

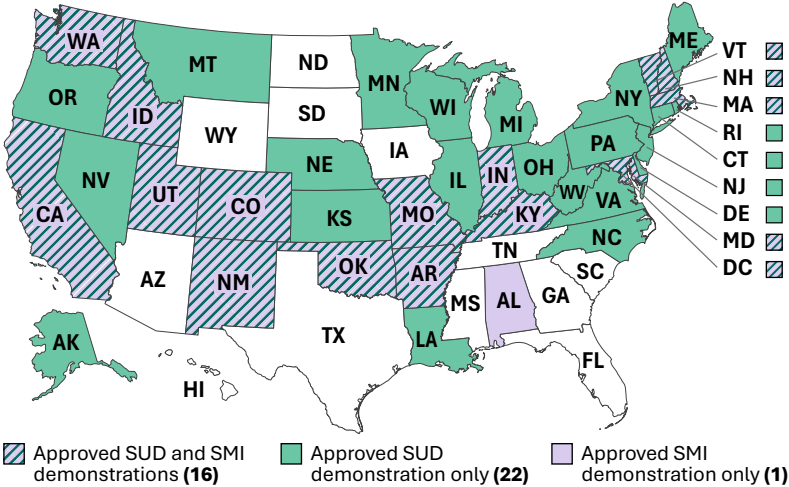
Medicaid Section 1115 Substance Use Disorder and Serious Mental Illness Demonstrations: Findings from Monitoring Data at a Glance



Introduction

The Centers for Medicare & Medicaid Services (CMS) announced the Medicaid section 1115 substance use disorder (SUD) demonstration opportunity and serious mental illness (SMI) and serious emotional disturbance (SED) demonstration (hereafter referred to as “SMI demonstration”) opportunity in 2015 and 2018, respectively, to support states in improving the continuum of care for beneficiaries with SUD and/or SMI.

As of January 1, 2026, 16 states have both SUD and SMI demonstrations, 22 have an SUD demonstration only, and one state has an SMI demonstration only. This infographic presents some key findings from analyses of monitoring data that states submitted to CMS (through December 1, 2025), organized by demonstration goals.



Total SUD populations* **4.3M** Total SMI populations* **1.2M**

*Most recent year of data. Includes Medicaid beneficiaries with a diagnosis relevant to the demonstration.

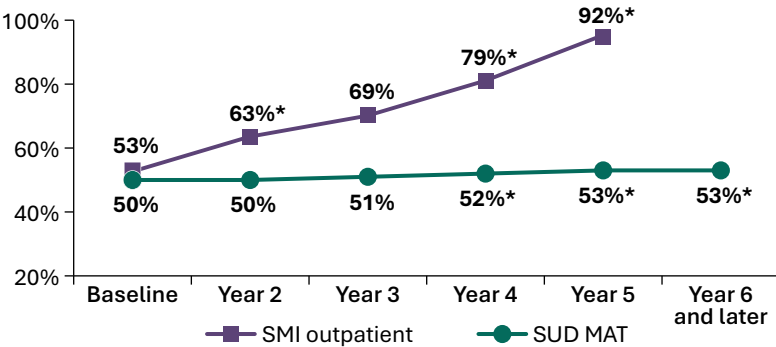
Demonstration Type (Total #)	Start Dates of Demonstrations		
	2015–2019	2020–2022	2023–2025
SUD (38 states)	26	8	4
SMI (17 states)	0	11	6

Demonstration start dates vary by state. Analyses generally compare data from the **baseline** (first year of reported data) and **most recent** years (latest year reported, usually beginning in 2023 or 2024).



Increase access to and engagement in a continuum of SUD and SMI services (SUD Goals 1 and 2, SMI Goals 3 and 4)

SMI demonstrations were associated with an increase in outpatient treatment and SUD demonstrations with an increase in medication-assisted treatment (MAT). +



Regression-adjusted predicted mean percentage of beneficiaries using a service type among those using any service, by demonstration year

*The difference between the baseline value and later demonstration years is statistically significant ($p < 0.05$) based on regression results. The regression analysis controlled for factors such as state, seasonality, the onset of the COVID-19 public health emergency, and the Medicaid unwinding period.

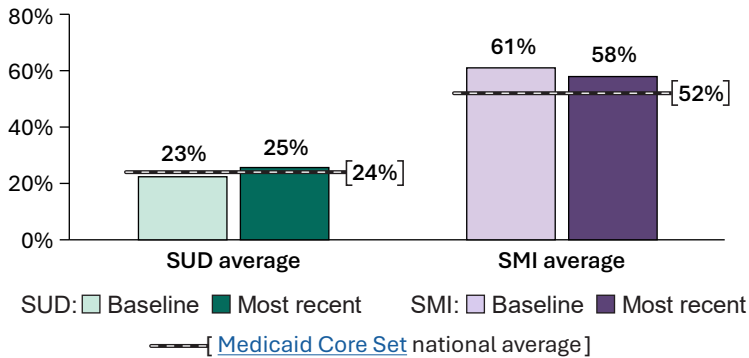
(+ Increase is better) (- Decrease is better)



Improve coordination of care between settings for SUD and SMI services and for physical health conditions (SUD Goal 6, SMI Goal 5)

Consistent with national trends, average rates of follow-up after emergency department (ED) visits were higher for SMI than for SUD.

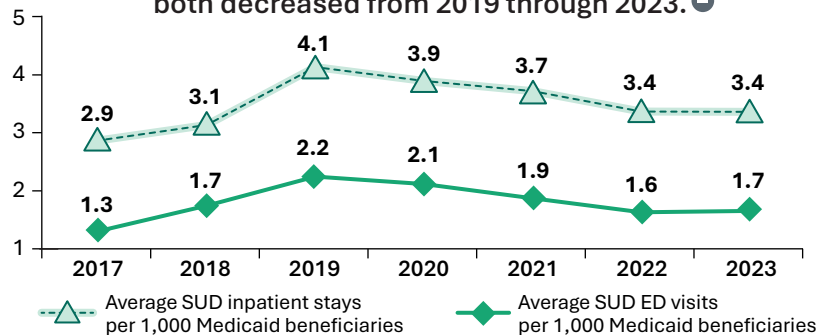
The average SMI rate was higher than the national average. +





Reduce preventable or medically inappropriate ED or inpatient use (SUD Goal 4, SMI Goal 1)

Average ED utilization and inpatient stays for SUD both decreased from 2019 through 2023. ⬇️

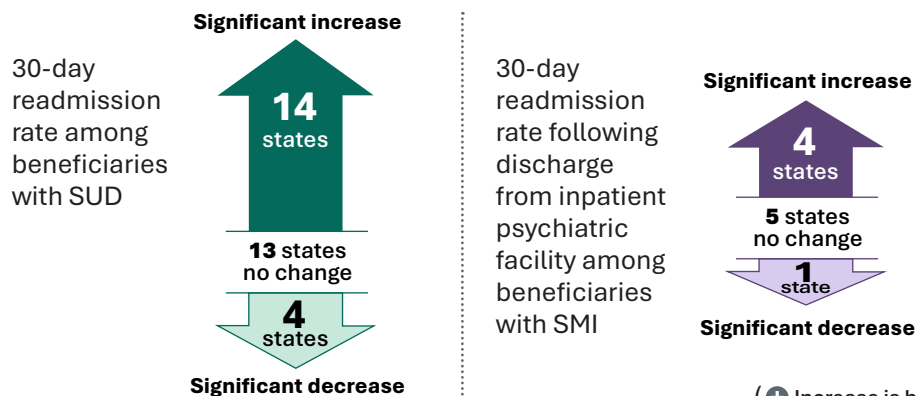


Across most states with SMI demonstrations, average ED utilization for SMI remained **steady** from 2020 to 2023 (data not shown). Averaging across seven of nine states, 1 to 2% of beneficiaries receiving mental health treatment accessed care in an ED setting each year.



Reduce preventable readmissions (SUD Goal 5, SMI Goal 2)

Readmission rates in about half of states with SUD or SMI demonstrations significantly increased. ⬆️



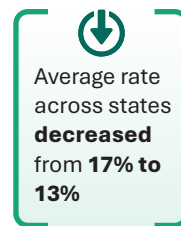
(⬆️ Increase is better ⬆️ Decrease is better)



Reduce overdose deaths (SUD Goal 3)

Inappropriate opioid prescribing decreased among states with SUD demonstrations, but overdose death rates increased. ⬆️

Concurrent use of opioids and benzodiazepines

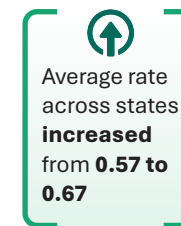


3 states no change

23 states

Significant decrease

Overdose deaths per 1,000 Medicaid beneficiaries*



Significant increase

13 states

5 states no change

5 states

Significant decrease

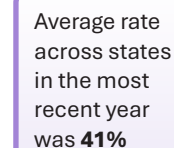
*Most data are from before the 2024 national decrease.



Improve care for children and adolescents with SED (SMI Goals 4 and 5)

Blood glucose testing for children on antipsychotics significantly increased in half of states, but states have opportunities to further improve care for children on antipsychotics. ⬆️

Metabolic glucose monitoring



Significant increase

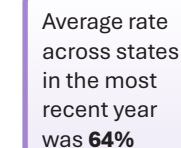
5 states

4 states no change

1 state

Significant decrease

First-line psychosocial care



Significant increase

1 state

4 states no change

3 states

Significant decrease

For information on data, methods, additional findings, and SUD and SMI Goals, see the September 2026 “Medicaid Section 1115 Substance Use Disorder and Serious Mental Illness Demonstrations: Findings from Monitoring Data Chartbook” on the [1115 Demonstration Federal Evaluation & Meta-Analysis website](#). Significant changes, by state, indicate that the difference between baseline and the most recent reported value is statistically significant ($p < 0.05$) based on z-test.

While SUD and SMI demonstrations all work towards common goals, variation across states is expected because states may have different target populations, service packages, timelines, and activities they undertake to achieve goals. These differences, together with factors such as variations in state Medicaid programs and population characteristics, all contribute to differences in metrics reported in the demonstration monitoring data submitted by the states and analyzed in this infographic. Findings could be limited by factors such as inconsistency in reporting across states and our inability to distinguish effects associated with the demonstrations from those associated with other simultaneously occurring shifts that may affect metrics.