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CMS announces new Medicaid policy to combat the opioid crisis by increasing access to treatment options

Approves demonstrations in both New Jersey and Utah

Today, the Centers for Medicare & Medicaid Services (CMS) announced a new policy to allow states to design demonstration projects that increase access to treatment for opioid use disorder (OUD) and other substance use disorders (SUD). CMS's new demonstration policy responds to the President's directive and provides states with greater flexibility to design programs that improve access to high quality, clinically appropriate treatment. In addition, CMS is announcing the immediate approval of both New Jersey and Utah's demonstration waivers under the new policy.

Through this updated policy, states will be able to pay for a fuller continuum of care to treat SUD, including critical treatment in residential treatment facilities that Medicaid is unable to pay for without a waiver.

"This new demonstration policy comes as a direct result of the President's commitment to address the opioid crisis and ensure states have immediate relief and flexibility," said CMS Administrator Seema Verma. "Previous policies ignored the growing urgency of the national opioid epidemic and instead put onerous requirements on states that ultimately prevented individuals from accessing these needed services. The Trump Administration's approach reflects the pressing nature of the issues states are facing on the ground."

Previously, states had been required to build out their entire delivery system for SUD treatment while also meeting rigid CMS standards before Medicaid demonstration approvals could be granted. The new policy will allow states to provide greater treatment options while improving their continuum of care over time.

Under the new CMS demonstration policy, New Jersey will provide a comprehensive and coordinated SUD benefit to adults and children while also allowing for the continuum of SUD

services provided to Medicaid beneficiaries who reside in residential treatment facilities. The services covered as part of the SUD benefit will include residential treatment, withdrawal management, medication-assisted treatment, peer supports and targeted case management.

“CMS’ approval of New Jersey’s Medicaid Demonstration will remove a decades-old federal barrier so that thousands more New Jerseyans with the disease of addiction will have access to treatment and recovery,” said New Jersey Gov. Chris Christie. “President Trump acknowledged the need for this policy change when he addressed the nation last week and declared a national public health emergency. This is a tremendous step forward in our efforts to aggressively combat the opioid epidemic and save lives.”

Utah’s program is part of a broader delivery system reform effort to address the needs of individuals with SUD, individuals who are chronically homeless, and individuals within the justice system. The demonstration will also expand access to SUD treatment to a more complete continuum of services, including previously excluded residential treatment sites.

"I've always maintained the role of the federal government should be to provide states with the flexibility to be innovative in how they operate their Medicaid programs. Nobody knows how to address the unique challenges we face as a state better than we do," said Utah Gov. Gary R. Herbert. "Today's announcement from the Centers for Medicare and Medicaid Services will allow us to address a specific challenge - extending health care coverage, including substance abuse and mental health services, to the homeless population. I applaud CMS for approving our waiver request, and look forward to getting to work on providing these critical services."

The new policy also dramatically enhances the ability for CMS to evaluate how effectively the demonstration programs are working through the collection of information and data that can be used to inform CMS on best practices and methods to specifically combat the opioid epidemic, increasing the agency’s capacity to learn what treatment delivery methods are the most effective in addressing our nation’s public health emergency.

Today’s announcement further builds on a commitment from CMS to partner with states in improving the Medicaid program and the lives of those it serves. A March 14, 2017 letter from the Administration to governors expressed this commitment to “ensuring that states have the tools they need to combat the growing opioid epidemic that is devastating families and communities” and in developing “a more streamlined approach for substance abuse treatment.”

To view a copy of the SMD # 17-003 letter to state Medicaid directors,
<https://www.medicaid.gov/federal-policy-guidance/downloads/smd17003.pdf>

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