AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 5477

OFFERED BY M___. ____________

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Rural Development of Opioid Capacity Services Act” or the “Rural DOCS Act”.

SEC. 2. DEMONSTRATION PROJECT TO INCREASE SUBSTANCE USE PROVIDER CAPACITY UNDER THE MEDICAID PROGRAM.

Section 1903 of the Social Security Act (42 U.S.C. 1396b) is amended by adding at the end the following new subsection:

“(aa) DEMONSTRATION PROJECT TO INCREASE SUBSTANCE USE PROVIDER CAPACITY.—

“(1) IN GENERAL.—Beginning January 1, 2019, the Secretary shall conduct a 5-year demonstration project under which the Secretary shall, for the first 18-month period of such project, award planning grants described in paragraph (2) and, for the remaining period of such project, provide to an
eligible State (as defined in paragraph (3)(A)) payments, in accordance with paragraph (4), with respect to expenditures by such eligible State for education, training, technical assistance, and improved reimbursement rates for providers under the State plan (or a waiver of such plan) to expand provider capacity to deliver substance use treatment and recovery services for individuals enrolled under such State plan (or waiver), including each of the following activities:

“(A) For the purpose described in paragraph (2)(B)(i), activities that support an ongoing assessment of the behavioral health treatment needs of the State, taking into account the matters described in subclauses (I) through (IV) of such paragraph.

“(B) Activities that, taking into account the results of the assessment described in subparagraph (A), support the recruitment, training, and provision of technical assistance for providers participating under the State plan (or a waiver of such plan) that offer substance use disorder treatment and recovery services.

“(C) Improved reimbursement for and expansion of, through the provision of education,
training, and technical assistance, the number
or treatment capacity of providers participating
under the State plan (or waiver) that—

“(i) are authorized to dispense drugs
approved by the Food and Drug Adminis-
tration for individuals with a substance use
disorder who need withdrawal management
or maintenance treatment for such dis-
order;

“(ii) have in effect a registration or
waiver under section 303(g) of the Con-
trolled Substances Act for purposes of dis-
pensing narcotic drugs to individuals for
maintenance treatment or detoxification
treatment and are in compliance with any
regulation promulgated by the Assistant
Secretary for Mental Health and Sub-
stance Use for purposes of carrying out
the requirements of such section 303(g);
and

“(iii) are licensed or certified under
applicable State law to provide substance
use disorder treatment and recovery serv-
ices.
“(D) Improved reimbursement for and expansion of, through the provision of education, training, and technical assistance, the number or treatment capacity of providers participating under the State plan (or waiver) that have the qualifications to address the treatment and recovery needs of—

“(i) individuals enrolled under the State plan (or a waiver of such plan) who have neonatal abstinence syndrome, in accordance with guidelines issued by the American Academy of Pediatrics and American College of Obstetricians and Gynecologists relating to maternal care and infant care with respect to neonatal abstinence syndrome;

“(ii) postpartum women and infants, particularly the concurrent treatment and comprehensive case management of postpartum women and infants, enrolled under the State plan (or a waiver of such plan);

“(iii) adolescents and young adults between the ages of 12 and 21 enrolled under the State plan (or a waiver of such plan); or
“(iv) American Indian and Alaska Native individuals enrolled under the State plan (or a waiver of such plan).

“(2) PLANNING GRANTS.—

“(A) IN GENERAL.—For purposes of paragraph (1), the Secretary shall, for the first 18-month period of the demonstration project, award planning grants to at least 10 States for purposes of preparing an application described in paragraph (3)(D) and carrying out the activities described in subparagraph (B).

“(B) ACTIVITIES DESCRIBED.—Activities described in this subparagraph are each of the following:

“(i) Activities that support the development of an initial assessment of the behavioral health treatment needs of the State to determine the extent to which providers are needed (including the types of such providers and geographic area of need) to improve the network of providers that treat substance use disorders under the State plan (or waiver), including the following:
“(I) An estimate of the number of individuals enrolled under the State plan (or a waiver of such plan) who have a substance use disorder.

“(II) Information on the capacity of providers to provide substance use disorder services to individuals enrolled under the State plan (or waiver), including information on providers who provide such services and their participation under the State plan (or waiver).

“(III) Information on the gap in substance use disorder treatment and recovery services under the State plan (or waiver) based on the information described in subclauses (I) and (II).

“(IV) Projections regarding the extent to which the State participating under the demonstration project would increase the number of providers offering substance use disorder services under the State plan (or waiver) during the period of the demonstration project.
“(ii) Activities that, taking into account the results of the assessment described in clause (i), support the development of State infrastructure to, with respect to the provision of substance use treatment and recovery services under the State plan (or a waiver of such plan), recruit prospective providers and provide training and technical assistance to such providers.

“(C) FUNDING.—For purposes of subparagraph (A), there is appropriated, out of any funds in the Treasury not otherwise appropriated, $50,000,000, to remain available until expended.

“(3) ELIGIBLE STATES.—

“(A) DEFINITION.—For purposes of this subsection, the term ‘eligible State’ means a State selected by the Secretary under subparagraph (B).

“(B) SELECTION.—For purposes of this subsection, the Secretary shall select 10 States that received a planning grant under paragraph (2) and that meet the criteria for eligibility
under subparagraph (C). In selecting such States, the Secretary shall—

“(i) select States in a manner that ensures geographic diversity;

“(ii) give preference to States with a prevalence of substance use disorders (in particular opioid use disorders) that is comparable to or higher than the national average prevalence, as measured by aggregate per capita drug overdoses, or any other measure that the Secretary deems appropriate; and

“(iii) take into consideration the quality of applications submitted under subparagraph (D).

“(C) CRITERIA FOR ELIGIBILITY.—To be eligible for selection under subparagraph (B), a State shall—

“(i) have a State plan (or waiver of the State plan) approved under this title; and

“(ii) submit to the Secretary an application in accordance with the requirements in subparagraph (D).
“(D) APPLICATIONS.—For purposes of this paragraph, a State shall submit to the Secretary, at such time and in such form and manner as the Secretary requires, an application that includes such information, provisions, and assurances, as the Secretary may require, in addition to the following:

“(i) A proposed process for undertaking the assessment described in paragraph (1)(A).

“(ii) A review of reimbursement methodologies and other policies related to substance use disorder services under the State plan (or waiver) that may create barriers to increasing the number of providers delivering substance use disorder services.

“(iii) The development of a plan that will result in long-term and sustainable provider networks under the State plan (or waiver) that will offer a continuum of care for substance use disorders. Such plan shall include the following:

“(I) Specific activities to increase the number of providers (including providers that specialize in providing
substance use disorder services, hospitals, health care systems, and Federally qualified health centers) that offer substance use disorder treatment, recovery, and support services, including short-term detoxification services, outpatient substance use disorder services, and evidence-based peer recovery services.

“(II) Strategies that will incentivize providers described in subparagraphs (C) and (D) of paragraph (1) to obtain the necessary training, education, and support to deliver substance use disorder services in the State.

“(III) Milestones and timeliness for implementing activities set forth in the plan.

“(IV) Specific measurable targets for increasing the substance use disorder and recovery provider network under the State plan (or a waiver of such plan).
“(iv) A proposed process for reporting the information required under paragraph (5)(A), including information to assess the effectiveness of the efforts of the State to expand the capacity of providers to deliver substance use disorder and recovery services during the period of the demonstration project under this subsection.

“(v) A projected budget for the State to carry out under the demonstration project under this subsection the activities set forth in the plan.

“(4) PAYMENT.—

“(A) IN GENERAL.—For each quarter occurring during the period for which the demonstration project is conducted (after the first 18 months of such period), the Secretary shall pay under this subsection, subject to subparagraph (B), to each eligible State an amount equal to 90 percent of so much of the sums expended during such quarter as are attributable to activities described in paragraph (1) with respect to providers participating under the State plan (or a waiver of such plan) and substance
use treatment and recovery services furnished
by such providers.

“(B) NON-DUPLICATION OF PAYMENT.—In
the case that payment is made under subpara-
graph (A) with respect to expenditures for ac-
tivities carried out by an eligible State under
the demonstration project under this sub-
section, payment may not also be made under
subsection (a) with respect to expenditures for
the same activities carried out by the eligible
State.

“(5) REPORTS.—

“(A) STATE REPORTS.—A State receiving
payments under this subsection shall, for the
period of the demonstration project under this
subsection, submit to the Secretary a quarterly
report, with respect to expenditures for activi-
ties for which payment is made to the State
under this subsection, on the following:

“(i) The specific activities with re-
spect to which payment under this sub-
section was provided.

“(ii) The number of providers that de-

divered substance use disorder and recovery
services in the State under the demonstra-
tion project compared to the estimated number of providers that would have otherwise delivered such services in the absence of such demonstration project.

“(iii) The number of individuals enrolled under the State plan (or a waiver of such plan) who received substance use disorder services under the demonstration project compared to the estimated number of such individuals who would have otherwise received such services in the absence of such demonstration project.

“(iv) Other matters as determined by the Secretary.

“(B) CMS REPORTS.—

“(i) INITIAL REPORT.—Not later than October 1, 2020, the Administrator of the Centers for Medicare & Medicaid Services shall submit to Congress an initial report on the States awarded planning grants under paragraph (2), the criteria used in such selection, and the activities carried out by such States under such planning grants.
“(ii) INTERIM REPORT.—Not later than October 1, 2022, the Administrator of the Centers for Medicare & Medicaid Services shall submit to Congress an interim report on activities carried out under the demonstration project under this subsection.

“(iii) FINAL REPORT.—Not later than October 1, 2024, the Administrator of the Centers for Medicare & Medicaid Services shall submit to Congress a final report on activities carried out under the demonstration project under this subsection.

“(6) DATA SHARING AND BEST PRACTICES.—During the period of the demonstration project under this subsection, the Secretary shall, in collaboration with eligible States, facilitate data sharing and the development of best practices between eligible States and non-eligible States.

“(7) CMS FUNDING.—There is appropriated, out of any funds in the Treasury not otherwise appropriated, $5,000,000 to the Centers for Medicare & Medicaid Services for purposes of implementing this subsection.”.