



## **Breaking Addiction Act (BAA) of 2015**

### **Frequently Asked Questions**

#### **What is the purpose of the Breaking Addiction Act (BAA) of 2015?**

- This legislation addresses a growing drug crisis which took the lives of 43,982 Americans in 2013. Specifically, the BAA would help expand a national substance use disorder (SUD) treatment network which currently treats only one (1) out of nine (9) individuals in this country who suffer from addiction.

#### **How does the BAA help Americans get treatment for SUD?**

- The BAA increases states' flexibility under their Medicaid programs to cover SUD services provided in inpatient facilities known as institutions for mental diseases (IMDs). At this time, communities simply cannot meet the demand for addiction treatment, resulting in long waiting lists and the provision of inferior care.

#### **What is the IMD exclusion and why does it matter?**

- The IMD exclusion prohibits Medicaid matching payments to facilities which primarily serve individuals with mental illness and have more than 16 beds. In practice, it has forced providers to choose between remaining under the bed cap and eligible for Medicaid reimbursement, or exceeding the limit, thereby rendering themselves disqualified to receive funds from the federal government—either way, access to care is restricted.

#### **What changes would the BAA make to current law?**

- The BAA would direct the Secretary of Health and Human Services to accept Medicaid Section 1115 waiver applications from states looking to provide medical assistance to individuals seeking treatment for substance abuse in a community-based IMD. A community-based IMD is defined in the legislation as an IMD with not more than 60 beds. It would also direct the Secretary to report on the results of such waivers and provide a recommendation as to whether the waiver of the IMD exclusion should be expanded and made permanent.

#### **Is the BAA necessary?**

- Yes. The BAA not only provides immediate relief for America's growing drug crisis, but also includes stringent reporting requirements that will inform national health care policy. Even though the Centers for Medicare & Medicaid Services (CMS) already has the authority to selectively waive the IMD through Section 1115 waivers, it has had a policy not to exercise such discretion for over a decade.

#### **What is the current administrative policy regarding Section 1115 and SUD?**

- In October 2014, CMS indicated it was studying how Section 1115 waivers could be used to address the growing need for SUD treatment, but it explicitly said its reforms would only be available "for a limited number of proposals to address comprehensive SUD system transformation." This is quite concerning as the SUD epidemic leaves no community untouched.

#### **How much would the BAA add to the federal deficit?**

- This bill would not add a cent to the federal deficit. Section 1115 waiver applications have long been required under administrative policy to be budget neutral to the federal government. The BAA is actually expected to result in savings due to increased efficiencies from larger facilities and system wide reductions in the cost of untreated addiction.