

**VIRGINIA SECTION 1115 MEDICAID DEMONSTRATION
FACT SHEET
December 15, 2016**

Name of Demonstration: Virginia Governor’s Access Plan (GAP) and Addiction and Recovery Treatment Services (ARTS) Demonstration

Waiver Number: 11-W-00297/3
Date Proposal Submitted: October 15, 2014
Date Approved: January 9, 2015
Date Implemented: January 12, 2015
Date Expires: December 31, 2019

BACKGROUND

On October 15, 2014, the Commonwealth of Virginia submitted a request to CMS for the “Virginia Governor’s Access Plan” (GAP) section 1115 demonstration. This demonstration extends access to certain behavioral and physical health services to uninsured low income adults who have a diagnosis of a serious mental illness (SMI). The goal of the GAP component of the demonstration is to utilize a targeted benefit package to prevent people with a SMI diagnosis from becoming fully and permanently disabled.

On August 5, 2016, the Commonwealth of Virginia submitted an amendment request to implement the Addiction and Recovery Treatment Services Demonstration. The ARTS component of the demonstration, which contributes to a comprehensive statewide strategy to combat prescription drug abuse and opioid use disorders, seeks to expand the substance use disorder (SUD) benefits package to cover the full continuum of SUD treatment including short-term residential and inpatient services to all Medicaid eligible members.

AMENDMENTS

Amendment #3: The demonstration was amended and renamed “The Virginia Governor’s Access Plan and Addiction and Recovery Treatment Services (ARTS) Delivery System Transformation.” The amendment authorizes Virginia to implement a new SUD benefit and delivery system. The ARTS Delivery System Transformation is a demonstration program to test a new paradigm for the delivery of health care services for all Medicaid-eligible individuals with SUD (both those served via the managed care and fee-for-service delivery systems). No Medicaid state plan beneficiaries are excluded from the ARTS demonstration. The ARTS demonstration provides an expanded SUD benefit package to all Medicaid recipients and introduces policy, practice and system reforms consistent with the programmatic requirements of the CMS State Medicaid Director (SMD) letter #15-003. The implementation date for the ARTS demonstration is April 1, 2017.

Date Amendment #3 Submitted: August 5, 2016

Date Amendment #3 Approved: December 15, 2016

Amendment #2: The Virginia GAP section 1115 demonstration was amended to increase the financial eligibility criteria from 60 percent to 80 percent of the federal poverty level (FPL). The decision of the state legislators, which expands the Virginia GAP section 1115 demonstration benefit package to childless adults and non-custodial parents who have been diagnosed with serious mental illness (SMI). Effective July 1, 2016, individuals with SMI who apply to the VA GAP section 1115 demonstration program and meet eligibility criteria may have a household income up to 85 percent of the FPL (80 percent plus a 5 percent disregard).

Date Amendment #2 Submitted: April 20, 2016

Date Amendment #2 Approved: June 17, 2016

Amendment #1: The demonstration and waiver authorities were amended to comply with recent state legislation, which requires the Virginia GAP demonstration to reduce eligibility levels from effectively 100 percent of the federal poverty level (FPL) to 60 percent of the FPL, effective May 15, 2015. Individuals with incomes up to 100 percent of the FPL who are determined eligible for the demonstration based on an application prior to May 15, 2015, can retain coverage through the demonstration until the sooner of July 1, 2016 or the individuals' next eligibility renewal period.

Date Amendment #1 Submitted: April 10, 2015

Date Amendment #1 Approved: May 14, 2015

ELIGIBILITY FOR GAP

The demonstration covers individuals aged 21 through 64, who have been diagnosed with SMI and are otherwise ineligible for Medicaid, with incomes at the following modified adjusted gross income (MAGI) levels:

- Effective through May 14, 2015, applications received with household income that is at or below 95 percent of the FPL MAGI;
- Effective beginning May 15, 2015, applications received with household income that is at or below 60 percent of the FPL MAGI;
 - Individuals with incomes in excess of 60 percent of the FPL and who are otherwise determined eligible for the demonstration who apply before May 15, 2015 will continue to be eligible for and enrolled in the demonstration until July 1, 2016 or until their next eligibility renewal period, whichever comes first.
- Effective beginning July 1, 2016, applications received with household income that is at or below 80 percent of the FPL MAGI;
 - Individuals with income at or below 80 percent of the FPL will be eligible for the demonstration.

BENEFITS FOR GAP

The Virginia GAP demonstration will utilize one benefit package for all eligible beneficiaries. The limited benefit package is comprised of both traditional medical services and behavioral health services. As in the state's Medicaid program, there are no hard limits on the services provided through this demonstration. The benefits covered under the GAP demonstration include:

1. Outpatient hospital coverage, limited to diagnostic ultrasound procedures, and EKG/ECG (including stress tests and radiology procedures);
2. Outpatient medical/home health, limited to services associated with diabetes;
3. Mental health case management;
4. Crisis stabilization;
5. Psychiatric evaluation and outpatient individual, family, and group therapies (mental health and substance abuse);
6. Peer supports; and
7. Prescription drugs.

Recognizing that the targeted benefit package does not support comprehensive coverage, the state has convened an informal network of community providers that are willing to provide unreimbursed services that are not part of the Virginia GAP demonstration's benefit package. This voluntary network is called *Preferred Pathways* and will be based on the region in which the beneficiary lives.

COST SHARING FOR GAP

Individuals receiving services from the Virginia GAP demonstration will have no cost sharing or premium obligations.

DELIVERY SYSTEM FOR GAP

Services for the GAP component of the demonstration will be provided using a fee-for-service delivery system for medical services and managed fee-for-service through an administrative services organization (ASO) for behavioral health services.

ARTS TRANSFORMATION DEMONSTRATION

The ARTS program demonstrates how comprehensive and high quality substance use disorder care can improve the health of ARTS recipients while decreasing other health care system (such as Emergency Department and inpatient hospital) costs. Critical elements of the ARTS demonstration include providing a continuum of care modeled after the American Society of Addiction Medicine Criteria (ASAM Criteria) for SUD treatment services, introducing policy and program measures to ensure providers meet the ASAM Criteria standards of care, integrating SUD treatment services into a comprehensive managed care delivery system for those recipients receiving managed care; increasing reimbursement rates for SUD treatment services to increase provider

capacity and access to services for members, creating utilization controls to improve care and ensure efficient use of resources, and implementing strategies to improve the quality of care through evidence-based best practices. This approach is expected to provide Medicaid recipients with access to the care needed to achieve sustainable recovery.

The ARTS demonstration will evaluate the outcomes of introducing additional benefits and delivery systems transformations. The five key goals of the ARTS demonstration are to:

- Improve quality of care and population health outcomes for the Medicaid population;
- Increase Medicaid recipients' access to and utilization of community-based and outpatient ARTS;
- Decrease utilization of high-cost emergency department and hospital services by Medicaid recipients with SUDs by expanding treatment in more cost-effective community-based residential and outpatient settings;
- Improve care coordination and care transitions for Medicaid recipients with SUDs; and,
- Increase the number and type of health care clinicians providing ARTS to Medicaid recipients with SUDs.

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