Fact Sheet

Promising Practices to Serve Youth with Substance Use Disorders

This fact sheet highlights promising strategies and innovations to help states strengthen services for youth with substance use disorders (SUD) under Medicaid.[1]

Quick Start Checklist

Three key strategies states can implement to help strengthen services for youth with substance use disorders (SUD) include:

- Expanding school-based SUD services;
- Providing managed care incentives to promote improved access, stronger coordination of SUD and other services, and more effective youth-centered care; and
- Strengthening and supporting the SUD workforce who provide services to youth through:
  - Investing in provider training and technical assistance;
  - Providing coverage and reimbursement for peer support specialists; and
  - Integrating mobile crisis and community response services.

Current Landscape

Substance use often begins during adolescence, when youth are vulnerable due to social, developmental, familial, and community factors. Youth enrolled in Medicaid face barriers to accessing appropriate and timely SUD care due to fragmented systems, gaps in continuity of care, provider shortages, low provider reimbursement rates, limited investment in prevention, and stigma towards people with SUD. The following findings from the National Survey on Drug Use and Health highlight the impact of SUD among youth in the United States.

2024

7.8% of adolescents (aged 12-17) and 25.9% of young adults (aged 18-25) met the diagnostic criteria for an SUD.

2024

3.5% of youth aged 12-17 reported binge drinking and 6.6% reported alcohol use in the past month.

State Medicaid Agency Strategies and Innovations

States are implementing a range of strategies to expand access to SUD treatment for youth. By integrating care into school settings, aligning managed care incentives with care goals, and strengthening the provider workforce through provider trainings, use of paraprofessionals, and use

[1] For this fact sheet, youth are considered to be 12-25 years old. This encompasses the adolescent, youth, and young adult categories frequently seen in the literature.

of community-based crisis response services, states can make improvements in early identification, treatment capacity, and establishing a continuum of care for youth with SUD.

School-Based Services and School-Based Health Clinics

For Medicaid-enrolled children, states can cover a range of section 1905(a) state plan services provided in and/or by schools, including SUD identification and treatment services, that are delivered by Medicaid enrolled providers. The Centers for Medicare & Medicaid Services (CMS) issued guidance in 2022 and 2023 on providing and increasing access to school-based health services. The guidance provides detailed information on making school-based behavioral health services, including SUD services, more accessible to youth by extending coverage of school-based services to all Medicaid-enrolled children, not just those with Individualized Education Programs/Individualized Family Service Plans (IEP/IFSP). Schools may seek payment for all Medicaid-covered services provided to children enrolled in Medicaid, regardless of whether the services are provided at no cost to other students.

California provides incentives to managed care plans (MCP) to establish youth-specific SUD-targeted interventions for Medi-Cal-enrolled students under the Student Behavioral Health Incentive Program (SBHIP). Examples of SUD-targeted interventions include screening and referral processes for SUD and access to medication-assisted treatment (MAT) and counseling. SBHIP includes 147 school-based interventions, six of which explicitly target improving SUD services.

The **Tennessee Department of Mental Health and Substance Abuse Services** funds behavioral health liaisons placed in schools via the School-Based Behavioral Health Liaison (SBBHL) Program. In Tennessee, SBBHL services are Medicaid-billable when delivered by qualified providers and included in the state plan. Liaisons provide prevention services, early identification of SUD, crisis intervention, brief therapy, and referrals. SBBHLs may also train and educate school personnel, facilitate schoolwide SUD prevention activities, and conduct psychoeducational groups with students.

Managed Care Approaches

States design managed care programs, including the populations, benefits, and operational structure. Some states may choose to utilize incentive/withhold arrangements with MCPs under 42 Code of Federal Regulations (CFR) 438.6, and specific contractual requirements to address the needs of youth with SUD.

Specialized MCPs: Some states have chosen to establish specialized youth or behavioral health MCPs to coordinate and deliver behavioral health services for youth. Specialized MCPs can provide integrated care management, targeted provider networks, and tailored benefit designs to

address the unique developmental and behavioral health needs of youth, inclusive of SUD services.

Launched in 2022, **OhioRISE** (Resilience through Integrated Systems and Excellence) is a specialized Ohio managed care program that provides targeted behavioral health services, including SUD, and intensive care coordination for youth and their families. The program was initially part of a section 1915(c) home and community-based services waiver. Beneficiaries in OhioRISE can receive SUD care in coordination with physical health, MH, and pharmacy services. As reported to the Ohio legislature in 2025, over 50,000 children and youth are enrolled in OhioRISE. OhioRISE has reduced emergency department (ED) visits, psychiatric hospital stays, and the average length of hospital stays.

Quality Incentive Programs (QIP): Under 42 CFR 438.6, states can use incentive or withhold arrangements in MCP contracts and, where appropriate, align plan performance with specific goals for SUD care for youth, such as screening, timely initiation and engagement in treatment, and care coordination. States use QIPs to tie financial incentives to MCPs' performance metrics, thereby promoting improved access, stronger coordination, and more effective, youth-centered care.

Through the **Oregon Coordinated Care Organization (CCO) QIP**, Oregon's CCOs earn incentive payments for performance on core behavioral health metrics, including screening and treatment initiation for youth with SUD. CCOs improved on most behavioral health care measures, including age-appropriate screening for alcohol and other substance use screening and follow-up, according to a 2023 report.

Strengthening the SUD Workforce

States have various policy levers to strengthen the SUD workforce, such as supporting providers with training and resources, providing coverage and reimbursement for Peer Support Specialists (PSS), and expanding mobile crisis services.

Provider Training and Guidance: States can invest in, develop, and offer provider training and guidance to strengthen the SUD workforce. Provider training and guidance may include standardized training curricula, technical assistance, and billing or documentation guidance to increase provider competency and confidence in delivering SUD services. States can also leverage Medicaid administrative funding or cross-agency partnerships to support Medicaid-related provider training initiatives and tailor the trainings to address the unique needs of youth by focusing on adolescent development, family engagement, early intervention, and age-appropriate, evidence-based SUD treatment approaches.

The **Connecticut Behavioral Health Partnership**, a cross-agency collaborative, developed and maintains a digital resource library for providers comprised of care documentation templates, training videos, newsletters, provider handbooks, and best practice resources. The resource library includes youth-specific level of care manuals for behavioral health services, including SUD services.

Peer Support Specialists (PSS): Youth-specific PSS are uniquely qualified to support youth with SUD given their personal experience and ability to authentically relate, empathize, and demonstrate recovery. States can expand access to and reimbursement of PSS for SUD under multiple authorities, including section 1115 demonstrations**,** section 1915(i) SPAs, or section (c) waivers. Use of PSS, who combine lived experience with formal training, can reduce substance use, re-hospitalization rates, ED use, involvement with the criminal justice system, and recurrence of SUD.

Kentucky Medicaid provides coverage and reimbursement for PSS who offer structured and scheduled therapeutic services to individuals with SUD, including youth. Youth PSS must be between the ages of 18 and 35 and have lived experience related to "emotional, social, behavioral, or substance use disability." Kentucky supports PSS via state plan and section 1115 authorities. Use of PSS is associated with the increased likelihood of SUD treatment engagement among Kentucky Medicaid beneficiaries.

Mobile Crisis Services: CMS issued guidance in 2021 on states' option to provide qualifying community-based mobile crisis intervention services, including through text and chat technologies that youth may be more comfortable using. Mobile crisis services allow youth to access care in the community, directing individuals to less intensive services and away from high cost EDs and unnecessary hospitalizations. This approach allows hospital-based providers to focus on higher-level clinical care needs and long-term recovery efforts. Youth mobile crisis services can lead to significant cost reductions due to reduced inpatient utilization, ED and jail diversion, and more appropriate use of community-based behavioral health services. Mobile crisis services are important access points for youth in need of behavioral health care.

Connecticut provides mobile crisis services to all youth in the state, including for SUD crises. The state has a child/youth-specific crisis line, Youth Mobile Crisis Intervention Services which provide rapid face-to-face crisis response for children and their families, and a School-based Diversion Initiative which provides access to mental health prevention and crisis services in schools and the local community. Connecticut funds its mobile crisis services through federal block grants, philanthropy, Medicaid, private insurance, and state appropriated funds.

Oklahoma's Youth Crisis Mobile Response initiative provides services to youth up to 25 years old. The Mobile Response Teams refer individuals to SUD services. Between 2019 and 2021, Oklahoma's Youth Crisis Mobile Response program received over 13,000 calls, of which nearly 80% of children, youth, and young adults were diverted from a change in placement, 90% of youths at risk of school disruption returned to class, and over 2,000 youth experiencing a crisis were enrolled in Oklahoma's Systems of Care (OKSOC). OKSOC is a state-wide collaborative network of services involving members of local communities, organizations, agencies, facilities, centers and groups that serve the needs of children, youth, and young adults.

Additional Resources

CMS Guidance

- Leveraging Medicaid, CHIP, and Other Federal Programs in the Delivery of Behavioral Health Services for Children and Youth (2022 Center for Medicaid and CHIP services (CMCS) Informational Bulletin): Provides federal guidance and examples of ways that Medicaid and Children's Health Insurance Program (CHIP) funding, alone or in tandem with funding from other federal programs, can be used in the provision of high-quality behavioral health services for children and youth.
- Information on School-Based Services in Medicaid: Funding, Documentation, and Expanding Services (2023 CMCS Informational Bulletin): Provides guidance on expanding and financing Medicaid school-based services, clarifies state responsibilities for coverage and reimbursement under EPSDT and other authorities, and outlines strategies to improve coordination and access to care in school settings.
- Delivering Services in School-Based Settings: A Comprehensive Guide to Medicaid Services and Administrative Claiming (2023 CMS Guidance): Clarifies how schools can collaborate with state Medicaid and CHIP agencies to bill for medically necessary services and associated administrative activities delivered in school settings.

- Access to Mental Health and Substance Use Disorder Services for Children and Pregnant Women in the Children's Health Insurance Program (State Health Official [SHO] Letter #20-002): Directs states to ensure access to MAT for opioid use disorders and tobacco cessation as required by Medicaid services, mandates required screenings for behavioral health, and urges the use of evidence-based treatment options.
- Guidance to States and School Systems on Addressing Mental Health and Substance Use Issues in Schools (2019 Joint SAMHSA and CMCS Informational Bulletin): Provides information on the integration of MH and SUD services into school settings, outlines how Medicaid can reimburse such services, and presents evidence-based models for related services.
- Coverage of Behavioral Health Services for Youth with Substance Use Disorders (2015 Joint CMCS and SAMHSA Informational Bulletin): Provides guidance on coverage for behavioral health services for youth with SUD, clarifies how states can meet EPSDT obligations, and outlines a series of evidence-based treatment, recovery, and support services.
- Scope of and Payments for Qualifying Community-Based Mobile Crisis Intervention Services (SHO #21-008): Provides guidance on the scope of and payments for qualifying community-based mobile crisis intervention services.

Additional Federal Resources

- Evidence-Based Practices Resource Center (SAMHSA weblinks): Provides communities, clinicians, policymakers, and other entities (e.g., state Medicaid agencies) with information and tools to incorporate evidence-based practices into their communities or clinical settings.
- Talk. They Hear You. Student Assistance: A Guide for School Administrators (SAMHSA guide): Provides school leaders and administrators with information on student assistance services for substance use and MH initiatives.
- Supporting Child and Student Social, Emotional, Behavioral, and Mental Health Needs (U.S. Department of Education report): Provides information and resources to enhance the promotion of MH and social and emotional well-being among students.
- Best Practices for Implementing the Continuum of Crisis Services under Medicaid and CHIP (SHO #25-004): Provides a practical guide for states and other stakeholders on effective practices in crisis services.
- Best Practices for Adhering to Early and Periodic Screening, Diagnostic, and Treatment Requirements (SHO #24-005): Provides states with information to meet EPSDT requirements.