



STATE OF MARYLAND

# DHMH News Release

Maryland Department of Health and Mental Hygiene

*Larry Hogan, Governor - Boyd Rutherford, Lt. Governor - Van Mitchell, Secretary*

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## **FOR IMMEDIATE RELEASE:**

### **Medicaid program seeks federal waiver to expand drug treatment options**

*Waiving IMD Exclusion also would help those with mental health disorders*

**Baltimore, MD** (July 28, 2015) – The Department of Health and Mental Hygiene (DHMH) is seeking a federal waiver from the Institution for Mental Diseases (IMD) Exclusion (also known as the “IMD Exclusion”). This waiver would significantly expand the scope of treatment options available to Medicaid enrollees with substance use and mental health disorders.

“This waiver would allow adult Medicaid enrollees to receive services in private IMD facilities that are dedicated to treating their specific needs and would promote access to high-quality, specialized care.” said Shannon McMahan, DHMH’s Deputy Secretary for Health Care Financing, which houses Maryland’s Medicaid program. “The waiver also would allow the state to leverage federal funds for these services.”

The federal IMD Exclusion prohibits Medicaid reimbursement for adults between the ages of 21 and 64 who are receiving services provided in “a hospital, nursing facility, or other institution of more than 16 beds that is primarily engaged in providing diagnosis, treatment, or care of persons with mental diseases, including medical attention, nursing care and treatment of individuals with mental diseases.” Because of this non-payment policy, many Medicaid enrollees with acute psychiatric and addiction treatment needs are referred to hospital emergency departments and general acute care inpatient units, rather than smaller, community-based specialized providers with expertise to care for these individuals.

If the U.S. Centers for Medicare and Medicaid Services approve Maryland’s waiver application, Maryland will be able to reimburse IMDs for the treatment of Medicaid enrollees aged 21-64 with acute psychiatric and substance-use-related needs and would receive federal matching dollars. Cost savings would be generated at both the state and federal levels by enabling the state to pay for appropriate care in appropriate settings.

Maryland pursuing this waiver amendment has drawn significant support from key stakeholders, including the Maryland Hospital Association, the Maryland Chapter of the National Council of

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Alcoholism and Drug Dependence, and numerous community providers. Moreover, it presents an opportunity to align clinical and financial goals making it advantageous for both payers and beneficiaries.

Documents related to the waiver application are posted on DHMH's website at <http://goo.gl/eDAKQX>.

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*The Maryland Department of Health and Mental Hygiene is the state government agency that protects Maryland's public health and also works to help Marylanders make better health decisions for better health outcomes. Stay connected: [www.twitter.com/MarylandDHMH](http://www.twitter.com/MarylandDHMH) and [www.facebook.com/MarylandDHMH](http://www.facebook.com/MarylandDHMH).*