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State receives approval from Federal Centers for Medicare & Medicaid Services (CMS) of 1115 Waiver, behavioral health transformation

CHICAGO – The Illinois Department of Healthcare and Family Services received notice from the Federal government today that plans to better serve Medicaid beneficiaries with substance use disorders and mental health challenges have been approved.

The Federal approval authorizes the state to receive federal financial participation (FFP) for the continuum of services to treat addictions to opioids, other substances and other health conditions. The programs and related innovations are being announced today as the *Better Care Illinois Behavioral Health Initiative*.

“This transformation represents a comprehensive way of serving our clients across the various state agencies and will help Illinois become a leader in integrating physical and behavioral health services for some of our most vulnerable residents,” said Felicia Norwood, Director of the Department of Healthcare and Family Services. “We have an opportunity to transform lives and be better stewards of taxpayer resources.”

Federal rules outline how states can spend Medicaid funds. But states can ask for “waivers” of federal Medicaid requirements to pilot or demonstrate approaches to providing services not typically covered by Medicaid, creating more innovative delivery systems that improve care, increase efficiency and reduce costs.

In October 2016, Illinois applied for an 1115 Demonstration Waiver to build a continuum of services for mental health and substance use disorder. The waiver and other state plan changes also help healthcare providers more effectively integrate the physical and behavioral health challenges of their patients and promote more care in the home and community rather than costlier services in institutions.

The U.S. Department of Health and Human Service’s Centers for Medicare and Medicaid Services (CMS) announced its approval of the waiver today.

“I applaud the efforts made by Illinois in taking the initiative to design this comprehensive strategy to combat substance abuse and improve the health and well-being of Medicaid beneficiaries in the state,” said CMS Administrator Seema Verma.

Waiver pilots will start launching on July 1. Some pilots will be statewide while others will be limited in geographic scope and the numbers of participants. They include residential and inpatient treatment for individuals with substance use disorder, crisis intervention services for individuals experiencing a psychiatric crisis, and intensive in-home services to stabilize behaviors that may lead to crisis.

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Better Care Illinois/AD 1

“Our current system for children and adults has focused largely on addressing these challenges after they have become large and difficult to manage,” Norwood said. “Now we will treat individuals earlier and better, which will help them lead healthier lives and avoid long-term costs for everyone.”

The approvals are part of a health and human services transformation that Rauner announced in his 2016 State of the State address. The Governor’s Office and twelve state agencies collaborated to develop the transformation strategy to address the broken patchwork of reactive and expensive approaches to behavioral health and better coordinate care across their agencies.

The waiver and other initiatives were shaped with vital input from hundreds of stakeholders across the state and enjoyed bi-partisan legislative and congressional support.

The ten 1115 waiver pilots are:

- Residential and Inpatient Treatment for Individuals with Substance Use Disorder (SUD) Pilot.
- Clinically Managed Withdrawal Management Services Pilot
- SUD Case Management Pilot
- Peer Recovery Support Services Pilot
- Crisis Intervention Services Pilot
- Evidence-based Home Visiting Services Pilot
- Assistance in Community Integration Services Pilot
- Supported Employment Services Pilot
- Intensive In-Home Services Pilot
- Respite Services Pilot

The related state plan amendments are: Integrated physical and behavioral health homes (pending approval), crisis stabilization and mobile crisis response, medication-assisted treatment (MAT), and Uniform Child and Adolescent Needs and Strengths (CANS) and Adult Needs and Strengths Assessment (ANSA).

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