

## PUBLIC SECTOR SERVICES

# **IMD Waivers**

Optimizing Medicaid Funding to Promote Access in Behavioral Health



Why are states requesting waivers of the IMD Exclusion Rule, one of the oldest carve-outs in Medicaid? Substance Use Disorder (SUD) IMD Waivers can be part of a comprehensive statewide response to the **opioid epidemic**. Serious Mental Illness (SMI) IMD Waivers can support **Medicaid expansion**, where Medicaid is an important payer of behavioral health services. SMI IMD Waivers can also act as a catalyst to increase behavioral health system **capacity / access**. Lastly, dual SUD-SMI IMD Waivers can be the centerpiece of broad behavioral health system **transformation / modernization** efforts.



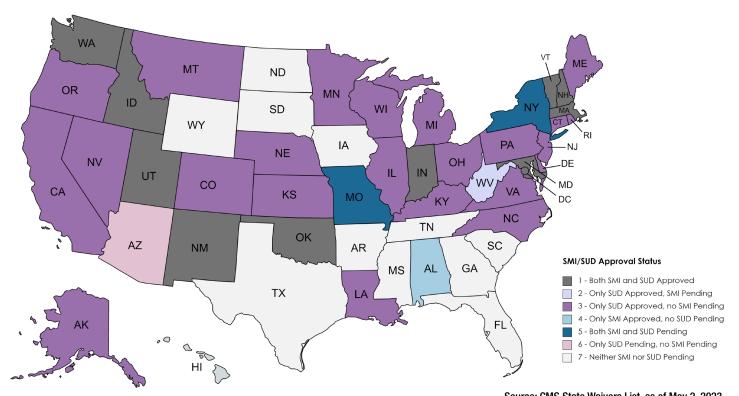
### What is the IMD Exclusion Rule?

- Since the beginning of the Medicaid program, the federal government has restricted Medicaid reimbursement for inpatient behavioral health care, or care in Institutions for Mental Disease (IMDs)
- In the pre-Olmstead era of widespread institutionalization, it is generally accepted that the federal government was seeking to limit its exposure to the costs of operating large networks of state institutions
- Over time, CMS has loosened this restriction in the face of growing needs and advocacy: most notably by granting waivers of the "IMD Exclusion Rule" to allow for federal financial participation (FFP) in reimbursement of IMD services under certain conditions

### What is A&M's role?

- Track record of helping states to assess these issues and implications of pursuing an IMD waiver
- Proprietary analysis of all approved and pending waivers to support guidance to clients
- Unparalleled human services transformation experience
- World-class project management expertise
- Deep understanding of stakeholder engagement

## **Which States are Pursuing Waivers?**



Source: CMS State Waivers List, as of May 2, 2023.

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