1. Title page for the state's substance use disorder (SUD) demonstration or the SUD component of the broader demonstration

The state should complete this title page at the beginning of a demonstration and submit as the title page for all monitoring reports. The content of this table should stay consistent over time. Definitions for certain rows are below the table.

State	Minnesota
Demonstration name	Minnesota Substance Use Disorder System Reform
Approval period for section 1115 demonstration	07/01/2019 – 06/30/2024
SUD demonstration start date[a]	07/01/2019
Implementation date of SUD demonstration, if different from SUD demonstration start date[b]	07/22/2020
SUD (or if broader demonstration, then SUD - related) demonstration goals and objectives	1. Increased rates of identification, initiation, and engagement in treatment for SUD. 2. Increased adherence to and retention in treatment. 3. Fewer readmissions to the same or higher levels of care where the readmission is preventable or medically inappropriate. 4. Improved access to care for physical health conditions among Medicaid beneficiaries. 5. To reduce the number of opioid related overdoses and deaths within the state of Minnesota. 6. To allow for patients to receive a wider array of evidence-based services that are focused on a holistic approach to treatment. 7. Reduced utilization of emergency departments and inpatient hospital settings for treatment where the utilization is preventable or medically inappropriate through improved access to other continuum of care services. 8. Utilizing its CCBHC providers to integrate community mental health care providers into an ASAM-based provider referral network with SUD providers or other health care professionals as needed.
SUD demonstration year and quarter	*DY3 Q1*
Reporting period	*07/01/2021 – 09/30/2021*

[a] SUD demonstration start date: For monitoring purposes, CMS defines the start date of the demonstration as the *effective date* listed in the state's STCs at time of SUD demonstration approval. For example, if the state's STCs at the time of SUD demonstration approval note that the SUD demonstration is effective January 1, 2020 – December 31, 2025, the state should consider January 1, 2020 to be the start date of the SUD demonstration. Note that the effective date is considered to be the first day the state may begin its SUD demonstration. In many cases, the effective date is distinct from the approval date of a demonstration; that is, in certain cases, CMS may approve a section 1115 demonstration with an effective date that is in the future. For example, CMS may approve an extension request on 12/15/2020, with an effective date of 1/1/2021 for the new demonstration period. In many cases, the effective date also differs from the date a state begins implementing its demonstration.

[b] **Implementation date of SUD demonstration:** The date the state began claiming federal financial participation for services provided to individuals in institutions for mental disease.

2. Executive summary

The executive summary should be reported in the fillable box below. It is intended for summary-level information only. The recommended word count is 500 words or less.

Staffing: Experiencing the demands of managing all aspects of the demonstration, the State created a new supervisor position for the purpose of overseeing 1115 demonstration staff. The new supervisor will begin work in October 2021. Subsequently, the 1115 Project Lead left his position in September and the State anticipates to backfill the position in December 2021.

Minnesota experienced significant staff changes during this quarter. A fulltime Standards of Care position was hired in August to manage the demonstration participant provider enrollment process, provide technical assistance and training on ASAM and review residential level of care standards. This position also manages the professional/technical contract for conducting utilization management. The Standards of Care position meets the requirements for Milestone #3 B, however the process is still under development. Staffing shortages and turnover identified above were a primary reason for the delay. The State will be fully staffed by December 8th, 2021 and anticipates this milestone to be fully implemented by the end of DY3Q3 (March 30, 2022).

Utilization Management: The State developed protocols for outpatient and residential utilization reviews for the demonstration with Kepro Peer Review Organization, Inc. (KEPRO). KEPRO began conducting post payment reviews for participating 1115 providers' for appropriate ASAM assessment and placement and medical necessity of treatment received on July 1, 2021. KEPRO provides technical assistance and requests more information if provider's documentation is not sufficient or ASAM Compliant. Their initial approach in working with State and SUD providers will be to ensure a depth of understanding of the ASAM Criteria. KEPRO and the State have also developed a process for timely filing requests and possible referrals to SIRS if providers do not submit the necessary documentation.

MN Legislation: The 2021 Legislature made important investments in the demonstration in DY2Q4. Relevant legislative items include:

- Proposed additional 10% rate enhancements (increased to 25% for residential and 20% for outpatient providers upon base rates), pending federal approval
- Requiring State publicly post data and outcome measures
- Requiring State to seek federal approval for demonstration project extension

The State proposes adjusting the timeline on Implementation Milestone #1 Access to Critical Levels of Care for OUD and Other SUDs. This milestone is delayed because of demonstration-wide implementation delays. The State began work on a 2022 legislative proposal to define 1.0

Outpatient and 2.1 Intensive Outpatient and incorporate into state statute and state plan coverage by July 2022. The State asks for federal concurrence on this implementation change.

Communication Updates: 1115 Substance Use Disorder System Reform Demonstration 2021 Legislative Change bulletin was published. The State continues its technical assistance-focused communications strategy. The State hosted 14 drop-in enrollment question and answers sessions; presented at a conference for rural providers and county workgroup; hosted a billing overview webinar; and continued answering questions received via email on a weekly basis.

3. Narrative information on implementation, by milestone and reporting topic

Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
1. Assessment of need and qualification for SUD services			
1.1 Metric trends			

Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
1.1.1. The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to assessment of need and qualification for SUD services		#2: Medicaid Beneficiaries with Newly Initiated SUD Treatment/Diagnosis #3: Medicaid Beneficiaries with SUD Diagnosis (monthly) #4: Medicaid Beneficiaries with SUD Diagnosis (annually)	In this quarter there was a decrease in the number of beneficiaries with a newly initiated SUD Treatment/Diagnosis (-4.6%) and an increase in the number of Medicaid beneficiaries with a SUD diagnosis (2.2%). The decrease in new beneficiaries may be due to seasonal changes with a decrease following a bump in new enrollment in the previous quarter. The increase in beneficiaries with a SUD diagnosis overall may be contributed to increasing need in those already experiencing an SUD related to the socioeconomic strains associated with the ongoing COVID emergency as restrictions were lifted and care seeking increased. For the number of beneficiaries with a SUD diagnosis (annually), there was an increase of 2.7% in the demonstration year. Except during the beginning of the COVID emergency there was an increase across most quarters through time. Minnesota also removed reenrollment requirements during the COVID emergency which may have contributed to increases in beneficiaries as members were able to stay enrolled. As of October of 2020, Minnesota is in the process transitioning to a direct access model and removed placing authority for services.
1.2 Implementation update			

Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
1.2.1. Compared to the demonstration design and operational details, the state expects to make the following changes to: 1.2.1.i. The target population(s) of the demonstration	X		The 2021 Minnesota Legislature required residential and withdrawal management providers to enroll in the demonstration by January 2024, pending federal approval. This will expand the target population of the demonstration.
1.2.1.ii. The clinical criteria (e.g., SUD diagnoses) that qualify a beneficiary for the demonstration	X		
1.2.2 The state expects to make other program changes that may affect metrics related to assessment of need and qualification for SUD services	X		

Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
2. Access to Critical Levels of Care for OUD and other SUDs (Milestone 1)			
2.1 Metric trends			
2.1.1 The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to Milestone 1		#7: Early Intervention #10: Residential and Inpatient Services #11: Withdrawal Management #12: Medication Assisted Treatment (MAT)	During this quarter, there was an increase in Early Intervention (20.0%), Residential and Inpatient Services (4.2%), Withdrawal Management (3.8%), and MAT (2.1%). Increases in residential care during the quarter may be associated with residential providers accepting more clients as well as a decline in COVID in Minnesota increasing health seeking behavior as well as continued need as OUD/SUD have increased during the COVID emergency. Additionally, more residential and withdrawal management programs were accepting clients during this period. MAT increases may be associated with increased need as well as federal rule changes which allowed greater flexibility for buprenorphine prescribing. In Minnesota there is no standard or widespread usage of SBIRT for early intervention leading to low uptake and therefore small numbers (<=5 in any quarter) with a related instability in percent change.
2.2 Implementation update			

Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
2.2.1 Compared to the demonstration design and operational details, the state expects to make the following changes to: 2.2.1.i. Planned activities to improve access to SUD treatment services across the continuum of care for Medicaid beneficiaries (e.g. outpatient services, intensive outpatient services, medication-assisted treatment, services in intensive residential and inpatient settings, medically supervised withdrawal management)	X		
2.2.1.ii. SUD benefit coverage under the Medicaid state plan or the Expenditure Authority, particularly for residential treatment, medically supervised withdrawal management, and medication-assisted treatment services provided to individual IMDs	X		
2.2.2 The state expects to make other program changes that may affect metrics related to Milestone 1	X		

Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
3. Use of Evidence-based, SUD-specific Patient Placement Criteria (Milestone 2)			
3.1 Metric trends			
3.1.1 The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to Milestone 2		#5: Medicaid Beneficiaries Treated in an IMD for SUD #36: Average Length of Stay in IMDs	During this demonstration year, there was an increase in Medicaid beneficiaries treated in an IMD for SUD (7.9%) and a decrease in the average length of stay in IMDs (-18.8%). More services may have been needed during the COVID emergency as access to care and socioeconomic impacts have increased need and as more services have re-opened. At the same time, providers may have been limiting the length of time a beneficiary spends in an IMD due to staffing/COVID related protocols. The state also implemented direct access which allows client choice for placement over placing authorities.
3.2. Implementation update			
3.2.1 Compared to the demonstration design and operational details, the state expects to make the following changes to: 3.2.1.i. Planned activities to improve providers' use of evidence-based, SUD-specific placement criteria	X		
3.2.1.ii. Implementation of a utilization management approach to ensure (a) beneficiaries have access to SUD services at the appropriate level of care, (b) interventions are appropriate for the diagnosis and level of care, or (c) use of independent process for reviewing placement in residential treatment settings	X		

Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
3.2.2 The state expects to make other program changes that may affect metrics related to Milestone 2		#5: Medicaid Beneficiaries Treated in an IMD for SUD #36: Average Length of Stay in IMDs	The Minnesota legislature's 1st Special Session required residential and withdrawal management providers to enroll in the demonstration by January 2024, pending federal approval. This will expand the target population of the demonstration.

Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
4. Use of Nationally Recognized SUD-specific Program Standards to Set Provider Qualifications for Residential Treatment Facilities (Milestone 3)			
4.1 Metric trends			
4.1.1 The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to Milestone 3 *Note: There are no CMS-provided metrics related to Milestone 3. If the state did not identify any metrics for reporting this milestone, the state should indicate it has no update to report.*	X		
4.2 Implementation update			
4.2.1 Compared to the demonstration design and operational details, the state expects to make the following changes to: 4.2.1.i. Implementation of residential treatment provider qualifications that meet the ASAM Criteria or other nationally recognized, SUD-specific program standards	X		
4.2.1.ii. Review process for residential treatment providers' compliance with qualifications.	X		
4.2.1.iii. Availability of medication-assisted treatment at residential treatment facilities, either on-site or through facilitated access to services off site	X		
4.2.2 The state expects to make other program changes that may affect metrics related to Milestone 3	X		

Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
5. Sufficient Provider Capacity at Critical Levels of Care including for Medication Assisted Treatment for OUD (Milestone 4)			
5.1 Metric trends			
5.1.1 The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to Milestone 4		#13: SUD Provider Availability #14: SUD Provider Availability - MAT	During the demonstration year, there was a 3.5% decrease in SUD provider availability and a 10.0% decrease in SUD MAT provider availability. During this time, facilities had to close their doors due to staffing issues and due to issues related to COVID.
5.2 Implementation update			
5.2.1 Compared to the demonstration design and operational details, the state expects to make the following changes to: Planned activities to assess the availability of providers enrolled in Medicaid and accepting new patients in across the continuum of SUD care	X		
5.2.2 The state expects to make other program changes that may affect metrics related to Milestone 4	X		
6. Implementation of Comprehensive Treatment and Prevention Strategies to Address Opioid Abuse and OUD (Milestone 5)			
6.1 Metric trends			

Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
6.1 The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to Milestone 5		#23: Emergency Department Utilization for SUD per 1,000 #27: Overdose Deaths (rate)	In this quarter, there was a 7.5 percent increase in the total number of ED visits for SUD per 1,000 beneficiaries. Continuing effects of the COVID pandemic, including socioeconomic impacts, have caused an increase in SUD in MN. During the COVID emergency, there has been an increase in the number of opioid deaths (27.3%) due to reduced access to care, an increase in use in sheltered environments and substance adulterated with fentanyl, and factors such as socioeconomic impacts that associate with increases in SUD/OUD.
6.2 Implementation update			
6.2.1 Compared to the demonstration design and operational details, the state expects to make the following changes to: 6.2.1.i. Implementation of opioid prescribing guidelines and other interventions related to prevention of OUD	X		
6.2.1.ii. Expansion of coverage for and access to naloxone	X		
6.2.2 The state expects to make other program changes that may affect metrics related to Milestone 5	X		
7. Improved Care Coordination and Transitions between Levels of Care (Milestone 6)			
7.1 Metric trends			

Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
7.1.1 The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to Milestone 6		#25: Readmissions Among Beneficiaries with SUD	During the demonstration year, there was a 5.8% increase in the number of readmissions. COVID increases contributed to overall stress, as well as, increased usage in sheltered environments, increasing recurrence of need.
7.2 Implementation update			
7.2.1 Compared to the demonstration design and operational details, the state expects to make the following changes to: Implementation of policies supporting beneficiaries' transition from residential and inpatient facilities to community-based services and supports	X		
7.2.2 The state expects to make other program changes that may affect metrics related to Milestone 6	X		
8. SUD health information technology (health IT)			
8.1 Metric trends			
8.1.1 The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to its health IT metrics		Q1: Number of training sessions providers held on pain management through Project ECHO Q2: Number of training sessions providers held on OUD Treatment through Project ECHO	During this demonstration year, there was an increase in training sessions providers held on pain management (31.3%) and OUD treatment (16.1%). There has been an expansion of Project ECHO sessions and a curriculum that caters to provider interests as more providers are interested in addressing OUD.
8.2 Implementation update			

Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
8.2.1 Compared to the demonstration design and operational details, the state expects to make the following changes to:	X		
8.2.1.i. How health IT is being used to slow down the rate of growth of individuals identified with SUD			
How health IT is being used to treat effectively individuals identified with SUD			
8.2.1.ii. How health IT is being used to effectively monitor "recovery" supports and services for individuals identified with SUD	X		
8.2.1.iii. Other aspects of the state's plan to develop the health IT infrastructure/capabilities at the state, delivery system, health plan/MCO, and individual provider levels	X		
8.2.1.iv. Other aspects of the state's health IT implementation milestones	X		
8.2.1.v. The timeline for achieving health IT implementation milestones	X		
8.2.1.vi. Planned activities to increase use and functionality of the state's prescription drug monitoring program	X		
8.2.2 The state expects to make other program changes that may affect metrics related to health IT	X		
9. Other SUD-related metrics			
9.1 Metric trends			

Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
9.1.1 The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to other SUD-related metrics		#26: Overdose Deaths (count) Year #28: SUD Spending Year #29: SUD Spending within IMDs Year #30: Per Capita SUD Spending Year #31: Per Capita SUD Spending within IMDs	During the demonstration year, there was an increase in overdose deaths (28.9%), SUD spending within IMDs (7.6%), and per capita SUD spending within IMDs (16.1%). In the same time, there was a decrease in per capita SUD spending (-3.7%). COVID was significantly impacting OUD and SUD in general and at the same time impacting SUD service provision and access to care for beneficiaries. DHS also removed requirements for reenrollment during the COVID emergency increasing persons contributing to spending overall. The SUD spending within IMDs is associated with declines in service due to COVID. The number of beneficiaries that were admitted decreased while spending for those who remained increased (due to previously mentioned enrollment changes).
9.2 Implementation update			
9.2.1 The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to other SUD-related metrics	X		

4. Narrative information on other reporting topics

Prompts	State has no update to report (Place an X)	State response
10. Budget neutrality		
10.1 Current status and analysis		
10.1.1 If the SUD component is part of a broader demonstration, the state should provide an analysis of the SUD-related budget neutrality and an analysis of budget neutrality as a whole. Describe the current status of budget neutrality and an analysis of the budget neutrality to date.	X	
10.2 Implementation update		
10.2.1 The state expects to make other program changes that may affect budget neutrality	X	
11. SUD-related demonstration operations and policy		
11.1 Considerations		
11.1.1 The state should highlight significant SUD (or if broader demonstration, then SUD-related) demonstration operations or policy considerations that could positively or negatively affect beneficiary enrollment, access to services, timely provision of services, budget neutrality, or any other provision that has potential for beneficiary impacts. Also note any activity that may accelerate or create delays or impediments in achieving the SUD demonstration's approved goals or objectives, if not already reported elsewhere in this document. See report template instructions for more detail.		See executive summary for detail.
11.2 Implementation update		
11.2.1 Compared to the demonstration design and operational details, the state expects to make the following changes: 11.2.1.i. How the delivery system operates under the demonstration (e.g. through the managed care system or fee for service)	X	

Prompts	State has no update to report (Place an X)	State response
11.2.1.ii. Delivery models affecting demonstration participants (e.g. Accountable Care Organizations, Patient Centered Medical Homes)	X	
11.2.1.iii. Partners involved in service delivery	X	
11.2.2 The state experienced challenges in partnering with entities contracted to help implement the demonstration (e.g., health plans, credentialing vendors, private sector providers) and/or noted any performance issues with contracted entities	X	
11.2.3 The state is working on other initiatives related to SUD or OUD	X	
11.2.4 The initiatives described above are related to the SUD or OUD demonstration (The state should note similarities and differences from the SUD demonstration)	X	
12. SUD demonstration evaluation update		
12.1 Narrative information		
12.1.1 Provide updates on SUD evaluation work and timeline. The appropriate content will depend on when this report is due to CMS and the timing for the demonstration. There are specific requirements per Code of Federal Regulations (CFR) for annual reports. See report template instructions for more details.	X	

Prompts	State has no update to report (Place an X)	State response
12.1.2 Provide status updates on deliverables related to the demonstration evaluation and indicate whether the expected timelines are being met and/or if there are any real or anticipated barriers in achieving the goals and timeframes agreed to in the STCs		CMS provided comments and feedback (August 2021) DHS for DY2 Q2 and DY2 Q3. Based on the timing of the information, the DY2 Q4 (annual) report deadline was granted an extension (11/30/2021) to incorporate CMS's feedback. The updated reports based on CMS comments will also be delivered on 11/30/2021). The TA information provided for evaluation by CMS and the delay of the data for monitoring reports impacted NORC's (MN 1115 independent evaluator) ability to complete the Midpoint Assessment by the original deadline. An extension was requested by the evaluator for March 18, 2022 and granted by CMS.
12.1.3 List anticipated evaluation-related deliverables related to this demonstration and their due dates		Mid-point Assessment due 03/18/2022 Interim Evaluation Report due 06/30/2023 Final Evaluation Report due 12/31/2025
13. Other demonstration reporting		
13.1 General reporting requirements		
13.1.1 The state reports changes in its implementation of the demonstration that might necessitate a change to approved STCs, implementation plan, or monitoring protocol	X	
13.1.2 The state anticipates the need to make future changes to the STCs, implementation plan, or monitoring protocol, based on expected or upcoming implementation changes	X	
13.1.3 Compared to the demonstration design and operational details, the state expects to make the following changes to: 13.1.3.i. The schedule for completing and submitting monitoring reports	X	
13.1.3.ii. The content or completeness of submitted reports and/or future reports	X	

Prompts	State has no update to report (Place an X)	State response
13.1.4 The state identified real or anticipated issues submitting timely post-approval demonstration deliverables, including a plan for remediation	X	
13.2 Post-award public forum		
13.2.2 If applicable within the timing of the demonstration, provide a summary of the annual post-award public forum held pursuant to 42 CFR § 431.420(c) indicating any resulting action items or issues. A summary of the post-award public forum must be included here for the period during which the forum was held and in the annual report.	X	
14. Notable state achievements and/or innovations		
14.1 Narrative information		
14.1.1 Provide any relevant summary of achievements and/or innovations in demonstration enrollment, benefits, operations, and policies pursuant to the hypotheses of the SUD (or if broader demonstration, then SUD related) demonstration or that served to provide better care for individuals, better health for populations, and/or reduce per capita cost. Achievements should focus on significant impacts to beneficiary outcomes. Whenever possible, the summary should describe the achievement or innovation in quantifiable terms, e.g., number of impacted beneficiaries.		See executive summary for detail.

*The state should remove all example text from the table prior to submission.

Note: Licensee and states must prominently display the following notice on any display of Measure rates:

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