

# ASAM Criteria Fourth Edition: Impacts on States with Medicaid Section 1115 Demonstrations

*December 8, 2025*

*1:30–3:00 p.m. ET*

*10:30 a.m.–12:00 noon PT*



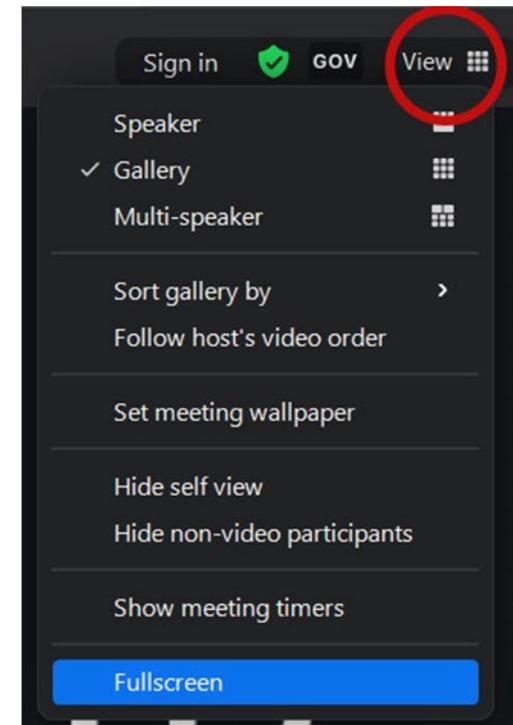
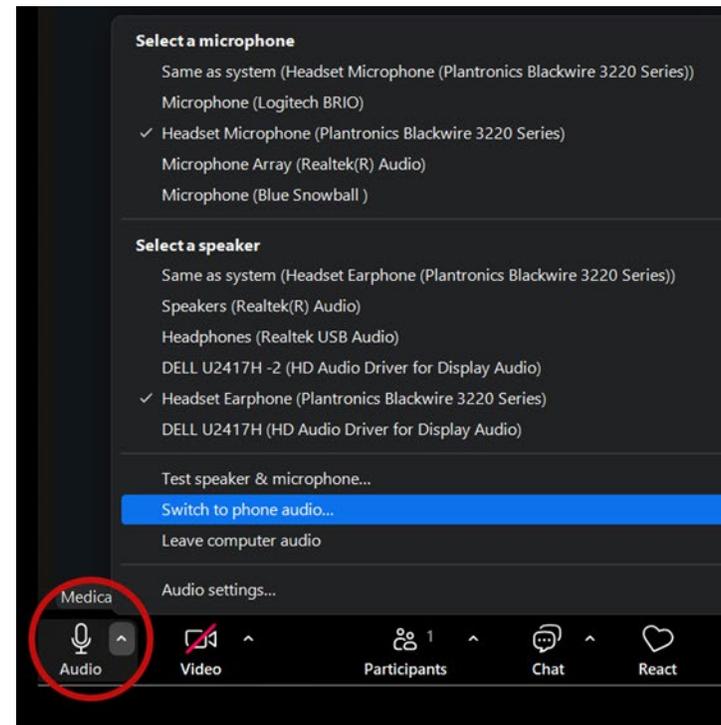
# Logistics

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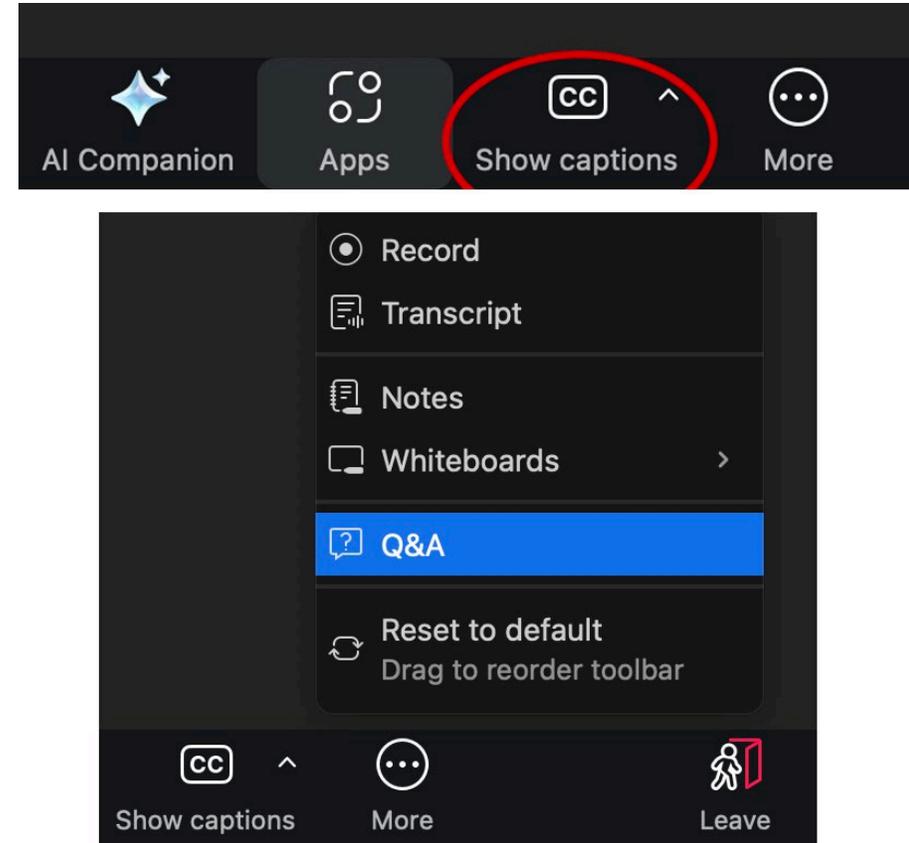
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# Welcome

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**DANIELLE DALY, PHD**

Division Director

Division of Demonstration Monitoring and Evaluation

State Demonstrations Group

Center for Medicaid and CHIP Services

# Webinar Agenda

- Webinar objectives
- ASAM Criteria overview
- State presentation: Colorado
  - Aligning providers with the updated ASAM levels of care, including cost implications for both the state and its providers
- State presentation: Kentucky
  - Training and building provider capacity to implement ASAM Criteria, including strategies for stakeholder collaboration
- Small group discussions

# Objectives for this Webinar

- Describe how changes to the ASAM Criteria for the Fourth Edition will affect service delivery within Medicaid section 1115 demonstrations using the Fourth Edition Criteria
- Explore how states that are using the Criteria are adapting demonstration design and implementation
- Describe strategies states can use to engage and inform providers and managed care plans about the transition
- Provide opportunity for peer learning and connections through state-to-state small group discussions and Q&A with state presenters

# ASAM Criteria Overview

- **States with SUD demonstrations must implement policies to ensure and improve access to SUD services.** This includes requirements that providers assess treatment needs based on SUD-specific, multidimensional assessment tools.
- States most often meet this requirement by using the ASAM criteria, a nationally recognized framework for SUD treatment\*
  - Widely used and comprehensive set of standards for assessing, placing, and treating individuals with substance use disorders
- Developed by the American Society of Addiction Medicine (ASAM)
  - Initially published in 1981 and updated in 1996 (Second Edition), 2001 (Second Edition – Revised), and 2013 (Third Edition)
  - Latest edition (Fourth Edition) released in late 2023

Sources:

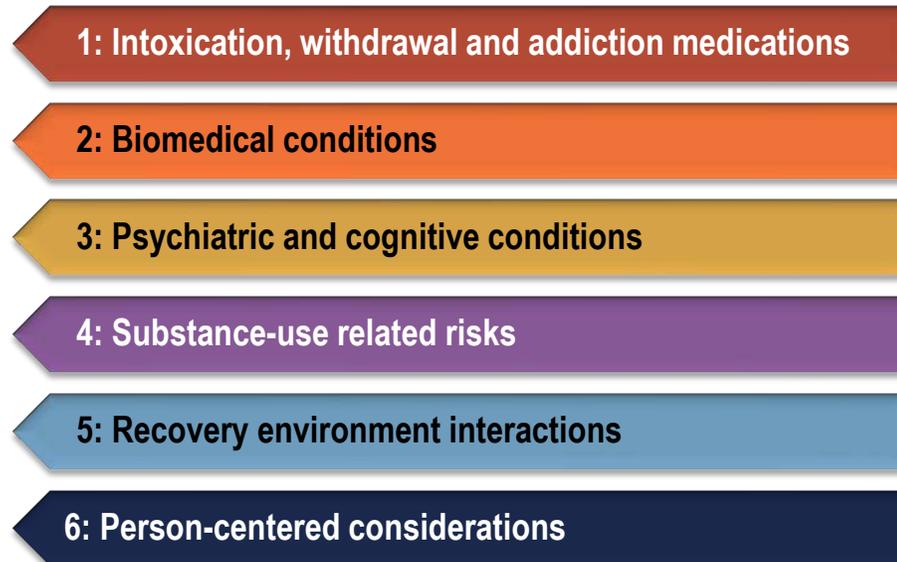
1. About the ASAM Criteria: <https://www.asam.org/asam-criteria/about-the-asam-criteria>.
2. ASAM Continuum of Care: <https://www.asam.org/asam-criteria>.

\* CMS does not require states to use ASAM criteria.

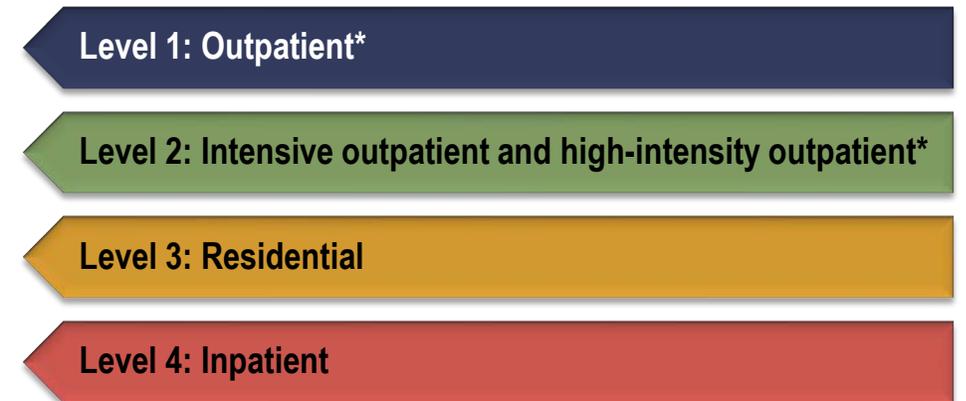
# ASAM Criteria Fourth Edition Overview

- **Defines the continuum of care across dimensions of care and treatment levels**

Six dimensions of patient needs



Four broad treatment levels



\* The ASAM Criteria may recommend a recovery residence in addition to an Outpatient level of care (i.e., Levels 1 and 2).

- **Supports outcome-oriented, person-centered care**
  - Promotes holistic, biopsychosocial care and helps clinicians match patients to the least intensive, but safe and effective, level of care

Sources:

1. About the ASAM Criteria: <https://www.asam.org/asam-criteria/about-the-asam-criteria>.
2. ASAM Continuum of Care: <https://www.asam.org/asam-criteria>.

# Transition to ASAM Criteria Fourth Edition: Dimensions of Care

| Third Edition |  | Fourth Edition |   |
|---------------|--|----------------|---|
| 1             | Acute Intoxication and/or Withdrawal Potential                   | 1              | Intoxication, Withdrawal, and Addiction Medications |
| 2             | Biomedical Conditions and Complications                          | 2              | Biomedical Conditions                               |
| 3             | Emotional, Behavioral, or Cognitive Conditions and Complications | 3              | Psychiatric and Cognitive Conditions                |
| 4             | Readiness to Change  | 4              | Substance Use-Related Risks                         |
| 5             | Relapse, Continued Use, or Continued Problem Potential           | 5              | Recovery Environment Interactions                   |
| 6             | Recovery/Living Environment                                      | NEW<br>6       | Person-Centered Considerations                      |

The Fourth Edition reorders the dimensions from the Third Edition. Readiness to Change is now considered within each dimension, and the Third Edition Dimensions 5 and 6 were shifted to Dimensions 4 and 5, respectively, in the Fourth Edition. The new Dimension 6: Person-Centered Considerations considers barriers to care (including social determinants of health), patient preferences, and need for motivational enhancement.

Source:

1. About The ASAM Criteria: <https://www.asam.org/asam-criteria/about-the-asam-criteria>.

# Transition to ASAM Criteria Fourth Edition: Continuum of Care

|                             |  |  |   |  |
|-----------------------------|--|--|---|--|
|                             |  |  |   |  |
| <b>Level 4: Inpatient</b>   |  |  |   | <b>4:</b> Medically Managed Inpatient              |
| <b>Level 3: Residential</b> |  | <b>3.1:</b> Clinically Managed Low-Intensity Residential | <b>3.5:</b> Clinically Managed High-Intensity Residential | <b>3.7:</b> Medically Managed Residential          |
| <b>Level 2: IOP/HIOP</b>    |  | <b>2.1:</b> Intensive Outpatient (IOP)                   | <b>2.5:</b> High-Intensity Outpatient (HIOP)              | <b>2.7:</b> Medically Managed Intensive Outpatient |
| <b>Level 1: Outpatient</b>  | <b>1.0:</b> Long-Term Remission Monitoring |  | <b>1.5:</b> Outpatient Therapy                            | <b>1.7:</b> Medically Managed Outpatient           |
| <b>Recovery Residence</b>   | <b>RR:</b> Recovery Residence*             |  |   |  |

\* The Dimensional Admission Criteria may recommend a recovery residence in addition to an Outpatient level of care (i.e., Levels 1 and 2).

Source:

1. ASAM Continuum of Care: <https://www.asam.org/asam-criteria>.

# Impact of ASAM Fourth Edition Transition on 1115 SUD Demonstration

## Colorado

### Department of Health Care Policy & Financing

Cristen Bates, Deputy Medicaid Director & Behavioral Health Initiatives and Coverage Office Director  
Jennifer Holcomb, Behavioral Health Benefits Section Manager

# Colorado Presenters

## Cristen Bates

Deputy Medicaid Director and Behavioral Health Initiatives and Coverage Office Director



## Jennifer Holcomb

Behavioral Health Benefits Section Manager



# Agenda

- Overview of Colorado Section 1115 Demonstration
- Preparing for Transition to ASAM Fourth Edition
  - Key Partnerships
  - Transition Timeline
  - Key Components to Consider
  - Lessons Learned
  - Strategic Options and Path Forward
- Key Recommendations

# Colorado Expanding the Substance Use Disorder Continuum of Care

## Goals

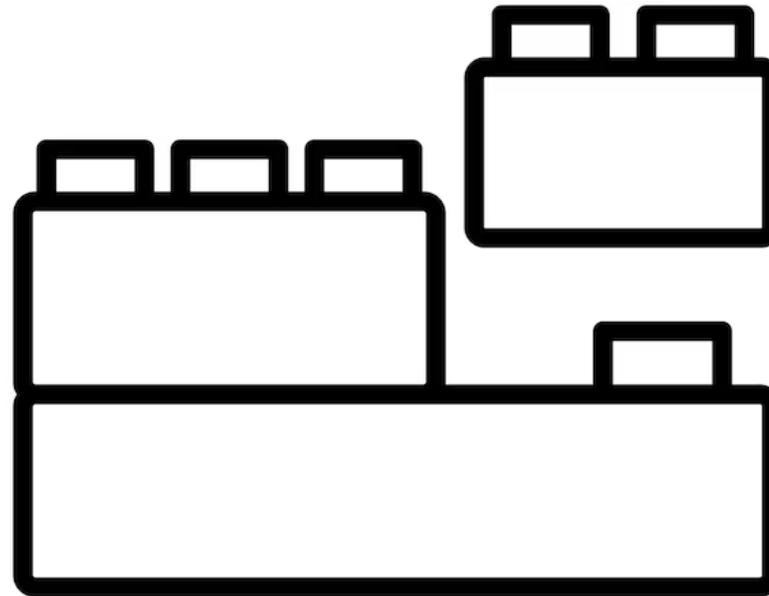
- ↑ Identification & treatment
- ↑ Treatment adherence/retention
- ↓ Reductions in overdose deaths
- ↓ Emergency department/  
inpatient hospital utilization
- Improved access to other  
continuum of care services
- Fewer readmissions to the same  
or higher level of care
- Improved access to care for  
physical health

## Colorado Context:

- Managed care model for behavioral health including SUD continuum
- Providers contract with one or more managed care entities
- Most residential SUD providers contract with all managed care entities
- Few providers offer multiple levels of care
- Reimbursements are based on ASAM level of care

# Preparing for Colorado's Transition to ASAM Fourth Edition: Key Partnerships

Planning in Partnership with Managed Care Entities



Extensive Engagement with SUD Provider Community

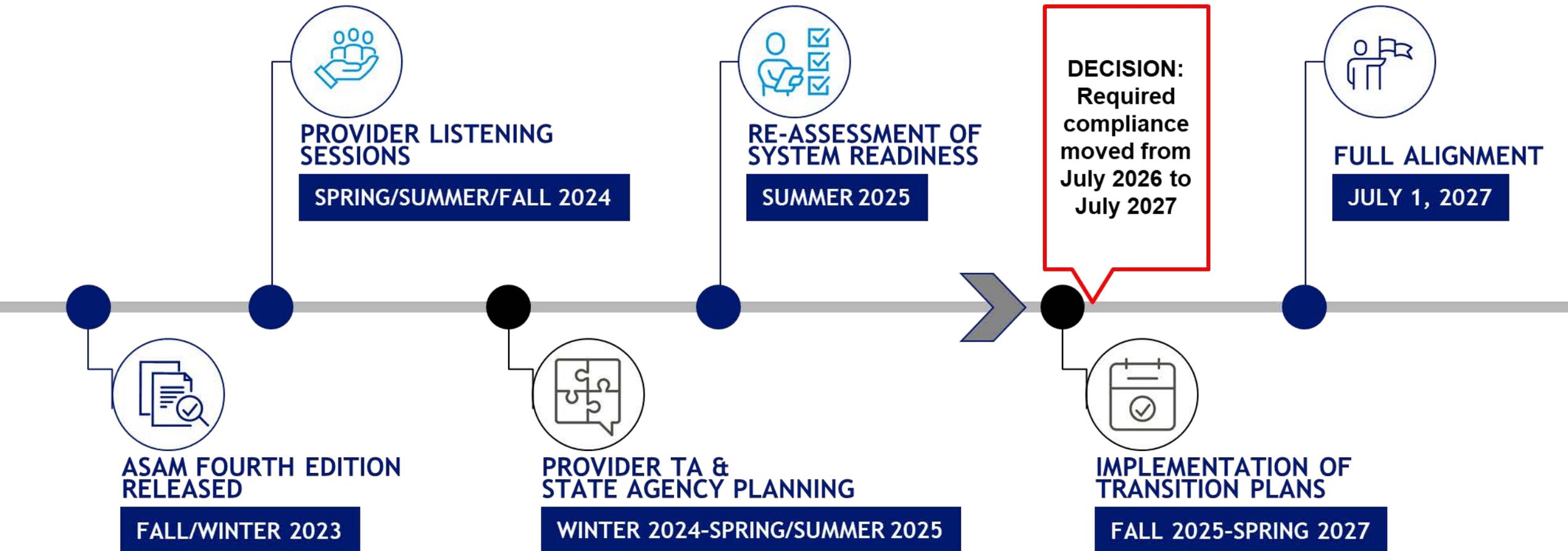
Close collaboration between Colorado's State Medicaid Agency (HCPF) & State Mental Health/Substance Use Agency (BHA)



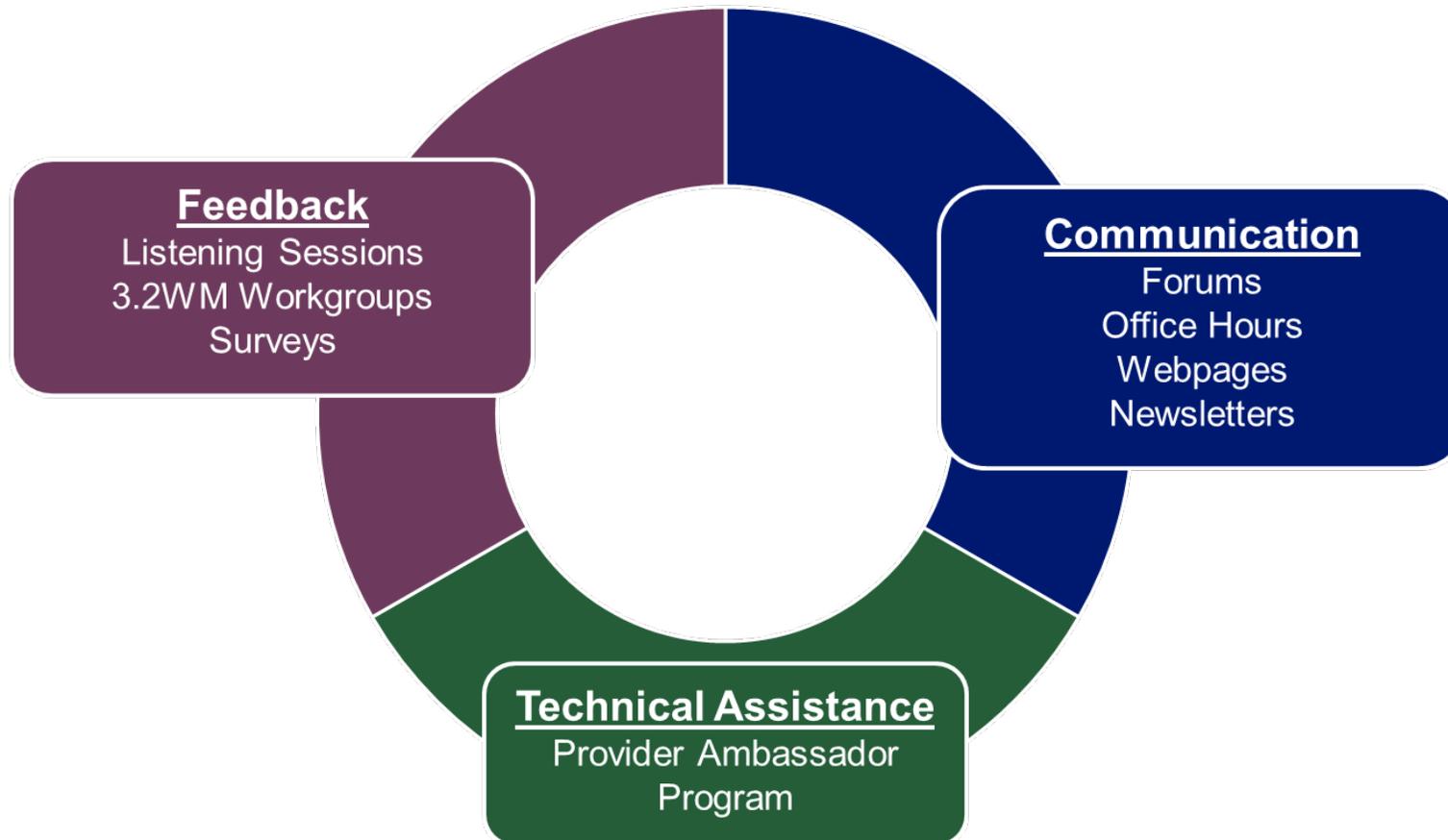
**COLORADO**

Department of Health Care  
Policy & Financing

# Colorado's ASAM Fourth Edition Transition Timeline



# Provider Engagement



**COLORADO**

Department of Health Care  
Policy & Financing

# ASAM Fourth Edition Transition: Key Components to Consider



Use data to understand ASAM Fourth Edition impact on the state's current SUD system



Identify and plan regulatory transition work



Identify and plan Medicaid system transition work



**Provider relationships are paramount!**



# Lessons Learned

## SUCCESSSES

- Collaboration across State agencies
- Transparent and frequent communication with providers, responding to their recommendations
- Training and technical assistance materials developed by vendor

## CHALLENGES

- Provider readiness
  - To support withdrawal management
  - To expand beyond a “social detox” space model
- Financial impact to the State
- Licensing structure changes and timeliness

# ASAM Fourth Edition Transition Colorado's Current Work

| STRATEGIC OPTIONS   | PATH FORWARD   |
|---|--|
| <p><b>“Phase-in” vs. “Big Bang” approach</b></p>                          | <ul style="list-style-type: none"> <li>● Need for system-wide adoption of new levels of care</li> </ul>  |
| <p><b>Detoxification vs. Withdrawal management</b></p>                    | <ul style="list-style-type: none"> <li>● “Social detox” access in crisis services space</li> <li>● Potential for new BH Urgent Care model</li> </ul>   |
| <p><b>Funding for provider infrastructure and capital investments</b></p> | <ul style="list-style-type: none"> <li>● Exploring use of opioid settlement funds</li> <li>● Exploring SOR grant funding opportunities</li> </ul>  |
| <p><b>Provider and community buy-in</b></p>                               | <ul style="list-style-type: none"> <li>● Targeted stakeholdering, communication, and education for community partners</li> <li>● Identify and collaborate with ASAM Fourth Edition transition advocates</li> </ul> |

# Key Recommendations



**3 Rs:** Address changes early to  
Rules,  
Regulations, and  
Reimbursement

**3 Is:** Support provider transitions  
Identify barriers,  
Infrastructure, and  
Investments

# Contact Info

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**Jennifer Holcomb**

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# Thank you!

# Questions?

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CABINET FOR HEALTH  
AND FAMILY SERVICES

## **TEAMKY Medicaid 1115 SUD Demonstration**

Transition to American Society of Addiction Medicine (ASAM)

Criteria Fourth Edition

December 8, 2025

# Presenters



**Dr. Leslie Hoffmann, PhD, SSYB**  
Deputy Commissioner  
KY Department for Medicaid Services



**Sarah G. Johnson, MSW, CSW, LCADC**  
Director, Division of Substance Use Disorder  
KY Department for Behavioral Health,  
Developmental & Intellectual Disabilities



**Angela Sparrow, MSW**  
Technical Project Specialist  
KY Department for Medicaid Services

# Agenda

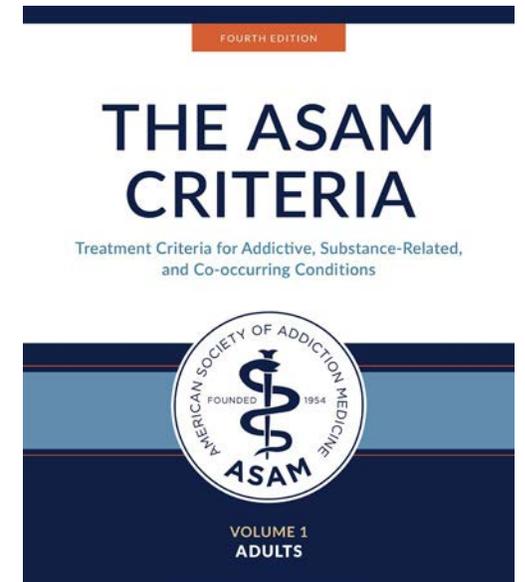
1. Overview of Kentucky's 1115 SUD Implementation
2. ASAM Criteria Fourth Edition Transition
3. Kentucky's Training Approach
4. Preliminary Training Outcomes
5. Lessons Learned

# SUD Overview

- Kentucky's 1115 Substance Use Disorder (SUD) Demonstration Implementation Plan was approved October 2018.
- Implementation began July 1, 2019.
  - Included adoption of American Society for Addiction Medicine (ASAM) Criteria as the standard for addiction treatment.
  - Ongoing Partner engagement:
    - ASAM Trainings
    - Regulatory reviews and workgroups
  - Considered evaluation findings related to training needs
- Kentucky received a five-year extension on December 12, 2024 through December 31, 2029.

# Transition to ASAM Fourth Edition

- Kentucky Medicaid transitioned to the ASAM Fourth Edition July 1, 2025.
- Transition efforts included:
  - Partner collaboration and evaluation of current state
    - Leveraged existing relationships with health plans, providers other agencies
    - Conducted assessment to identify state-specific needs
    - Identified improvement strategies
  - Development of communication strategies and training opportunities
    - Considered targeted audience(s) and their needs
    - Developed clear objectives to strengthen system of care and improve processes



# ASAM Training Series

In collaboration with *Hazelden Betty Ford Foundation*, Kentucky developed a training series specific to the Commonwealth. The series:

- Provides an overview of the ASAM Fourth Edition
- Focuses on preparing providers for implementation
- Aligns with SUD 1115 goals, and
- Places emphasis on:
  - Holistic and person-centered care
  - Culturally humble and trauma-informed approaches



# Series Implementation



## Format and Logistics:

Virtual sessions, co-facilitated by ASAM experts  
19 sessions, capped at 50 participants each  
CE credit available for licensure

### Phase 1: State and Agency Leadership Training

- Focus: Key updates in ASAM Fourth Edition
- Empower leaders to support provider community
- Overview of structural and policy implications

### Phase 2: Extended Training for Clinicians and Providers

Deep dive into:

- Updated assessment standards
- Risk ratings and levels of care
- Admission and continued stay criteria
- Implementation best practices

### Phase 3: Advanced Practice ASAM Application

- Clinical application to complex case scenarios
- Highly recommended after completing Phase 2
- Interactive format to reinforce learning

# Training Benefits

## Clinical Decision Making

- Additional practical and flexible framework
- Reduces over- and under-treatment
- Enhances provider confidence and defensibility
- Supports autonomy within structured guidance

## Improved patient outcomes

- Accurate level-of-care matching boosts engagement
- Reduces relapse rates
- Supports long-term recovery

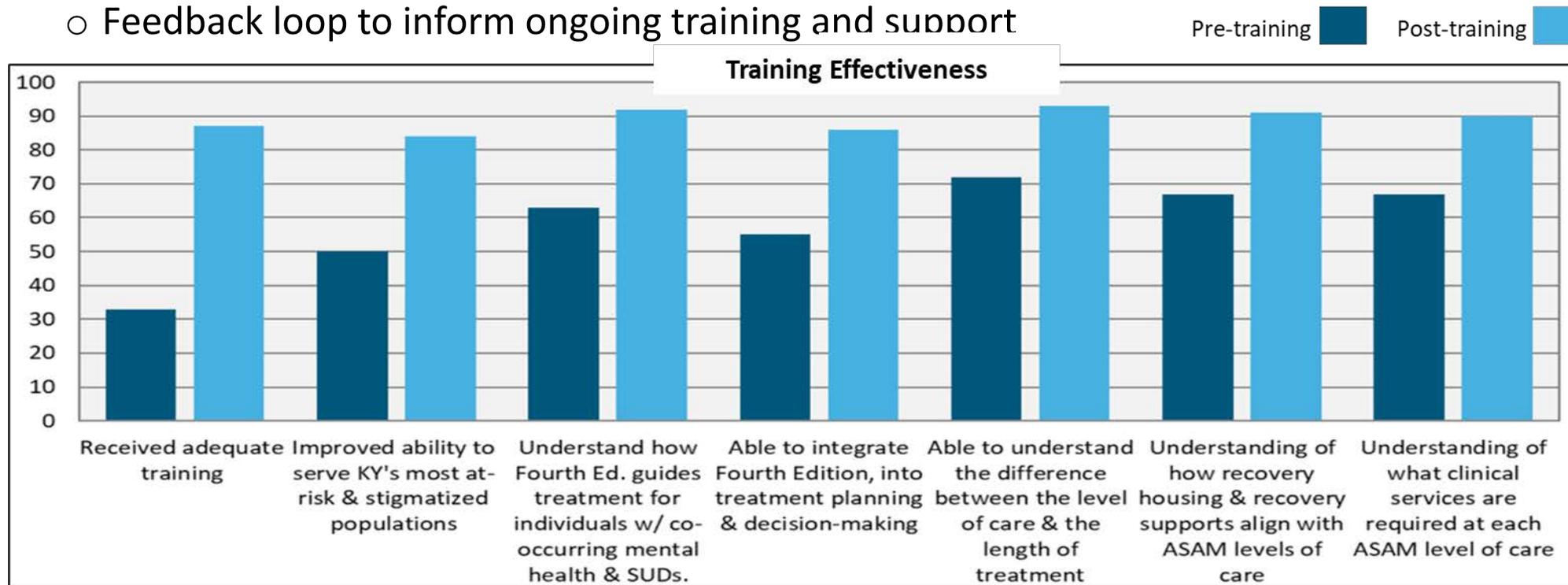


## Integrated Care and Documentation

- Co-occurring care is the standard, not the exception
- Shared clinical language reduces fragmentation
- Improves individualized treatment planning
- Strengthens documentation for audits, courts, and funders

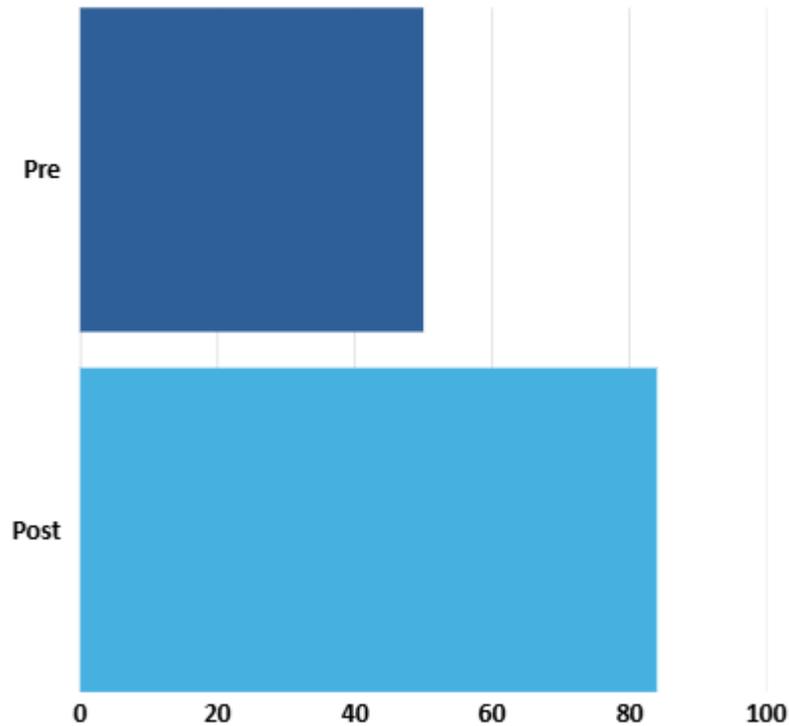
# Training Evaluation Strategies

- Post training evaluations:
  - Measure:
    - Understanding of ASAM Fourth Edition
    - Confidence and ability to apply principles in practice
  - Feedback loop to inform ongoing training and support



# Preliminary Training Outcomes

Improved ability to serve Kentucky's most at-risk and stigmatized populations increased from 50% to 84%



“

I learned a great deal and even had fun within the session.

I loved that the training was an almost **multidisciplinary approach** as the CE attendees all had different backgrounds and presentations to present within the training.

**The instructors maintained engagement and enthusiasm throughout the whole day.**

I appreciated the reference to the ASAM book every time there was a question. I didn't hear a lot of opinions, just **facts and education**. Loved it.

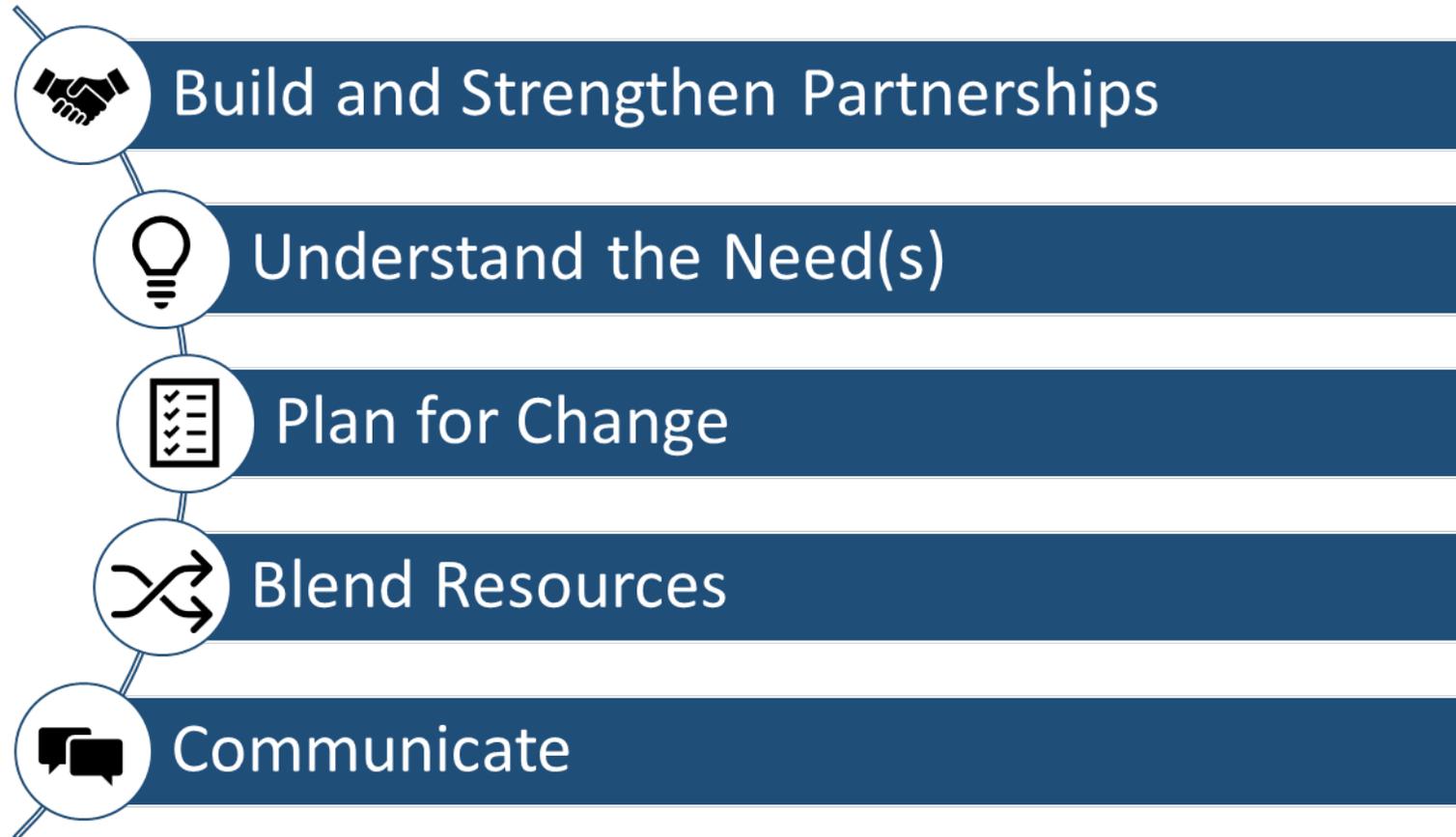
**...encouraged participation and thoughtful discussion, which made the material much easier to understand and apply.**

”

# Training Lessons Learned

- Training must be tailored to the audience; different roles require different depth, examples, and focus.
- Separate tracks (basic, advanced, judicial partners, paraprofessionals) improve relevance and application.
- Improving awareness of existing ASAM Criteria Fourth Edition resources.
- Hands-on and applied learning opportunities significantly improve competency.
- Feedback loops for provider challenges are an essential component.

# Implementation Lessons Learned



# Contact Info

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**Angela Sparrow, MSW**

Project Specialist III, KY Department for Medicaid Services

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Thank you!

# Questions?

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# Breakout Discussions



# Breakout Discussion Topics

**Topic 1 – State Planning:** Approaches for establishing a timeline and planning for the transition to the ASAM Criteria Fourth Edition, including cost implications for this work.

**Topic 2 – Stakeholder Engagement:** Strategies for engaging beneficiaries, providers, managed care plans, and other partners in transitioning to the ASAM Criteria Fourth Edition, including tools for effective communication and outreach efforts.

**Topic 3 – Provider Readiness:** Considerations for preparing providers for the transition to the ASAM Criteria Fourth Edition, including providing effective trainings and technical assistance, and ensuring provider alignment and compliance with the new framework.

**Topic 4 – Monitoring and Evaluation:** Approaches for adapting demonstration monitoring and evaluation processes to align with the ASAM Criteria Fourth Edition.

**Thank you!**

**We welcome your feedback in the post-event survey.**