DEPARTMENT OF HUMAN SERVICES

Impact of 2016 IMD Changes

The Alcohol and Drug Abuse Division of the Department of Human Services conducted an evaluation of the impact of Institutions of Mental Disease changes in 2016 on treatment admissions in Minnesota.

Background

In Minnesota, state, county and Medicaid dollars fund the Consolidated Chemical Dependency Treatment Fund (CCDTF). CCDTF pays for treatment services for people who are uninsured or on Medical Asssistance. Medicaid reimburses the state a percentage for some treatment services. However, the federal government does not allow Medicaid funds to be used for treatment at a chemical treatment program that is determined to be an Institution for Mental Diseases (IMD).

Determining IMD status can be complex. Federal law defines IMDs as programs that have more than 16 beds or have other characteristics that make a program "institutional."

In 2015, an internal review raised concerns about how DHS has determined the eligibility of some Rule 31 chemical dependency treatment programs for Medicaid reimbursement. Therefore, DHS worked with providers, stakeholders, and the Centers for Medicare and Medicaid Services (CMS) in order to ensure alignment with federal rules.

As a result, more than 30 programs formerly considered not to be IMDs are now considered IMDs.

The expected outcome for increasing the number of IMD treatment services were:

- No changes for people seeking treatment services
- Higher costs for the state and counties. CCDTF would continue to fund treatment services for public pay individuals, but the fund would not receive Medicaid reimbursement for services at the newly designated IMDs.

What seemed less clear was what, if any, affect this change would have on providers, the concern being that (despite being prohibited from doing so) placing authorities would refer fewer people to the now-designated IMD treatment programs or to IMDs in general.

Results:

- ***No loss in CCDTF funded referrals to providers whose IMD status changed in 2016***
- ***A 4-percent increase in admissions to all IMDs***
- ***No significant decrease in overall admissions at residential treatment programs***

Impact

Therefore, to gauge that impact on the treatment system of IMD changes, ADAD examines in this report how treatment admissions changed over the last year for residential IMD, residential Non-IMD, and outpatient providers.

The conclusion of the evaluation is that:

- For treatment funded through the CCDTF, those programs that are newly considered IMDs had 15 fewer admissions in 2016 from 2015, well within the usual variation from year-to-year. Therefore, the conclusion is that there is no discernable loss in referrals to these programs due to their reclassification as an IMD.
- There was a .7 percent decrease in the number of total residential admissions at residential programs (both IMD and non-IMD), but a 2.0 percent *increase* at residential programs that were newly identified as an IMD a year ago. Therefore, there was no significant decrease in admissions overall at residential programs due to changes in IMD designation.
- There was a 4-percent increase in admissions to all IMDs (more than 500 admissions).

Data

All admissions to substance use disorder treatment, both public pay and private

- 2.0 percent increase (7,309 to 7,455) at residential programs that were newly identified as an IMD a year ago.
- There was an overall 4-percent increase (12,248 to 12,768) in admissions to IMDs.
- A .7 percent decrease (23,121 to 22,953) in the number of total residential admissions at residential programs (both IMD and non-IMD).

CCDTF funded admissions to substance use disorder treatment

- 0.4 percent decrease (3896 to 3791) at residential programs that were newly identified as an IMD a year ago.
- 13.2 percent increase (2,416 to 2,735) in admissions for existing IMDs.
- 4.2 percent increase (10,147 to 10,570) in the number of total residential admissions (both IMD and non-IMD).

State Contracted Managed Care Organization (MCO) funded admissions to substance use disorder treatment (also considered public pay)

- 3.6 percent decrease (2,384 to 2,298) at residential programs that were newly identified as an IMD a year ago.
- 31.2 percent increase (1,125 to 1476) for existing IMDs
- .6 percent decrease (6,013 to 5,977) in the number of total residential admissions (both IMD and non-IMD).

For more information: mn.gov/dhs/adad/reports/