in service delivery or utilization. The state should also describe any potential impact on monitoring data trends due to a pause or delay in demonstration implementation. In addition, the assessment should describe—in alignment with the state’s ongoing demonstration monitoring—if the pandemic led to any adjustments to baseline reporting periods as well as to trend assessment for metrics that include data for the periods affected by the COVID-19 PHE.

D. Process for conducting the mid-point assessment

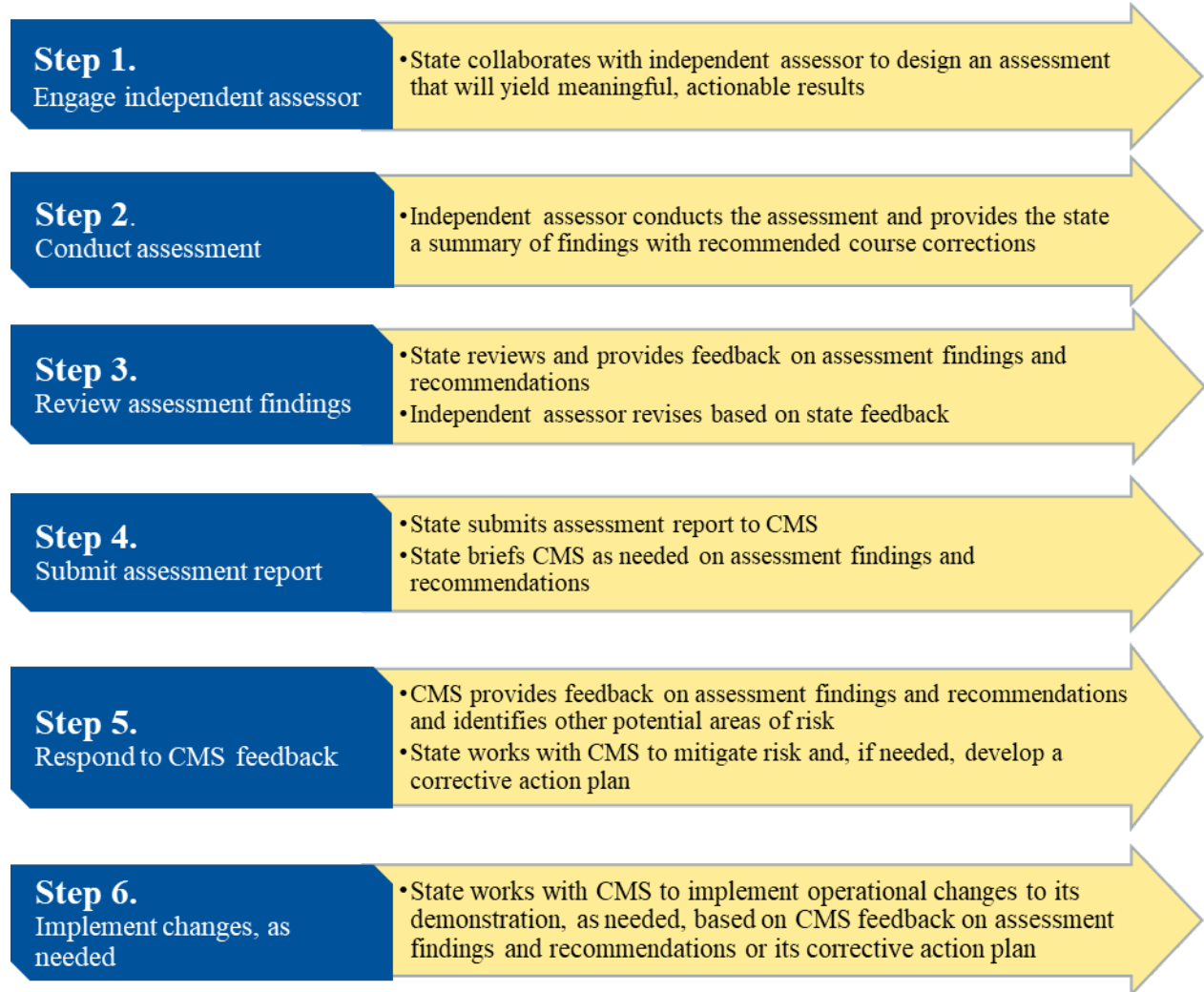
A general approach for engaging with the state’s independent assessor and CMS to design and carry out the mid-point assessment is outlined in Figure 1. CMS recognizes that each state’s demonstration priorities are unique, and that the state may face unique challenges or barriers to accessing data needed to conduct its assessment. As such, CMS allows the state the flexibility to design and carry out an assessment that meets the requirements laid out in the STCs, while aligning with the state’s available resources and priorities. The state’s CMS demonstration team is available to discuss and provide additional guidance on the process and requirements.

When would the state be required to provide a corrective action plan?

As stated in the SUD and SMI/SED SMDLs, states at risk for not meeting demonstration milestones and metrics targets are expected to amend their implementation plans. In addition, federal financial participation (FFP) for services in IMDs may be withheld if states are not making adequate progress on meeting milestones, which includes progress on goals for monitoring metrics as delineated in the state’s approved monitoring protocol. Achievement of the milestones and monitoring metric targets will also be taken into consideration by CMS if a state were to request an extension of its demonstration.

⁵ Available at: <https://www.medicaid.gov/medicaid/section-1115-demo/downloads/evaluation-reports/1115-covid19-state-implications.pdf>.

Figure 1: Process for conducting the mid-point assessment



II. Report Components

This section outlines the components that should be included in the report. These components include: (1) general background information on the demonstration; (2) the methodology used to conduct the assessment; and (3) assessment findings and associated next steps. As detailed in the findings section in [Section II.C](#), the core assessment components of this report are structured in three broad categories: (1) progress towards demonstration milestones; (2) assessment of state's overall risk of not meeting milestones; and (3) assessment of state's capacity to provide SUD and/or SMI/SED services.



A. General background information

This section of the report should include basic information about the demonstration.

1. Demonstration name, approval date, and time period of data analyzed in the assessment

The report should provide the following information about the state's demonstration:

- The full name
- The date that it was approved, as well as the approval period as specified in the state's current STCs
- Whether it addresses beneficiaries with SUD, beneficiaries with SMI/SED, or both populations

In addition, the report should specify the implementation period that was analyzed for the mid-point assessment. In most cases, CMS anticipates this time period should include data for the first half of the demonstration approval period.⁶ If the state's analysis timeframe differs substantially from this general expectation due to, for example, delayed implementation of the demonstration, the report should explain this difference.

2. Description of the demonstration's policy goals

The report should provide a brief description of the state's demonstration, including the milestone activities articulated in the demonstration STCs, evaluation design, or implementation plan, as well as the Medicaid eligibility groups that are subject to relevant policies or any other criteria used to define the group of beneficiaries impacted by the demonstration. This description should also include other information relevant to the assessment, such as when milestone-specific activities planned under the demonstration were implemented and any plans for a staged rollout of relevant policies or programmatic changes that may affect the state's ability to assess progress towards certain milestones and metrics targets.

⁶ For example, if a state's demonstration is approved for a five-year period, and the state begins implementation of its demonstration within a few months of the demonstration approval date, the state's mid-point assessment should capture data from the first 2.5 years of the demonstration and the mid-point assessment report should be submitted to CMS at the end of the state's Demonstration Year 3 to provide adequate time for data run-out.



B. Methodology

This section of the report should include information about how the assessment was designed and conducted.

1. Data sources

The report should provide a description of all data sources used. For each data source, the report should describe how the data was collected. For the assessment, the state must demonstrate progress on a subset of the monitoring metrics (“critical metrics”). In addition, the state may consider other data sources to help illustrate its demonstration progress, including its progress on implementation plan action items, other monitoring metrics, state-specific metrics, provider availability data, as well as feedback from stakeholders. Table 1 further describes the data sources the state may use to conduct its assessment.

Table 1: Data sources for the mid-point assessment

Data source	Description
Critical metrics ^a	For each demonstration milestone, CMS has identified a subset of monitoring metrics (“critical metrics”) that the state must include in its mid-point assessment. Collectively, the critical metrics: (1) have clear directionality and are CMS-required demonstration monitoring metrics, (2) have direct alignment with demonstration milestones, and (3) are most directly responsive to demonstration activities. Appendix B defines the critical metrics associated with each SUD and SMI/SED milestone.
Other monitoring metrics ^a	The state may choose to describe performance on other monitoring metrics not included in the critical metrics list but included in its approved monitoring protocol to provide additional information about its progress towards each demonstration milestone.
State-specific metrics	The state may report on state-specific metrics not included in its approved monitoring protocol to provide additional information about its progress towards each demonstration milestone.
Implementation plan action items	The state may assess its progress towards the action items associated with each milestone, as described in the state’s implementation plan. These action items will help the state provide context for its progress on the critical metrics.
Surveys or qualitative interviews with key stakeholders ^b	The state may conduct surveys or qualitative interviews with key stakeholders to help describe demonstration activities and provide context for state progress or challenges in implementation. These stakeholders could include representatives from managed care organizations (MCOs), treatment providers, beneficiaries, and other key partners, such as social service and criminal justice organization representatives.
Narrative monitoring or evaluation report data ^c	The state may also draw on narrative information from its monitoring reports and/or qualitative and quantitative evaluation data (if available).

Data source	Description
Provider availability assessment data	<p>For SUD demonstrations, the state may use information collected through its assessment of the availability of Medicaid providers at critical levels of care, which the state is expected to conduct as part of its Milestone 4 requirements, to describe the adequacy of its capacity to provide SUD treatment services. The state may also use these data to demonstrate progress towards demonstration milestones.</p> <p>For SMI/SED demonstrations, the state should refer to its Initial and Annual Assessments of the Availability of Mental Health Services (Availability Assessments) to describe the adequacy of its capacity to provide mental health services including the availability of mental health providers and inpatient, community-based, and crisis stabilization services. The state may also use the Availability Assessments to identify relevant ratios that demonstrate progress towards demonstration milestones.</p>

^a When reporting critical metrics or additional monitoring metrics, the state is not expected to calculate additional monitoring data for the mid-point assessment. Instead, the state should draw on the existing data collected for its demonstration monitoring reports.

^b If surveys or qualitative interviews will be conducted, the report should discuss the method (for example, surveys, group interviews, or individual interviews) in detail, the entities from which data was collected (e.g., specific managed care entities, provider agencies, or advocacy groups), as well as an explanation of how the interviewees were selected; as needed, the report may include this information in its appendices.

^c Potential evaluation data sources are detailed in the section 1115 SUD and SMI/SED demonstration evaluation design guidance. For example, these data sources include: Medicaid administrative data, including claims, encounters, enrollment, and demonstration monitoring data; Medicare claims data for people dually eligible for Medicaid and Medicare; electronic health records and/or health information exchange clinical data repositories; beneficiary and provider surveys; qualitative data, including individual and group interviews with beneficiaries and/or key informants; state data warehouses; and national survey data.

2. Analytic methods

The report should include a brief description of analytic methods used to examine the state’s demonstration progress and assess whether the state is at risk for not meeting demonstration targets for monitoring metrics.

Monitoring metrics. The state should calculate changes in performance on monitoring metrics between demonstration baseline and mid-point. The state should be able to use the results to assess whether the state is on track to meet its demonstration targets. The state should include data from the baseline reporting period through the mid-point assessment timeframe for the critical metrics, and apply the formulas presented in the box below to calculate changes in its monitoring metrics between baseline and demonstration mid-point.⁷ The state may also choose to conduct other analyses to help describe demonstration progress, including an assessment of progress towards metric targets among demonstration sub-populations and/or how the state’s demonstration population fared on these metrics compared to other populations.

Formulas for calculating changes in monitoring metrics

Absolute Change = Value of metric at mid-point - Value of metric at baseline

Percent Change = (Value of metric at mid-point - Value of metric at baseline)/Value of metric at baseline

⁷ The data from the baseline reporting period (DY1) should be the same data reported in the first monitoring report that included the metric. The data at the mid-point can be the most recent data that the state reported before the state began its mid-point assessment.

Provider availability assessment data. The state should use findings from its provider availability assessments to (1) describe the adequacy of its ability to provide SUD and/or SMI/SED services, (2) assess whether the availability of services is changing over time in ways consistent with the state’s implementation plan, and (3) identify any needs for additional capacity. For both SUD and SMI/SED demonstrations, the state may also use provider availability assessment data to provide additional context to the state’s progress on any of the demonstration milestones.

For SUD demonstrations, the state should review information collected through its assessment of the availability of Medicaid providers at critical levels of care, which the state is expected to conduct as part of its Milestone 4 requirements. For SMI/SED demonstrations, the state may use data from the Initial and Annual Availability Assessments, such as the counts of various mental health service providers, or the availability of various mental health service providers as a ratio of Medicaid beneficiaries with SMI/SED. The state should compare the information in its implementation plan and the baseline values reported in its Initial Availability Assessment against the updated values in the most recent Annual Availability Assessment to assess whether the state’s capacity is changing over time as expected.

[Section II.C.3](#) provides additional information about how the state should use its availability assessment findings to inform the mid-point assessment.

Other data sources. The state should describe how it analyzed any other data sources used in the mid-point assessment, including implementation plan action items, qualitative interviews or surveys with key stakeholders, and narrative information from other demonstration documents.

3. Assessment of overall risk of not meeting milestones

The Methodology section should include a brief description of the process used by the state to assess its overall risk of not meeting each milestone based on findings from its analysis of the monitoring metrics and other data sources, as appropriate. Table 2 describes considerations the state may use to assess its risk of not achieving each milestone. The state should primarily use the critical monitoring metrics data to demonstrate sufficient progress towards each milestone. In addition, the state may use the other data sources and analyses, especially to provide context if the state identifies any gaps in progress or issues as part of its assessment. [Section II.C](#) provides a template (Table 5) that aligns with these considerations which the state may adapt and use to present its assessment of risk for each milestone.

Table 2. Considerations for assessing risk of not achieving each demonstration milestone

Data source	Considerations	Overall risk of not meeting milestone		
		Low	Medium	High
Critical metrics (required)	For each metric associated with the milestone, is the state moving in the direction of the state’s annual goal and overall demonstration target?	All or nearly all (e.g., more than 75 percent) of the critical metrics trending in the expected direction	Some (e.g., 25-75 percent) of the critical metrics and other monitoring metrics trending in the expected direction	Few (e.g., less than 25 percent) of the critical metrics and other monitoring metrics trending in the expected direction
Implementation plan action items	Has the state completed each action item associated with the milestone as scheduled to date?	All or nearly all (e.g., more than 75 percent) of the action items completed	Some (e.g., 25-75 percent) of the action items completed	Few (e.g., less than 25 percent) of the action items completed

Data source	Considerations	Overall risk of not meeting milestone		
		Low	Medium	High
Stakeholder feedback	Did key stakeholders identify risks related to meeting the milestone?	Few stakeholders identified risks; risks can be easily addressed within the planned timeframe	Multiple stakeholders identified risks that may cause challenges meeting milestone	Stakeholders identified significant risks that may cause challenges meeting milestone
Provider availability assessment data	For SUD: Does the state have or expect to have adequate provider availability at critical levels of care? For SMI/SED: Is the state moving in the expected direction as outlined in the demonstration goals and milestones and as described in the state’s implementation plan for availability assessment data	For SUD: Availability is adequate For SMI/SED: All or nearly all (e.g., more than 75 percent) of the availability assessment data indicate expected progression	For SUD: Availability is not yet adequate but is moving in expected direction For SMI/SED: Some (e.g., 25-75 percent) of the availability assessment data indicate expected progression	For SUD: Availability is not yet adequate and not moving in expected direction For SMI/SED: Few (e.g., less than 25 percent) of the availability assessment data indicate expected progression

4. Limitations

The report should provide a description of any limitations associated with the data sources or analytic methods used to conduct the mid-point assessment, as well as other key considerations for the state and CMS in examining assessment findings.



C. Findings

This section should describe findings and recommendations from the independent assessment, as well as the state’s responses to the assessment findings. The report should synthesize findings across all data sources used for the mid-point assessment to determine whether the state has demonstrated progress on each demonstration milestone. The state is not required to submit a separate report describing responses to the independent mid-point assessment findings and recommendations. Instead, the state should review and provide feedback on the assessment findings and recommendations and the independent assessor should revise the report as needed based on the state’s feedback.

1. Progress towards demonstration milestones

This section should include a summary of the independent assessor’s findings regarding the state’s progress towards meeting each demonstration milestone.

Monitoring metrics. The report should include a table presenting changes in critical metrics between the baseline period and the mid-point. The state may use or adapt the template provided in Table 3 to present its findings. For each monitoring metric included in the assessment, the report should indicate the directionality at mid-point based on the changes from baseline to mid-point (i.e., increase, decrease, or consistent) in the context of the demonstration target from the state’s approved monitoring protocol.

The report should also include a narrative with additional context to help CMS understand these findings. The narrative may also describe other trends in the state’s monitoring metrics, such as periods of

increase/decrease or low/high points that occurred between the baseline and mid-point that help explain why the state did not show progress at the mid-point. The report may also incorporate longitudinal data or information as context for understanding unexpected or anomalous results. For example, if a state had been improving on a metric but at the mid-point, performance on the metric drops, the state may provide longitudinal information from prior to the mid-point to put the change in performance in perspective.

In some instances, the technical specifications for a given metric may change substantially over the course of the demonstration. Examples of substantial changes may include the state adding state-specific codes to reflect newly covered services, or a national measure steward updating the measure rate calculation for a metric that is an established quality measure. If a metric calculation changed substantially during the demonstration, the state should describe how each change affected the metrics data, as well as any anticipated effect on trends over time.

CMS will review the state’s assessment of the critical metrics associated with each milestone to determine whether the state has achieved sufficient progress towards that milestone at the demonstration mid-point. In general, CMS will consider any improvement toward the state’s demonstration target between the start of the demonstration and the mid-point as sufficient progress. CMS recognizes that there may not be enough time prior to the mid-point assessment for the state to make observable progress on some critical metrics. Additionally, there may be external factors outside of the state’s control that may limit improvement on monitoring metrics.

Table 3. Findings from mid-point assessment of monitoring metrics

Metric #	Metric Name	Monitoring metric rate or count				State’s demonstration target ^b	Directionality at mid-point	Progress ^c (Yes/No)	Milestone risk assessment ^d
		At baseline ^a	At mid-point ^a	Absolute change	Percent change				
#	<i>Example metric</i>	0.5	0.4	-0.1	-20%	<i>Decrease</i>	<i>Decrease</i>	<i>Yes</i>	<i>Low</i>

^a The measurement period (year, quarter, or month) for each monitoring metric should align with the state’s approved monitoring protocol. Any deviations in the state’s mid-point assessment from the state’s approved monitoring protocol related to the measurement period or calculation method should be explained in the mid-point assessment report.

^b The overall demonstration target (increase, decrease, consistent) should align with the state’s approved monitoring protocol.

^c Progress is considered any movement toward the state’s overall demonstration target. If the state’s target is to remain consistent with the baseline value, then no movement on the metric will be considered progress.

^d Milestone risk assessment is only required for each milestone, not each metric. The milestone risk assessment could be categorized as low (e.g., 75% or more of metrics moving in the direction expected), medium (e.g., 25-75%), or high (e.g., 25% or less) based on all of the metrics under each milestone.

Implementation plan action items. If the state includes a review of implementation plan action items for its mid-point assessment, the report should include a description of the status of each action item (i.e., action item has been completed, remains open, or has been suspended) and explain whether and how internal and external factors have affected the state’s ability to complete action items on schedule.⁸ The state may use or adapt the template provided in Table 4 to present its findings. If the state had to change

⁸ Examples of factors affecting a state’s demonstration progress could include legislation or other related efforts (such as grants, cooperative agreements, or demonstrations) at the federal or state-level; organizational changes within the state or its managed care entities; and challenges accessing, using, or interpreting related data sources.

the timeline for action items due to internal or external factors, the report should describe the state’s revised plans for achieving the new timeline.

Table 4. Findings from mid-point assessment of implementation plan action items

Action item number	Action item description	Date to be completed ^a	Current status (completed, open, suspended)
	<i>Example action item</i>	<i>06/30/2021</i>	<i>Open</i>

^a These dates should be the dates included in the state’s CMS-approved implementation plan. If no date was included in the implementation plan, the state should provide one here.

Stakeholder input. If the state collects feedback from key stakeholders to use in the mid-point assessment, the report should describe common views among stakeholders on the demonstration’s progress or areas of concern, differences in observations between stakeholders (e.g., providers versus beneficiaries), or potential modifications to the state’s implementation of the demonstration in response to stakeholder feedback. To the extent possible, the state should present findings from its analysis of stakeholder input by demonstration milestone. The state may also use stakeholder feedback to help assess its level of risk of not meeting the demonstration’s milestones currently or in the future.

Provider availability assessment. If the SMI/SED component of the state’s assessment uses data from its Initial and Annual Availability Assessments, such as the ratios of the availability of mental health service providers to Medicaid beneficiaries with SMI/SED, the report should describe and provide an explanation of any trends (e.g., relatively large changes in the rates, high or low rates, notable changes in the number of providers), identify the demonstration milestone to which each of the reported availability assessment ratios applies, and explain how the availability assessment findings provide context for the state’s progress toward the demonstration milestones. Likewise, if the SUD component of the state’s assessment uses provider availability data, the report should describe how the availability assessment findings provide context for the state’s progress toward the demonstration milestones.

More importantly, the state must use the data, trends, and other findings from its provider availability data to demonstrate its capacity to provide SMI/SED and SUD services at the demonstration mid-point (see [Section III.C.3](#)).

2. Assessment of overall risk of not meeting milestones

The report should include the state’s determination of risk level for each milestone as described in Section II.B.3 and the independent assessor’s recommended modifications for medium and high risk milestones. The report should incorporate the state’s responses to the independent assessor’s findings and recommendations and/or the state’s planned modifications. The report should note whether the state expects to modify its demonstration processes or implementation activities to meet milestones identified as medium or high risk of not being achieved. The state may also propose additional or different recommendations for meeting medium- or high-risk milestones. If a state does not show progress toward a milestone at the time of the mid-point assessment, the report should describe strategies for future improvement. If needed, the state will work with CMS to develop a plan for mid-course corrections.

Table 5. Summary of mid-point assessment of overall risk of not achieving demonstration milestones

Milestone	Percentage of fully completed action items (# completed /total) ^a	Percentage of monitoring metric goals met (# metrics/total) ^b	Key themes from stakeholder feedback	Risk level ^c	For milestones at medium or high risk, independent assessor’s recommended modifications	State’s responses and planned modifications
<i>Example milestone</i>	<i>50% (1/2)</i>	<i>75% (3/4)</i>	<i>Several providers noted concerns that lack of clear guidance around authorization processes may affect patient care</i>	<i>Medium</i>	<i>State should develop and disseminate detailed guidance to providers on authorization procedures</i>	

^a The calculation of the percentage of fully completed action items may include only the action items that the state expected to be completed by the mid-point.

^b The calculation of monitoring metric goals achieved should include all of the critical metrics, but the state may choose to include other monitoring metrics.

^c Risk level categories:

Low - For all or nearly all of the critical metrics (e.g., 75 percent or more), the state is moving in the direction expected according to its annual goals and overall demonstration targets. The state has fully completed most/all associated action items as scheduled to date. Few stakeholders identified risks related to meeting the milestone, and the risks identified can easily be addressed within the planned timeframe. If the state decides to submit availability assessment data, the state is moving in the expected direction for all or nearly all (e.g., 75 percent or more) of the data.

Medium - The state is moving in the expected direction relative to its annual goals and overall demonstration targets for some (e.g., 25-75 percent) of the critical metrics and additional monitoring metrics that the state reported for additional context. The state fully completed some of the associated action items as scheduled. Multiple stakeholders identified risks that could cause challenges in meeting the milestone. If the state decides to submit availability assessment data, the state is moving in the expected direction for some (e.g., 25-75 percent) of the data.

High - The state is moving in the expected direction relative to its annual goals and overall demonstration targets for few (e.g., less than 25 percent) of the critical metrics and additional monitoring metrics that the state reported for additional context. The state fully completed few or none of the associated action items as scheduled. Stakeholders identified significant risks to meeting the milestone. If the state decides to submit availability assessment data, the state is moving in the expected direction for few (e.g., less than 25 percent) of the data.

3. Assessment of state's capacity to provide SUD and/or SMI/SED services

The report should include a summary of the state's capacity to provide SUD and/or SMI/SED services at the demonstration mid-point, including a description of (1) any changes in the state's capacity to provide these services and (2) any identified needs for additional capacity. This section of the report should describe:

- **The adequacy of the state's capacity at the mid-point.** The report should describe the landscape of behavioral health care services available at demonstration mid-point and indicate whether it meets the needs of beneficiaries in the state.
- **Any changes in the state's capacity.** The report should describe changes in capacity since the beginning of the state's demonstration, including the direction of that change (i.e., increase, decrease, consistent). If the report identifies changes in capacity that were not anticipated by the implementation plan or demonstration milestones (e.g., a *decrease* in community-based services under an SMI/SED demonstration), the state should provide an explanation for the change and include recommendations for future improvement.
- **Any identified needs for additional capacity.** The report should indicate any identified needs for additional capacity. If the state is under capacity, the independent assessor should provide recommendations for improving capacity.

4. Next steps

Drawing from the independent assessor's findings and state responses, this section should include a narrative description of areas in which the state is at risk of not meeting required milestones or targets, and a list of the activities the state proposes for addressing deficiencies in or improving demonstration performance.



D. Attachments

The mid-point assessment report should also include attachments with additional supporting information.

1. Independent assessor description

This attachment should describe how the state worked with their independent assessor to develop and conduct the mid-point assessment and write the assessment report, including how the state ensured that the independent assessor conducted a fair and impartial assessment, prepared an objective assessment report, and had no conflict of interest. The report should include "No Conflict of Interest" signed confirmation statements from the independent assessor.

2. Data collection tools

If applicable, the report should include attachment(s) with instruments used to conduct data collection for the mid-point assessment.

Appendix A. State Requirements Per the Special Terms and Conditions for the Mid-Point Assessment

The state's special terms and conditions (STCs) for its section 1115 Substance Use Disorder (SUD) and Serious Mental Illness and Serious Emotional Disturbance (SMI/SED) demonstrations⁹ describe the following as required content for the mid-point assessment report:

- An examination of state progress toward meeting each milestone, including whether the state progressed according to the timeframe approved in the demonstration implementation plan, and demonstrated progress toward closing the gap between baseline and target each year in monitoring metrics, as outlined in the state's approved monitoring protocol.
- A determination of factors that affected state achievement towards meeting milestones and monitoring metric targets to date, identification of factors likely to affect future performance in meeting milestones and targets not yet met, and discussion about the risk of possibly missing those milestones and metrics targets.
- An assessment of whether the state is on track to meet its budget neutrality requirements, including recommendations for adjustments in the state's implementation plan or to factors that the state can influence that will support improvement, if necessary.¹⁰
- If applicable, modifications to the state's implementation plan, financing plan, and monitoring protocols for addressing milestones and metrics targets at medium to high risk of not being achieved.
- A description of methodologies used, with justifications, for examining progress and assessing risk, the limitations of the methodologies, and the independent assessor's determinations and any recommendations for the state.

The state should review its demonstration STCs carefully to ensure its understanding of the responsibilities related to the assessment and direct related questions to the CMS demonstration team, as necessary.

⁹ Exact language used in the STCs may vary by state, however the general requirements for the mid-point assessment will be the same for every state.

¹⁰ At this time, CMS would consider this segment of the assessment to be addressed through the state's ongoing quarterly budget neutrality reporting, CMS's reviews of those and other pertinent deliverables, and our continued coordination and collaboration with the state on necessary updates and revisions to such reporting. As such, a separate budget neutrality assessment is not necessary for the state's mid-point assessment.

Appendix B. Monitoring Metrics to Support the Mid-Point Assessment

CMS has identified a subset of “critical metrics” for each of the section 1115 Substance Use Disorder (SUD) and Serious Mental Illness and Serious Emotional Disturbance (SMI/SED) demonstrations. Collectively, these metrics: (1) have clear directionality and are required based on the technical specifications, (2) have direct alignment with demonstration milestones, and (3) are most directly responsive to demonstration activities. This appendix describes these critical metrics, as well as other monitoring metrics, that the state should use to support the mid-point assessment of its demonstration.

A. SUD Monitoring Metrics

1. Critical metrics for milestone assessment

CMS has selected 19 critical metrics across five of the six SUD demonstration milestones on (Table B.1). The state’s report should assess its progress on each critical metric based on whether the state moved in the direction of its approved demonstration target (i.e., increase, decrease, consistent, or stabilize) between demonstration baseline and mid-point.^{11,12}

Table B.1. Critical SUD metrics for assessing milestone progress at the mid-point^a

Metric #	SUD monitoring metric name
Milestone 1. Access to critical levels of care for OUD and other SUDs	
7	Early Intervention
8	Outpatient Services
9	Intensive Outpatient and Partial Hospitalization Services
10	Residential and Inpatient Services
11	Withdrawal Management
12	Medication-Assisted Treatment
22	Continuity of Pharmacotherapy for Opioid Use Disorder
Milestone 2. Use of evidence-based, SUD-specific patient placement criteria^b	
5	Medicaid Beneficiaries Treated in an IMD for SUD
36	Average Length of Stay in IMDs

¹¹ The state identified its demonstration target for each SUD monitoring metric during its completion of the monitoring protocol.

¹² For most SUD demonstration monitoring metrics, the state is instructed to select “increase,” “decrease,” or “consistent” (i.e., not change from baseline) as their annual goal and overall demonstration target. For Metric #36 (Average Length of Stay [ALOS] in Institutions for Mental Diseases [IMDs]), if the state’s ALOS in IMDs is known to be less than 30 days prior to the demonstration—or if the state’s ALOS is unknown—CMS understands that the state may initially observe and report an increase in the ALOS as the state expands coverage for care in IMDs during the demonstration. In this case, the state should indicate that its goal is to “stabilize” its current ALOS to achieve an overall demonstration target of “no more than 30 days.”

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Metric #	SUD monitoring metric name
In addition, the state may consider the following metrics when assessing Milestone 2:	
7	Early Intervention
8	Outpatient Services
9	Intensive Outpatient and Partial Hospitalization
10	Residential and Inpatient Services
11	Withdrawal Management
12	Medication-Assisted Treatment
Milestone 3. Use of nationally recognized SUD-specific program standards to set provider qualifications for residential treatment facilities	
n/a ^c	
Milestone 4. Sufficient provider capacity at each level of care	
13	Provider Availability
14	Provider Availability – MAT
Milestone 5. Implementation of comprehensive treatment and prevention strategies to address opioid abuse and OUD^d	
18	Use of Opioids at High Dosage in Persons Without Cancer (NQF #2940)
21	Concurrent Use of Opioids and Benzodiazepines (NQF #3175)
23	Emergency Department Utilization for SUD per 1,000 Medicaid Beneficiaries
27	Overdose death rate
Milestone 6. Improved care coordination and transitions between levels of care^e	
15	Initiation and Engagement of Alcohol and Other Drug Dependence Treatment (NQF #0004)
17(1)	Follow-up after Emergency Department Visit for Alcohol or Other Drug Dependence (NQF #2605)
17(2)	Follow-up after Emergency Department Visit for Mental Illness (NQF #2605)
25	Readmissions Among Beneficiaries with SUD
In addition, the state may consider the following metric when assessing Milestone 6:	
16	SUB-3 Alcohol and Other Drug Use Disorder Treatment Provided or Offered at Discharge and SUB-3a Alcohol and Other Drug Use Disorder Treatment at Discharge

^a The milestone groupings for the critical metrics defined in this table align with those included in Version 3.0 of the section 1115 SUD technical specifications manual. In some cases, metrics were realigned with the milestones for Version 3.0 compared to previous versions of the technical specifications.

^b In addition to assessing progress on Metrics #5 and 36, the state’s report may also describe changes in its performance on the six service utilization metrics associated with Milestone 1 (Metrics #7-12) to provide context on how the state is improving patient placement in the appropriate care level.

^c There are no critical metrics identified for Milestone 3 (Use of nationally recognized, evidence-based SUD program standards to set residential treatment provider qualifications). CMS will assess progress on this milestone based on other data described in Sections III and IV.

^d CMS recognizes that it may take longer to achieve the planned actions and have observable changes in the metrics associated with Milestone 5. For metrics on which the state does not achieve improvement, CMS encourages the state to provide supplemental information indicating progress, including: (1) any data related to completion of the planned actions listed in the implementation plan for this milestone; (2) data illustrating the extent of the state’s prevention activities such as implementing prescribing guidelines; and (3) data indicating increased use of or access to naloxone and/or the state’s PDMP.

^e CMS recognizes that it may take longer to achieve the planned actions and have observable changes in the metrics associated with Milestone 6. If the state is not able to demonstrate progress on the metrics associated with this milestone, CMS encourages the state to use the other recommended metric associated with this milestone (Metric #16) to demonstrate progress towards improving care coordination and transitions between levels of care.

2. Other metrics that provide contextual information

The mid-point assessment should also include a narrative that describes trends in Metrics #3 (Medicaid Beneficiaries with SUD Diagnosis [monthly]) and 4 (Medicaid Beneficiaries with SUD Diagnosis [annually]). These metrics provide context for understanding the state’s progress in implementing activities across milestones. The mid-point assessment should review Metrics #3 and 4 and consider them in the overall assessment of the state’s progress.

B. SMI/SED Monitoring Metrics

1. Critical metrics for milestone assessment

CMS has selected 11 critical metrics across the four SMI/SED demonstration milestones (Table B.2). The state’s report should assess its progress on each critical metric based on whether the state moved in the direction of its approved demonstration target (i.e., increased, decreased, consistent, or stabilized) between demonstration baseline and mid-point.^{13,14}

Table B.2. Critical SMI/SED metrics for assessing milestone progress at the mid-point

Metric #	SMI/SED monitoring metric name
Milestone 1.^a Ensuring quality of care in psychiatric hospitals and residential settings	
2	Use of First-Line Psychosocial Care for Children and Adolescents on Antipsychotics (APP-CH)
In addition, to provide context, the state may consider the following metrics when assessing Milestone 1:	
1 ^b	SUD Screening of Beneficiaries Admitted to Psychiatric Hospitals or Residential Treatment Settings (SUB-2)
23 ^{c,d}	Diabetes Care for Patients with Serious Mental Illness: Hemoglobin A1c (HbA1c) Poor Control (>9.0%) (HPCMI-AD)
Milestone 2. Improving care coordination and transitions to community-based care	
3	All-Cause Emergency Department Utilization Rate for Medicaid Beneficiaries who may Benefit from Integrated Physical and Behavioral Health Care (PMH-20)

¹³ The state identified its demonstration target for each SMI/SED monitoring metric during its completion of the monitoring protocol.

¹⁴ For most SMI/SED demonstration monitoring metrics, the state is instructed to select “increase,” “decrease,” or “consistent” as their annual goal and overall demonstration target. For Metric #19 (Average Length of Stay [ALOS] in Institutions for Mental Diseases [IMDs]), the state is instructed to indicate that its goal is to “stabilize” its current ALOS if the state’s ALOS of IMDs is known to be less than 30 days prior to the demonstration, or if the state’s ALOS is unknown.

Metric #	SMI/SED monitoring metric name
4	30-Day All-Cause Unplanned Readmission Following Psychiatric Hospitalization in an Inpatient Psychiatric Facility (IPF)
7	Follow-up After Hospitalization for Mental Illness: Ages 6–17 (FUH-CH)
8	Follow-up After Hospitalization for Mental Illness: Age 18 and Older (FUH-AD)
9	Follow-up After Emergency Department Visit for Alcohol and Other Drug Abuse (FUA-AD)
10	Follow-up After Emergency Department Visit for Mental Illness (FUM-AD)
Milestone 3.^a Increasing access to continuum of care including crisis stabilization services	
19 ^e	Average Length of Stay (ALOS) in Institutions of Mental Diseases (IMDs)
Milestone 4. Earlier identification and engagement in treatment including through increased integration	
26	Access to Preventive/Ambulatory Health Services for Medicaid Beneficiaries with SMI
29	Metabolic Monitoring for Children and Adolescents on Antipsychotics (APM-CH)
30	Follow-Up Care for Adult Medicaid Beneficiaries Who are Newly Prescribed an Antipsychotic Medication

^a Milestones 1 and 3 each have only one required critical metric, so the state should consider submitting additional evidence if the critical metric did not show progress. CMS will assess the critical metrics and other supporting evidence to make the final determination on the state’s progress towards these milestones.

^b In the technical specifications, Metric #1 is categorized as a recommended monitoring metric, so the state may not report this metric in its monitoring reports. The state has the option to report Metric #1 for the mid-point assessment to demonstrate progress toward Milestone 1.

^c Metric #23 is required for state monitoring reports but is grouped under Milestone 4 in the technical specifications. The state has the option to use Metric #23 to demonstrate progress toward Milestone 1 for the mid-point assessment, but the state should retain this metric in Milestone 4 for the purposes of annual monitoring.

^d Milestone 1 includes an aim to “demonstrate the capacity to address co-morbid physical health conditions” in settings “with on-site staff, telemedicine, or other partnerships with physical health providers” (SMDL #18-011, p. 15). To align Metric #23 with Milestone 1, a state should modify the calculation of the numerator and denominator to focus only on residential and inpatient settings. To modify the metric calculation, in Step 2 of the “Event/diagnosis definition,” the state should limit the beneficiaries to those who have at least one acute inpatient claim/encounter with any diagnosis of schizophrenia, schizoaffective disorder or bipolar disorder using any of the following code combinations:

BH Stand Alone Acute Inpatient Value Set with (Schizophrenia Value Set; Bipolar Disorder Value Set; Other Bipolar Disorder Value Set)

Visit Setting Unspecified Value Set with Acute Inpatient POS Value Set with Schizophrenia Value Set; Bipolar Disorder Value Set; Other Bipolar Disorder Value Set

^e The state must meet an ALOS in IMDs of 30 days at the mid-point assessment to receive federal financial participation.

IMD = institution of mental disease; SED = serious emotional disturbance; SMI = serious mental illness; SUD = substance use disorder

2. Service utilization rates

In addition to the critical metrics, the mid-point assessment report should include a narrative that describes the state’s trends in mental health service utilization, or Metrics #13-18 (Table A.3). These service utilization metrics provide valuable context for interpreting performance on other SMI/SED monitoring metrics.

Table B.3. Utilization metrics from the SMI/SED monitoring metrics

Metric #	SMI/SED monitoring metric name
13	Mental Health Services Utilization – Inpatient
14	Mental Health Services Utilization – Intensive Outpatient and Partial Hospitalization
15	Mental Health Services Utilization – Outpatient
16	Mental Health Services Utilization – ED
17	Mental Health Services Utilization – Telehealth
18	Mental Health Services Utilization – Any Services

ED = emergency department; SED = serious emotional disturbance; SMI = serious mental illness

Even though the state will report the change in these utilization metrics between the baseline and the mid-point, Metrics #13-18 do not need to show improvement toward the state’s target to demonstrate progress. Instead the state’s mid-point assessment report should describe how an increase or a decrease in an individual utilization metric supports the state’s progress.