IDHW submits Institution for Mental Diseases state plan amendment for Idaho Medicaid

BOISE — The Idaho Department of Health and Welfare (IDHW) submitted a state plan amendment for coverage of adult psychiatric hospitalizations at institutions for mental diseases (IMDs) today to the Centers for Medicare and Medicaid Services (CMS).

The state plan amendment would allow Medicaid reimbursement for inpatient psychiatric treatment for enrollees with substance use disorders in institutions for mental diseases, or IMDs. This would benefit both the Medicaid expansion population as well as the existing Medicaid population.

The department has researched two options for IMD coverage -- 1115 waivers and IMD funding available through state plan authority. The SUPPORT Act, which passed late last year, established a state coverage option for individuals with substance use disorders, but it excludes IMD coverage for adults who have serious mental illness alone. Medicaid has requested approval from CMS for that coverage effective Jan. 1, 2020, when Medicaid expansion is implemented.

In a separate but parallel initiative, the department is also pursuing an 1115 IMD waiver to cover individuals with serious mental illness treatment needs who seek inpatient treatment at a freestanding psychiatric hospital (an IMD), rather than a full-service hospital with psychiatric care staff. However, since the requirements for 1115 waivers have become extensive and highly prescriptive, approval for funding is not expected until well after Jan. 1,
The department anticipates opening a comment period for the IMD 1115 waiver in October, with the formal application to be submitted in November. The federal 1115 review and negotiation process typically takes several months.

For more information on Idaho Medicaid expansion, please visit https://medicaidexpansion.idaho.gov/.