

**1. Title page for the state’s substance use disorder (SUD) demonstration or the SUD component of the broader demonstration**

The state should complete this title page at the beginning of a demonstration and submit as the title page for all monitoring reports. The content of this table should stay consistent over time. Definitions for certain rows are below the table.

<b>State</b>	North Carolina.
<b>Demonstration name</b>	North Carolina Medicaid Reform Demonstration
<b>Approval period for section 1115 demonstration</b>	10/24/2018—10/31/2024
<b>SUD demonstration start date<sup>a</sup></b>	11/01/2019
<b>Implementation date of SUD demonstration, if different from SUD demonstration start date<sup>b</sup></b>	
<b>SUD (or if broader demonstration, then SUD - related) demonstration goals and objectives</b>	<p>As part of its commitment to expand access to treatment for substance use disorders (SUDs), North Carolina’s Department of Health and Human Services is pursuing a Section 1115 demonstration waiver to strengthen its SUD delivery system by:</p> <ol style="list-style-type: none"> <li>1. Expanding its SUD benefits to offer the complete American Society of Addiction Medicine (ASAM) continuum of SUD services;</li> <li>2. Obtaining a waiver of the Medicaid institution for mental diseases (IMD) exclusion for SUD services;</li> <li>3. Ensuring that providers and services meet evidence-based program and licensure standards;</li> <li>4. Building SUD provider capacity;</li> <li>5. Strengthening care coordination and care management for individuals with SUDs; and</li> <li>6. Improving North Carolina’s prescription drug monitoring program (PDMP).</li> </ol>
<b>SUD demonstration year and quarter</b>	DY3Q1
<b>Reporting period</b>	08/01/2020—10/31/2020

<sup>a</sup> **SUD demonstration start date:** For monitoring purposes, CMS defines the start date of the demonstration as the effective date listed in the state’s STCs at time of SUD demonstration approval. For example, if the state’s STCs at the time of SUD demonstration approval note that the SUD demonstration is effective January 1, 2020 – December 31, 2025, the state should consider Jan. 1, 2020, to be the start date of the SUD

demonstration. Note that the effective date is considered to be the first day the state may begin its SUD demonstration. In many cases, the effective date is distinct from the approval date of a demonstration; that is, in certain cases, CMS may approve a section 1115 demonstration with an effective date that is in the future. For example, CMS may approve an extension request on Dec. 15, 2020, with an effective date of Jan. 1, 2021, for the new demonstration period. In many cases, the effective date also differs from the date a state begins implementing its demonstration.

<sup>b</sup> **Implementation date of SUD demonstration:** The date the state began claiming federal financial participation for services provided to individuals in institutions for mental disease.

## 2. Executive summary

During this reporting quarter, amendments were drafted for the Opioid Treatment Program, Medically Monitored Inpatient Withdrawal Management, Ambulatory Withdrawal Management Without Extended On-site Monitoring, and for Clinically Managed Population Specific High Intensity Residential Treatment Services. During the drafting of the High Intensity Residential Treatment Services the state compiled a list of medications used for withdrawal management to determine if rates needed to be changed for these medications. The state is on track to fully implement these policies later this year.

The state is developing a few policies that will be new to for State-funded services, and some that will be new to the Medicaid population that will be implemented early next year. The policies that will be new to the State include: Ambulatory Withdrawal Management with Extended On-Site Monitoring, and Clinically Managed Population Specific High Intensity Residential Program (focusing on individuals with co-occurring substance use disorder and traumatic brain injury). The policies that will be new to the Medicaid State Plan include: Clinically Managed High-Intensity Residential Services. This service is currently a State-funded service definition that works with pregnant and parenting women. The 1115 SUD waiver implementation will not only add this to the Medicaid State Plan, it will also expand to cover services for adolescents and adults. All policy development and revisions will ensure that services can be provided in Institution of Mental Disease (IMD) settings.

Analysis of the metrics indicates that the number of Medicaid-enrolled individuals with a SUD disorder (Metric #3) has remained relatively stable in the 1<sup>st</sup> quarter of Demonstration Year 3 (August – October 2020), increasing by only 1.75% from the prior quarter (May – July 2020). We note that the size of the Medicaid population grew considerably during this quarter, largely due to the requirement to not disenroll Medicaid recipients during the COVID-19 public health emergency, so the relative prevalence of people with SUD diagnoses or treatments has fallen during this time. In addition, we find that the number of individuals receiving various forms of SUD treatments, including Early Intervention, Outpatient Services, Intensive Outpatient and Partial Hospitalization Services, and Medication Assisted Treatment for OUD (Metrics 6-9, 12) have increased compared to the previous quarter, whereas those receiving Residential and Inpatient Services, and Withdrawal Management Services (Metrics 10-11) have decreased this quarter. The increase in the number of beneficiaries receiving Intensive Outpatient and Partial Hospitalization (IOP) services of 8% is particularly notable. Though it has not been implemented yet, IOP is one of the backbone changes in NC's treatment offerings. IOP increased among all major subpopulations as well. We also highlight some promising movements in other metrics, including a marked increase in the number of providers who meet the standards to provide buprenorphine or methadone as part of MAT (Metric

#14) which perhaps suggest that more and more providers are obtaining the Drug Addiction Treatment Act (DATA 2000) waiver. Moreover, the use of the emergency department (ED) for SUD per 1,000 Medicaid beneficiaries (Metric #23) has further declined during this quarter continuing the trend highlighted in the previous quarter. With regards to Medicaid spending, there had been a substantial increase (46%) in SUD spending on residential treatment within IMDs (Metric #29) in comparison to the prior demonstration year.

**3. Narrative information on implementation, by milestone and reporting topic**

Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
<b>1. Assessment of need and qualification for SUD services</b>			
<b>1.1 Metric trends</b>			

<p>1.1.1. The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to assessment of need and qualification for SUD services</p>		<p>Metric #3</p>	<p>Beneficiaries with a SUD diagnosis increased 1.75% from last quarter, going from an average of 69,291 to an average of 70,505 beneficiaries this quarter. The following are sub-populations with a change of +/- 2% from the prior quarter if the number of beneficiaries is over 30.</p> <p>SUD diagnoses (monthly):</p> <ul style="list-style-type: none"> <li>• increased by 5.48% among beneficiaries with OUD, going from an average of 15,007 beneficiaries last quarter to an average of 15,829 beneficiaries this quarter.</li> <li>• increased by 2.01% among beneficiaries aged 18-64, going from an average of 61,629 beneficiaries last quarter to an average of 62,865 beneficiaries this quarter.</li> <li>• decreased by 2.92% among pregnant beneficiaries, going from an average of 1767 to an average of 1715 beneficiaries this quarter.</li> <li>• decreased by 9.68% among beneficiaries who were criminal justice involved, going from an average of 83 beneficiaries to an average of 75 beneficiaries this quarter.</li> <li>• decreased by 2.32% among dually enrolled beneficiaries, going from an average of 16,007 beneficiaries last quarter to an</li> </ul>
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Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
		Metric #4	<p>average of 15,636 dual beneficiaries this quarter.</p> <p>Compared to the previous demonstration year, beneficiaries with SUD diagnosis decreased by 2.46%, going from an average of 98,365 to an average of 95,950 beneficiaries this year.</p>
<b>1.2 Implementation update</b>			
<p>1.2.1. Compared to the demonstration design and operational details, the state expects to make the following changes to:</p> <p>1.2.1.i. The target population(s) of the demonstration</p>	X		
<p>1.2.1.ii. The clinical criteria (e.g., SUD diagnoses) that qualify a beneficiary for the demonstration</p>	X		
<p>1.2.2 The state expects to make other program changes that may affect metrics related to assessment of need and qualification for SUD services</p>	X		

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Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
<b>2. Access to Critical Levels of Care for OUD and other SUDs (Milestone 1)</b>			
<b>2.1 Metric trend</b>			

<p>2.1.1 The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to Milestone 1</p>		<p>Metric #6</p>	<p>Beneficiaries receiving SUD treatment increased by 3.18% from last quarter, going from an average of 23,167 beneficiaries receiving treatment to an average of 23,902 beneficiaries this quarter.</p> <p>The following are sub-populations with a change of +/- 2% from the prior quarter if the number of beneficiaries is over 30.</p> <p>SUD treatment:</p> <ul style="list-style-type: none"> <li>increased by 5.15% among beneficiaries with OUD, going from an average of 13,937 beneficiaries last quarter to an average of 14,655 beneficiaries this quarter.</li> <li>increased by 3.32% among beneficiaries aged 18-64, going from an average of 21,585 beneficiaries last quarter to an average of 22,300 beneficiaries this quarter.</li> <li>decreased by 3.96% among pregnant beneficiaries, going from an average of 893 beneficiaries last quarter to an average of 858 beneficiaries this quarter.</li> </ul>
		<p>Metric #7</p>	<p>The number of beneficiaries receiving Early Intervention services remained stable at an average of six beneficiaries. The low numbers may be due to the fact that the state did not publish a communication bulletin informing providers of the expansion of licensed clinicians able to bill Screening, Brief Intervention and Referral to Treatment (SBIRT) in a primary care setting until</p>

		<p>Metric #8</p>	<p>late January 2021, which was after the end of the observation period.</p> <p>Beneficiaries receiving Outpatient SUD services increased by 5.04% from last quarter, going from an average of 16,736 beneficiaries receiving early intervention services to an average of 17,579 beneficiaries this quarter.</p> <p>The following are sub-populations with a change of +/- 2% from the prior quarter if the number of beneficiaries is over 30.</p> <p>Beneficiaries receiving Outpatient SUD Services:</p> <ul style="list-style-type: none"> <li>• increased by 6.13% among beneficiaries with OUD, going from an average of 10,836 beneficiaries last quarter to an average of 11,501 beneficiaries this quarter.</li> <li>• increased by 3.63% among beneficiaries under age 18, going from an average of 340 beneficiaries last quarter to an average of 352 beneficiaries this quarter.</li> <li>• increased by 5.13% among beneficiaries age 18-64, going from an average of 15,843 beneficiaries last quarter to an average of 16,655 beneficiaries this quarter.</li> <li>• increased by 3.38% among beneficiaries age 65 or older, going from an average of 553 beneficiaries last quarter to an average of 571 beneficiaries this quarter.</li> <li>• decreased by 5.34% among pregnant beneficiaries, going from an average of 668</li> </ul>
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		<p>Metric #9</p>	<p>beneficiaries last quarter to an average of 632 beneficiaries this quarter.</p> <p>Beneficiaries receiving Intensive Outpatient and Partial Hospitalization Services increased by 7.81% from last quarter, going from an average of 1,152 to an average of 1,242 beneficiaries this quarter. The following are sub-populations with a change of +/- 2% from the prior quarter if the number of beneficiaries is over 30.</p> <p>Intensive Outpatient and Partial Hospitalization Services Recipients:</p> <ul style="list-style-type: none"> <li>• increased by 10.46% among beneficiaries with OUD, going from an average of 417 beneficiaries last quarter to an average of 461 beneficiaries this quarter.</li> <li>• increased by 2.84% among beneficiaries under age 18, going from an average of 58 beneficiaries last quarter to an average of 60 beneficiaries this quarter.</li> <li>• increased by 7.46% among beneficiaries aged 18-64, going from an average of 1,042 beneficiaries last quarter to an average of 1,119 beneficiaries this quarter.</li> <li>• increased by 20.51% among beneficiaries age 65 or older, going from an average of 52 beneficiaries last quarter to an average of 63 beneficiaries this quarter.</li> </ul>
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		<p>Metric #10</p>	<ul style="list-style-type: none"> <li>increased by 11.35% among dually eligible beneficiaries, going from an average of 232 beneficiaries last quarter to an average of 258 beneficiary this quarter.</li> </ul> <p>Beneficiaries receiving Residential and Inpatient SUD treatment decreased by 2.06% from last quarter, going from an average of 324 beneficiaries receiving treatment to 318 beneficiaries this quarter.</p> <p>The following are sub-populations with a change of +/- 2% from the prior quarter if the number of beneficiaries is over 30.</p> <p>Beneficiaries receiving residential and Inpatient SUD treatment:</p> <ul style="list-style-type: none"> <li>decreased by 2.37% among beneficiaries age 18-64, going from an average of 310 beneficiaries last quarter to an average of 303 beneficiaries this quarter.</li> </ul>
		<p>Metric #11</p>	<p>Beneficiaries receiving SUD withdrawal management decreased by 14.84% from last quarter, going from an average of 128 beneficiaries receiving treatment to an average of 109 beneficiaries this quarter.</p> <p>The following are sub-populations with a change of +/- 2% from the prior quarter if the number of beneficiaries is over 30.</p> <p>Beneficiaries receiving withdrawal management:</p>

		<p>Metric #12</p>	<ul style="list-style-type: none"> <li>• decreased by 15.14% among beneficiaries age 18-64, going from an average of 123 beneficiaries last quarter to an average of 105 beneficiaries this quarter.</li> </ul> <p>Beneficiaries receiving medication assisted treatment (MAT) increased by 5.69% from last quarter, going from an average of 12,929 beneficiaries receiving treatment to 13,664 beneficiaries this quarter.</p> <p>The following are sub-populations with a change of +/- 2% from the prior quarter if the number of beneficiaries is over 30.</p> <p>Beneficiaries receiving MAT:</p> <ul style="list-style-type: none"> <li>• increased by 5.42% among beneficiaries with OUD, going from an average of 10,564 beneficiaries last quarter to an average of 11,137 beneficiaries this quarter.</li> <li>• decreased by 8.89% among beneficiaries under age 18, going from an average of 60 beneficiaries last quarter to an average of 55 beneficiaries this quarter.</li> <li>• increased by 5.76% among beneficiaries age 18-64, going from an average of 12,764 beneficiaries last quarter to an average of 13,499 beneficiaries this quarter.</li> <li>• increased by 5.41% among beneficiaries age 65 or older, going from an average of</li> </ul>
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Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
			<p>105 beneficiaries last quarter to an average of 110 beneficiaries this quarter.</p> <ul style="list-style-type: none"> <li>decreased by 4.45% among dually eligible beneficiaries, going from an average of 472 beneficiaries last quarter to an average of 451 beneficiaries this quarter.</li> </ul>
<b>2.2 Implementation update</b>			

<p>2.2.1 Compared to the demonstration design and operational details, the state expects to make the following changes to:</p> <p>2.2.1.i. Planned activities to improve access to SUD treatment services across the continuum of care for Medicaid beneficiaries (e.g. outpatient services, intensive outpatient services, medication-assisted treatment, services in intensive residential and inpatient settings, medically supervised withdrawal management)</p>		<p><u>ASAM 0.5 – Early intervention.</u></p> <p>During this reporting quarter the Division of Health Benefits staff published a communication bulletin outlining the addition of licensed professionals able to bill for SBIRT service utilization. Specifically, the bulletin stated that effective Jan. 29, 2021, the following licensed professionals could use SBIRT CPT codes 99408 and 99409 in a primary care setting:</p> <ul style="list-style-type: none"> <li>• Licensed Psychologist (LP)</li> <li>• Licensed Psychological Associate (LPA)</li> <li>• Licensed Clinical Mental Health Counselor/Associate (LCMHC/LCMHC-A)</li> <li>• Licensed Clinical Social Worker/Associate (LCSW/LCSW-A)</li> <li>• Licensed Marriage and Family Therapist/Associate (LMFT/LMFT-A_)</li> <li>• Licensed Clinical Addiction Specialist/Associate (LCAS/LCAS-A)</li> <li>• Certified Clinical Nurse Specialist (CNS)</li> </ul> <p><u>ASAM 3.3 – Clinical Population-Specific High-Intensity Residential Programs. (New service for Division of Health Benefits [DHB] and Division of Mental Health [DMHDDSAS])</u></p> <p>During the January meeting of an internal work group that included of DHB and DMHDDSAS staff, a draft plan was developed for Population-Specific high-intensity residential programs.</p>
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		<p><u>OTP – Opioid Treatment Programs (revised policy)</u>                  During this reporting quarter, the Division of Mental Health, Division of Health Benefits, and the North Carolina Association for the Treatment of Opioid Dependence met to work on a proposed clinical coverage policy for Opioid Treatment Programs (OTP).</p> <p><u>1-WM (Withdrawal Management) (revised policy)</u>                  In early January, a draft of the clinical coverage policy for Ambulatory Withdrawal Management Without Extended On-site monitoring was developed.</p> <p><u>2 WM (Withdrawal Management) (New service for DHB and DMHDDSAS)</u>                  In early January, a draft of the clinical coverage policy for Ambulatory Withdrawal Management with Extended On-site monitoring was developed.</p> <p><u>3.2 – WM (Withdrawal Management) (new policy for DHB, service currently available through State funds only)</u>                  During this reporting period the Division of Mental Health and the Division of Health Benefits developed a clinical policy addressing Clinically Managed Residential Withdrawal. In late January this draft policy was presented to a stakeholder workgroup for them to provide feedback.</p> <p><u>3.7- WM (Withdrawal Management; revised policy)</u></p>
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Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
			In January, the Division of Mental Health and the Division of Health Benefits worked on a draft version of a clinical policy for medically monitored inpatient withdrawal management.
2.2.1.ii. SUD benefit coverage under the Medicaid state plan or the Expenditure Authority, particularly for residential treatment, medically supervised withdrawal management, and medication-assisted treatment services provided to individual IMDs			<p>During this reporting quarter the state edited policies to remove IMD exclusion language. The Policies included in this change were: OTP, 1-WM and 3.7-WM.</p> <p>During this reporting quarter policy development began on new policies allowing intervention service in IMDs. These new policies were added to the SPA and addressed ASAM levels 3.3, 2-WM, and 3.2-WM.</p>
2.2.2 The state expects to make other program changes that may affect metrics related to Milestone 1	X		





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Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
<p>3.2.1 Compared to the demonstration design and operational details, the state expects to make the following changes to:</p> <p>3.2.1.i. Planned activities to improve providers’ use of evidence-based, SUD-specific placement criteria</p>	X		<p>The state met with UNC Springboard to review attendance at ASAM trainings to date. UNC reported that attendance was low. After obtaining that information it was determined that an action plan to improve attendance was needed. The action plan implemented March 2021, and is set to be completed June 30, 2021, when the contract with UNC Springboard to coordinate the ASAM training is set to expire.</p>
<p>3.2.1.ii. Implementation of a utilization management approach to ensure (a) beneficiaries have access to SUD services at the appropriate level of care, (b) interventions are appropriate for the diagnosis and level of care, or (c) use of independent process for reviewing placement in residential treatment settings</p>	X		<p>Training was conducted virtual-live and e-learning platforms on ASAM criteria to 74 professionals, so they are able to apply determine appropriate ASAM level of care when completing assessments. The assessments include diagnostic assessments and comprehensive clinical assessments.</p>
<p>3.2.2 The state expects to make other program changes that may affect metrics related to Milestone 2</p>	X		

Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
<b>4. Use of Nationally Recognized SUD-specific Program Standards to Set Provider Qualifications for Residential Treatment Facilities (Milestone 3)</b>			
<b>4.1 Metric trends</b>			
4.1.1 The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to Milestone 3  Note: There are no CMS-provided metrics related to Milestone 3. If the state did not identify any metrics for reporting this milestone, the state should indicate it has no update to report.	X		
<b>4.2 Implementation update</b>			
4.2.1 Compared to the demonstration design and operational details, the state expects to make the following changes to:  4.2.1.i. Implementation of residential treatment provider qualifications that meet the ASAM Criteria or other nationally recognized, SUD-specific program standards	X		
4.2.1.ii. Review process for residential treatment providers' compliance with qualifications.	X		
4.2.1.iii. Availability of medication-assisted treatment at residential treatment facilities, either on-site or through facilitated access to services off site	X		

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Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
4.2.2 The state expects to make other program changes that may affect metrics related to Milestone 3	X		

Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
<b>5. Sufficient Provider Capacity at Critical Levels of Care including for Medication Assisted Treatment for OUD (Milestone 4)</b>			
<b>5.1 Metric trends</b>			
5.1.1 The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to Milestone 4		Metric #13	The number of providers who were enrolled in Medicaid and qualified to deliver SUD services decreased slightly (1.12%) this demonstration year compared to a year before, going from 5,871 providers to 5,805 providers.
		Metric #14	The number of providers who were qualified to deliver SUD services and met the standards to provide buprenorphine or methadone as part of MAT increased by 17.12% this demonstration year compared to a year before, going from 1,110 providers to 1,300 providers.
<b>5.2 Implementation update</b>			
5.2.1 Compared to the demonstration design and operational details, the state expects to make the following changes to:  Planned activities to assess the availability of providers enrolled in Medicaid and accepting new patients in across the continuum of SUD care			During this reporting period the state held two stakeholder meetings to present new draft policies. The stakeholders were given 10 days to provide feedback to DHB staff. The policies being reviewed addressed 2 new policies, 2two-WM and 3.2, and 1 existing policy that was being amended, 1-WM.
5.2.2 The state expects to make other program changes that may affect metrics related to Milestone 4	X		
<b>6. Implementation of Comprehensive Treatment and Prevention Strategies to Address Opioid Abuse and OUD (Milestone 5)</b>			
<b>6.1 Metric trends</b>			

<p>6.1 The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to Milestone 5</p>		<p>Metric #23</p>	<p>ED utilization for SUD per 1,000 Medicaid beneficiaries has decreased by 10.8%. The denominator of those utilizing ED services increased by 3.67%, while the numerator decreased by 7.57%. NC Medicaid beneficiary ED utilization is significantly down across the board since the onset of the Public Health Emergency. The following are sub-populations with a change of +/- 2% from the prior quarter if the number of beneficiaries is over 30.</p> <p>ED use for SUD per 1000 beneficiaries:</p> <ul style="list-style-type: none"> <li>• decreased by 7.35% among beneficiaries with OUD, going from rate of 34.6 per 1,000 last quarter to 32.0 per 1,000 this quarter.</li> <li>• decreased by 12.48% among beneficiaries under age 18, going from rate of 0.13 per 1,000 last quarter to 0.11 per 1,000 this quarter.</li> <li>• decreased by 12.80% among beneficiaries age 18-64, going from rate of 4.3 per 1,000 last quarter to 3.7 per 1,000 this quarter.</li> <li>• decreased by 9.21% among beneficiaries age 65 and older, going from rate of 1.00 per 1,000 last quarter to 0.91 per 1,000 this quarter.</li> </ul>
<p><b>6.2 Implementation update</b></p>			

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Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
6.2.1 Compared to the demonstration design and operational details, the state expects to make the following changes to: 6.2.1.i. Implementation of opioid prescribing guidelines and other interventions related to prevention of OUD	X		
6.2.1.ii. Expansion of coverage for and access to naloxone	X		
6.2.2 The state expects to make other program changes that may affect metrics related to Milestone 5	X		
<b>7. Improved Care Coordination and Transitions between Levels of Care (Milestone 6)</b>			
<b>7.1 Metric trends</b>			
7.1.1 The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to Milestone 6		Metric #25	Readmissions among beneficiaries with SUD has remained relatively stable compared to the previous demonstration year (15.6 vs 15.9). The denominator for readmissions among beneficiaries with SUD increased by 11.5%, while the numerator decreased by 9.7%.
<b>7.2 Implementation update</b>			

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Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
7.2.1 Compared to the demonstration design and operational details, the state expects to make the following changes to: Implementation of policies supporting beneficiaries’ transition from residential and inpatient facilities to community-based services and supports	X		
7.2.2 The state expects to make other program changes that may affect metrics related to Milestone 6	X		
<b>8. SUD health information technology (health IT)</b>			
<b>8.1 Metric trends</b>			
8.1.1 The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to its health IT metrics	X		
<b>8.2 Implementation update</b>			
8.2.1 Compared to the demonstration design and operational details, the state expects to make the following changes to:  8.2.1.i. How health IT is being used to slow down the rate of growth of individuals identified with SUD	X		
How health IT is being used to treat effectively individuals identified with SUD	X		

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Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
8.2.1.ii. How health IT is being used to effectively monitor “recovery” supports and services for individuals identified with SUD	X		
8.2.1.iii. Other aspects of the state’s plan to develop the health IT infrastructure/capabilities at the state, delivery system, health plan/MCO, and individual provider levels	X		
8.2.1.iv. Other aspects of the state’s health IT implementation milestones	X		
8.2.1.v. The timeline for achieving health IT implementation milestones	X		
8.2.1.vi. Planned activities to increase use and functionality of the state’s prescription drug monitoring program	X		
8.2.2 The state expects to make other program changes that may affect metrics related to health IT	X		
<b>9. Other SUD-related metrics</b>			
<b>9.1 Metric trends</b>			



<p>9.1.1 The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to other SUD-related metrics</p>		<p>Metric #24</p>	<p>Inpatient stays for SUD per 1,000 Medicaid beneficiaries have decreased by 12.54%. The denominator for inpatient stays increased by 3.67%, while the numerator decreased by 9.40%. The following are sub-populations with a change of +/- 2% from the prior quarter if the number of beneficiaries is over 30.</p> <p>Inpatient stays for SUD per 1,000:</p> <ul style="list-style-type: none"> <li>decreased by 5.2% among beneficiaries with OUD, going from rate of 37.3 per 1,000 last quarter to 35.3 per 1,000 this quarter.</li> <li>decreased by 16.0% among beneficiaries age 18-64, going from rate of 3.0 per 1,000 last quarter to 2.5 per 1,000 this quarter.</li> <li>decreased by 2.8% among beneficiaries age 65 and older, going from rate of 2.2 per 1,000 last quarter to 2.1 per 1,000 this quarter.</li> </ul>
		<p>Metric #28</p>	<p>Total Medicaid SUD spending increased by 5.8% this demonstration year compared to a year before, going from \$269,003,730 to \$284,462,401.</p>
		<p>Metric #29</p>	<p>Total Medicaid SUD spending on residential treatment within IMDs increased by 46% this demonstration year compared to a year before, going from \$3,682,369 to \$5,376,612.</p>

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Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
		Metric #30	Per capita SUD spending increased by 8.5% this demonstration year compared to a year before, going from \$2,676 to \$2,904.
		Metric #31	SUD spending within IMDs increased by 38.7% this demonstration year compared to a year before, going from \$5,863 to \$8,134. The denominator for this metric increased by 5.3%, while the numerator increased by 46.0%. Currently, inpatient may be provided in an IMD. The State will be promulgating additional policies in the future to allow for additional services to be provided in an IMD. This could be the reason for the low level of expenditure for this metric.
		Metric #32	The percentage of Medicaid beneficiaries with SUD, who had an ambulatory or preventive care visit, decreased by 2.33% in calendar year 2020 compared to the previous year, going from 92.28% in 2019 to 90.14% in 2020.
<b>9.2 Implementation update</b>			
9.2.1 The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to other SUD-related metrics	X		

**4. Narrative information on other reporting topics**

Prompts	State has no update to report (Place an X)	State response
<b>10. Budget neutrality</b>		
<b>10.1 Current status and analysis</b>		
10.1.1 If the SUD component is part of a broader demonstration, the state should provide an analysis of the SUD-related budget neutrality and an analysis of budget neutrality as a whole. Describe the current status of budget neutrality and an analysis of the budget neutrality to date.		North Carolina appears to be within budget neutrality limits for the SUD component of the demonstration.
<b>10.2 Implementation update</b>		
10.2.1 The state expects to make other program changes that may affect budget neutrality		North Carolina does not expect to make program changes that affect budget neutrality.

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[State name] [Demonstration name]

Prompts	State has no update to report (Place an X)	State response
<b>11. SUD-related demonstration operations and policy</b>		
<b>11.1 Considerations</b>		
<p>11.1.1 The state should highlight significant SUD (or if broader demonstration, then SUD-related) demonstration operations or policy considerations that could positively or negatively affect beneficiary enrollment, access to services, timely provision of services, budget neutrality, or any other provision that has potential for beneficiary impacts.</p> <p>Also note any activity that may accelerate or create delays or impediments in achieving the SUD demonstration’s approved goals or objectives, if not already reported elsewhere in this document. See report template instructions for more detail.</p>		<p>The Request for Applications (RFA) for Behavioral Health/I/DD Tailored Plans was issued November 13, 2020. Tailored Plans will strengthen the provision of integrated NC Medicaid Managed Care, which will in turn support the provision of high value care to Medicaid beneficiaries. Both Tailored Plans (TP) and Standard Plans (SP), (TP are set to go live July 1, 2022. SPs are set to go live July 1, 2021) will focus on whole person care that includes both the medical and non-medical drivers of health. This will have a positive impact on SUD beneficiaries, as they will have access to care that addresses social determinants of health.</p>
<b>11.2 Implementation update</b>		
<p>11.2.1 Compared to the demonstration design and operational details, the state expects to make the following changes to:</p> <p>11.2.1.i. How the delivery system operates under the demonstration (e.g. through the managed care system or fee for service)</p>	X	
<p>11.2.1.ii. Delivery models affecting demonstration participants (e.g. Accountable Care Organizations, Patient Centered Medical Homes)</p>	X	
<p>11.2.1.iii. Partners involved in service delivery</p>	X	

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[State name] [Demonstration name]

Prompts	State has no update to report (Place an X)	State response
11.2.2 The state experienced challenges in partnering with entities contracted to help implement the demonstration (e.g., health plans, credentialing vendors, private sector providers) and/or noted any performance issues with contracted entities	X	
11.2.3 The state is working on other initiatives related to SUD or OUD	X	
11.2.4 The initiatives described above are related to the SUD or OUD demonstration (The state should note similarities and differences from the SUD demonstration)	X	

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[State name] [Demonstration name]

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Prompts	State has no update to report (Place an X)	State response
<b>12. SUD demonstration evaluation update</b>		
<b>12.1 Narrative information</b>		

<p>12.1.1 Provide updates on SUD evaluation work and timeline. The appropriate content will depend on when this report is due to CMS and the timing for the demonstration. There are specific requirements per Code of Federal Regulations (CFR) for annual reports. See report template instructions for more details.</p>		<p>The SUD evaluation instructions request updates on the following components:</p> <p>Evaluation Design: There are no updates on the evaluation design to report. The Evaluation design for both the SUD and the overall 1115 waiver was approved on Jan. 15, 2020.</p> <p>Evaluation procurement: There are no updates in evaluation procurement. This task is complete.</p> <p>Evaluation implementation: The Sheps Center independent evaluator team has created values for required metrics in the SUD Monitoring Template document and spreadsheet and has created baseline including metrics with this report.</p> <p>Evaluation deliverables: We are on track regarding the timing of SUD deliverables per the STCs and were able to provide the baseline estimates for metrics this reporting period. The Executive Summary contains a narrative description of some of the changes in metrics.</p> <p>Data collection, including any issues collecting, procuring, managing, or using data for the state’s evaluation or federal evaluation: Although the nature of the administrative data available to the Sheps Center is slightly different from the dynamic warehouse available within DHB, the Sheps Center team was able to closely replicate the metrics for the prior reporting period. For our qualitative analysis, we have conducted over 30 interviews with local providers and staff regarding the SUD implementation as well as the upcoming managed care implementation.</p>
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[State name] [Demonstration name]

Prompts	State has no update to report (Place an X)	State response
		Status updates on deliverables related to the demonstration evaluation: Expected timelines are being met and no barriers to achieving the goals of the evaluation have been noted.
12.1.2 Provide status updates on deliverables related to the demonstration evaluation and indicate whether the expected timelines are being met and/or if there are any real or anticipated barriers in achieving the goals and timeframes agreed to in the STCs	X	
12.1.3 List anticipated evaluation-related deliverables related to this demonstration and their due dates	X	
<b>13. Other demonstration reporting</b>		
<b>13.1 General reporting requirements</b>		
13.1.1 The state reports changes in its implementation of the demonstration that might necessitate a change to approved STCs, implementation plan, or monitoring protocol	X	
13.1.2 The state anticipates the need to make future changes to the STCs, implementation plan, or monitoring protocol, based on expected or upcoming implementation changes	X	
13.1.3 Compared to the demonstration design and operational details, the state expects to make the following changes to: 13.1.3.i. The schedule for completing and submitting monitoring reports		The state notes that the budget neutrality reporting months will be different than demonstration reporting months. Example: CMS DYQ4 is August-October with a submission date of January, while Budget Neutrality reporting is on the State Fiscal Year so goes from July-September.



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[State name] [Demonstration name]

Prompts	State has no update to report (Place an X)	State response
13.1.3.ii. The content or completeness of submitted reports and/or future reports		The state did not have any budget neutrality data to report to CMS DY3Q1 due reporting lag.
13.1.4 The state identified real or anticipated issues submitting timely post-approval demonstration deliverables, including a plan for remediation	X	
<b>13.2 Post-award public forum</b>		
13.2.2 If applicable within the timing of the demonstration, provide a summary of the annual post-award public forum held pursuant to 42 CFR § 431.420(c) indicating any resulting action items or issues. A summary of the post-award public forum must be included here for the period during which the forum was held and in the annual report.	X	
<b>14. Notable state achievements and/or innovations</b>		
<b>14.1 Narrative information</b>		
14.1.1 Provide any relevant summary of achievements and/or innovations in demonstration enrollment, benefits, operations, and policies pursuant to the hypotheses of the SUD (or if broader demonstration, then SUD related) demonstration or that served to provide better care for individuals, better health for populations, and/or reduce per capita cost. Achievements should focus on significant impacts to beneficiary outcomes. Whenever possible, the summary should describe the achievement or innovation in quantifiable terms, e.g., number of impacted beneficiaries.	X	

\*The state should remove all example text from the table prior to submission.

Note: Licensee and states must prominently display the following notice on any display of Measure rates:

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