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(Original Signature of Member)

113TH CONGRESS  
2D SESSION

**H. R.** \_\_\_\_\_

To direct the Secretary of Health and Human Services to establish a demonstration project under the Medicaid program under title XIX of the Social Security Act under which payment may be made to States for expenditures for medical assistance with respect to substance use disorder treatment services, and for other purposes.

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**IN THE HOUSE OF REPRESENTATIVES**

Ms. FUDGE introduced the following bill; which was referred to the Committee  
on \_\_\_\_\_  
\_\_\_\_\_

**A BILL**

To direct the Secretary of Health and Human Services to establish a demonstration project under the Medicaid program under title XIX of the Social Security Act under which payment may be made to States for expenditures for medical assistance with respect to substance use disorder treatment services, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Breaking Addiction  
3 Act of 2014”.

4 **SEC. 2. MEDICAID COMMUNITY-BASED INPATIENT SUB-**  
5 **STANCE USE DISORDER TREATMENT DEM-**  
6 **ONSTRATION PROJECT.**

7 (a) **AUTHORITY.**—The Secretary of Health and  
8 Human Services shall establish a 5-year demonstration  
9 project (in this section referred to as the “demonstration  
10 project”) under which payment may be made to each par-  
11 ticipating State (as described in subsection (b)), for any  
12 medical assistance provided with respect to a qualified in-  
13 dividual in a community-based institution for mental dis-  
14 eases who is being treated in such institution for a sub-  
15 stance use condition.

16 (b) **PARTICIPATING STATES.**—

17 (1) **ELIGIBILITY.**—A State is eligible to partici-  
18 pate in the demonstration project under this section  
19 if the State plan of the State provides for payment  
20 under the plan for community-based inpatient sub-  
21 stance use disorder treatment services furnished to  
22 qualified individuals.

23 (2) **APPLICATION.**—A State seeking to partici-  
24 pate in the demonstration project under this section  
25 shall submit to the Secretary an application, at such  
26 time, in such form, and that contains such informa-

1       tion, provisions, and assurances, as the Secretary  
2       may require.

3           (3) SELECTION.—The Secretary shall select, on  
4       a competitive basis, from among the States that sub-  
5       mit an application under paragraph (1) to the satis-  
6       faction of the Secretary, the States that will be par-  
7       ticipating in the demonstration project. In selecting  
8       such participating States, the Secretary shall seek to  
9       achieve an equitable geographic distribution.

10       (c) WAIVER AUTHORITY.—

11           (1) IN GENERAL.—The Secretary shall waive  
12       the limitation on payment for care and services im-  
13       posed by the subdivision (B) that follows paragraph  
14       (29) of section 1905(a) of the Social Security Act  
15       (42 U.S.C. 1396d(a)) (relating to a limitation on  
16       payments for care or services for any individual who  
17       is under 65 years of age and who is a patient in an  
18       institution for mental diseases) with respect to pay-  
19       ment for the medical assistance described in sub-  
20       section (a).

21           (2) LIMITED OTHER WAIVER AUTHORITY.—The  
22       Secretary may waive other requirements of titles XI  
23       and XIX of the Social Security Act (including the  
24       requirements of sections 1902(a)(1) (relating to  
25       statewideness) (42 U.S.C. 1396a(a)(1)) and

1       1902(a)(10)(B) (relating to comparability) (42  
2       U.S.C. 1396a(a)(10)(B)) of such Act) only to extent  
3       necessary to carry out the demonstration project  
4       under this section.

5       (d) EVALUATION AND REPORT TO CONGRESS.—

6           (1) EVALUATION.—The Secretary shall conduct  
7       an evaluation of the impact the demonstration  
8       project carried out under this section has on the  
9       functioning of the health and substance use disorder  
10      system and individuals enrolled in State plans under  
11      the Medicaid program under title XIX of the Social  
12      Security Act. The evaluation shall include each of  
13      the following:

14           (A) An assessment of the access such indi-  
15      viduals have to substance use disorder treat-  
16      ment services under the demonstration project  
17      carried out under this section, and with respect  
18      to such services, the average lengths of inpa-  
19      tient stays and emergency room visits.

20           (B) An assessment of the discharge plan-  
21      ning by the health care providers furnishing  
22      such services.

23           (C) An assessment of the impact of the  
24      demonstration project on the costs of the full  
25      range of health care items and services, includ-

1 ing inpatient, emergency and ambulatory care,  
2 diversions from inpatient and emergency care,  
3 and readmissions to institutions for mental dis-  
4 eases.

5 (D) An analysis of the percentage of indi-  
6 viduals enrolled in such plans who are admitted  
7 to community-based institutions for mental dis-  
8 eases as a result of the demonstration project  
9 as compared to those admitted to such institu-  
10 tions through other means.

11 (2) REPORT.—Not later than December 31,  
12 2020, the Secretary shall submit to Congress and  
13 make available to the public a report that contains—

14 (A) the findings of the evaluation under  
15 paragraph (1); and

16 (B) the recommendations of the Secretary  
17 regarding whether—

18 (i) the limitation referred to in sub-  
19 section (c)(1) is a barrier to care that  
20 needs to be reviewed by Congress; and

21 (ii) the demonstration project carried  
22 out under this section should be continued  
23 after December 31, 2020, and expanded on  
24 a national basis.

25 (e) FUNDING.—

1           (1) APPROPRIATION.—Out of any funds in the  
2       Treasury not otherwise appropriated, there is appro-  
3       priated to carry out this section, \$300,000,000 for  
4       fiscal year 2015.

5           (2) 10-YEAR AVAILABILITY.—Funds appro-  
6       priated under paragraph (1) shall remain available  
7       for obligation through December 31, 2024.

8           (3) FUNDS ALLOCATED TO STATES.—Funds  
9       shall be allocated to participating States on the basis  
10      of criteria, including a State's application and the  
11      availability of funds, as determined by the Secretary.

12          (4) PAYMENT TO STATES.—For each calendar  
13      quarter beginning on or after October 1, 2014, the  
14      Secretary shall pay to each participating State, from  
15      the allocation made to the State under paragraph  
16      (3), an amount equal to the Federal medical assist-  
17      ance percentage of the amount expended during  
18      such quarter for the medical assistance described in  
19      subsection (a).

20          (5) LIMITATION ON PAYMENTS.—In no case  
21      may—

22              (A) the aggregate amount of payments  
23              made by the Secretary to participating States  
24              under this section exceed \$300,000,000; or

1 (B) payments be made by the Secretary to  
2 participating States under this section after De-  
3 cember 31, 2024.

4 (f) DEFINITIONS.—In this section:

5 (1) FEDERAL MEDICAL ASSISTANCE PERCENT-  
6 AGE.—The term “Federal medical assistance per-  
7 centage” has the meaning given such term in section  
8 1905(b) of the Social Security Act (42 U.S.C.  
9 1396d(b)).

10 (2) INSTITUTION FOR MENTAL DISEASES.—The  
11 term “institution for mental diseases” has the mean-  
12 ing given such term in section 1905(i) of the Social  
13 Security Act (42 U.S.C. 1396d(i)).

14 (3) MEDICAL ASSISTANCE.—The term “medical  
15 assistance” has the meaning given such term in sec-  
16 tion 1905(a) of the Social Security Act (42 U.S.C.  
17 1396d(a)).

18 (4) QUALIFIED INDIVIDUAL.—The term “quali-  
19 fied individual” means an individual who, because of  
20 the individual’s substance use condition, requires  
21 substance use disorder treatment and who—

22 (A) is over 21 years of age and under 65  
23 years of age; and

24 (B) is eligible for medical assistance under  
25 the State plan under the Medicaid program

1           under title XIX of the Social Security Act (42  
2           U.S.C. 1396 et seq.).

3           (5) STATE.—The term “State” has the mean-  
4           ing given such term for purposes of title XIX of the  
5           Social Security Act (42 U.S.C. 1396 et seq.).