

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO H.R. 5477  
OFFERED BY M . \_\_\_\_\_**

Strike all after the enacting clause and insert the following:

**1 SECTION 1. SHORT TITLE.**

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

**5 SEC. 2. DEMONSTRATION PROJECT TO INCREASE SUB-  
6 STANCE USE PROVIDER CAPACITY UNDER  
7 THE MEDICAID PROGRAM.**

8 Section 1903 of the Social Security Act (42 U.S.C.  
9 1396b) is amended by adding at the end the following new  
10 subsection:

11 “(aa) DEMONSTRATION PROJECT TO INCREASE SUB-  
12 STANCE USE PROVIDER CAPACITY.—

13 “(1) IN GENERAL.—Not later than the date  
14 that is 180 days after the date of the enactment of  
15 this section, the Secretary shall, in consultation, as  
16 appropriate, with the Director of the Agency for  
17 Healthcare Research and Quality and the Assistant  
18 Secretary for Mental Health and Substance Use,

1       conduct a 5-year demonstration project for the pur-  
2       pose described in paragraph (2) under which the  
3       Secretary shall—

4               “(A) for the first 18-month period of such  
5       project, award planning grants described in  
6       paragraph (3); and

7               “(B) for the remaining 42-month period of  
8       such project, provide to each State selected  
9       under paragraph (4) payments in accordance  
10      with paragraph (5).

11              “(2) PURPOSE.—The purpose described in this  
12      paragraph is for each State selected under para-  
13      graph (4) to increase the treatment capacity of pro-  
14      viders participating under the State plan (or a waiv-  
15      er of such plan) to provide substance use disorder  
16      treatment or recovery services under such plan (or  
17      waiver) through the following activities:

18              “(A) For the purpose described in para-  
19      graph (3)(C)(i), activities that support an ongo-  
20      ing assessment of the behavioral health treat-  
21      ment needs of the State, taking into account  
22      the matters described in subclauses (I) through  
23      (IV) of such paragraph.

24              “(B) Activities that, taking into account  
25      the results of the assessment described in sub-

1 paragraph (A), support the recruitment, train-  
2 ing, and provision of technical assistance for  
3 providers participating under the State plan (or  
4 a waiver of such plan) that offer substance use  
5 disorder treatment or recovery services.

6 “(C) Improved reimbursement for and ex-  
7 pansion of, through the provision of education,  
8 training, and technical assistance, the number  
9 or treatment capacity of providers participating  
10 under the State plan (or waiver) that—

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

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

1 the requirements of such section 303(g);  
2 and

3 “(iii) are qualified under applicable  
4 State law to provide substance use disorder  
5 treatment or recovery services.

6 “(D) Improved reimbursement for and ex-  
7 pansion of, through the provision of education,  
8 training, and technical assistance, the number  
9 or treatment capacity of providers participating  
10 under the State plan (or waiver) that have the  
11 qualifications to address the treatment or recov-  
12 ery needs of—

13 “(i) individuals enrolled under the  
14 State plan (or a waiver of such plan) who  
15 have neonatal abstinence syndrome, in ac-  
16 cordance with guidelines issued by the  
17 American Academy of Pediatrics and  
18 American College of Obstetricians and  
19 Gynecologists relating to maternal care  
20 and infant care with respect to neonatal  
21 abstinence syndrome;

22 “(ii) pregnant women, postpartum  
23 women, and infants, particularly the con-  
24 current treatment, as appropriate, and  
25 comprehensive case management of preg-

1           nant women, postpartum women and in-  
2           fants, enrolled under the State plan (or a  
3           waiver of such plan);

4                   “(iii) adolescents and young adults be-  
5           tween the ages of 12 and 21 enrolled  
6           under the State plan (or a waiver of such  
7           plan); or

8                   “(iv) American Indian and Alaska Na-  
9           tive individuals enrolled under the State  
10          plan (or a waiver of such plan).

11          “(3) PLANNING GRANTS.—

12                   “(A) IN GENERAL.—The Secretary shall,  
13          with respect to the first 18-month period of the  
14          demonstration project conducted under para-  
15          graph (1), award planning grants to at least 10  
16          States selected in accordance with subpara-  
17          graph (B) for purposes of preparing an applica-  
18          tion described in paragraph (4)(C) and carrying  
19          out the activities described in subparagraph  
20          (C).

21                   “(B) SELECTION.—In selecting States for  
22          purposes of this paragraph, the Secretary  
23          shall—

1           “(i) select States that have a State  
2           plan (or waiver of the State plan) approved  
3           under this title;

4           “(ii) select States in a manner that  
5           ensures geographic diversity; and

6           “(iii) give preference to States with a  
7           prevalence of substance use disorders (in  
8           particular opioid use disorders) that is  
9           comparable to or higher than the national  
10          average prevalence, as measured by aggregate  
11          per capita drug overdoses, or any  
12          other measure that the Secretary deems  
13          appropriate.

14          “(C) ACTIVITIES DESCRIBED.—Activities  
15          described in this subparagraph are, with respect  
16          to a State, each of the following:

17                 “(i) Activities that support the devel-  
18                 opment of an initial assessment of the be-  
19                 havioral health treatment needs of the  
20                 State to determine the extent to which pro-  
21                 viders are needed (including the types of  
22                 such providers and geographic area of  
23                 need) to improve the network of providers  
24                 that treat substance use disorders under

1 the State plan (or waiver), including the  
2 following:

3 “(I) An estimate of the number  
4 of individuals enrolled under the State  
5 plan (or a waiver of such plan) who  
6 have a substance use disorder.

7 “(II) Information on the capacity  
8 of providers to provide substance use  
9 disorder treatment or recovery serv-  
10 ices to individuals enrolled under the  
11 State plan (or waiver), including in-  
12 formation on providers who provide  
13 such services and their participation  
14 under the State plan (or waiver).

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

20 “(IV) Projections regarding the  
21 extent to which the State partici-  
22 pating under the demonstration  
23 project would increase the number of  
24 providers offering substance use dis-  
25 order treatment or recovery services

1 under the State plan (or waiver) dur-  
2 ing the period of the demonstration  
3 project.

4 “(ii) Activities that, taking into ac-  
5 count the results of the assessment de-  
6 scribed in clause (i), support the develop-  
7 ment of State infrastructure to, with re-  
8 spect to the provision of substance use dis-  
9 order treatment or recovery services under  
10 the State plan (or a waiver of such plan),  
11 recruit prospective providers and provide  
12 training and technical assistance to such  
13 providers.

14 “(D) FUNDING.—For purposes of subpara-  
15 graph (A), there is appropriated, out of any  
16 funds in the Treasury not otherwise appro-  
17 priated, \$50,000,000, to remain available until  
18 expended.

19 “(4) POST-PLANNING STATES.—

20 “(A) IN GENERAL.—The Secretary shall,  
21 with respect to the remaining 42-month period  
22 of the demonstration project conducted under  
23 paragraph (1), select not more than 5 States in  
24 accordance with subparagraph (B) for purposes  
25 of carrying out the activities described in para-



1 graph (2) and receiving payments in accordance  
2 with paragraph (5).

3 “(B) SELECTION.—In selecting States for  
4 purposes of this paragraph, the Secretary  
5 shall—

6 “(i) select States that received a plan-  
7 ning grant under paragraph (3);

8 “(ii) select States that submit to the  
9 Secretary an application in accordance  
10 with the requirements in subparagraph  
11 (C), taking into consideration the quality  
12 of each such application;

13 “(iii) select States in a manner that  
14 ensures geographic diversity; and

15 “(iv) give preference to States with a  
16 prevalence of substance use disorders (in  
17 particular opioid use disorders) that is  
18 comparable to or higher than the national  
19 average prevalence, as measured by aggre-  
20 gate per capita drug overdoses, or any  
21 other measure that the Secretary deems  
22 appropriate.

23 “(C) APPLICATIONS.—

24 “(i) IN GENERAL.—A State seeking to  
25 be selected for purposes of this paragraph

1 shall submit to the Secretary, at such time  
2 and in such form and manner as the Sec-  
3 retary requires, an application that in-  
4 cludes such information, provisions, and  
5 assurances, as the Secretary may require,  
6 in addition to the following:

7 “(I) A proposed process for car-  
8 rying out the ongoing assessment de-  
9 scribed in paragraph (2)(A), taking  
10 into account the results of the initial  
11 assessment described in paragraph  
12 (3)(C)(i).

13 “(II) A review of reimbursement  
14 methodologies and other policies re-  
15 lated to substance use disorder treat-  
16 ment or recovery services under the  
17 State plan (or waiver) that may create  
18 barriers to increasing the number of  
19 providers delivering such services.

20 “(III) The development of a plan,  
21 taking into account activities carried  
22 out under paragraph (3)(C)(ii), that  
23 will result in long-term and sustain-  
24 able provider networks under the  
25 State plan (or waiver) that will offer

1 a continuum of care for substance use  
2 disorders. Such plan shall include the  
3 following:

4 “(aa) Specific activities to  
5 increase the number of providers  
6 (including providers that spe-  
7 cialize in providing substance use  
8 disorder treatment or recovery  
9 services, hospitals, health care  
10 systems, Federally qualified  
11 health centers, and, as applicable,  
12 certified community behavioral  
13 health clinics) that offer sub-  
14 stance use disorder treatment, re-  
15 covery, or support services, in-  
16 cluding short-term detoxification  
17 services, outpatient substance use  
18 disorder services, and evidence-  
19 based peer recovery services.

20 “(bb) Strategies that will  
21 incentivize providers described in  
22 subparagraphs (C) and (D) of  
23 paragraph (2) to obtain the nec-  
24 essary training, education, and  
25 support to deliver substance use

1 disorder treatment or recovery  
2 services in the State.

3 “(cc) Milestones and timeli-  
4 ness for implementing activities  
5 set forth in the plan.

6 “(dd) Specific measurable  
7 targets for increasing the sub-  
8 stance use disorder treatment  
9 and recovery provider network  
10 under the State plan (or a waiver  
11 of such plan).

12 “(IV) A proposed process for re-  
13 porting the information required  
14 under paragraph (6)(A), including in-  
15 formation to assess the effectiveness  
16 of the efforts of the State to expand  
17 the capacity of providers to deliver  
18 substance use disorder treatment or  
19 recovery services during the period of  
20 the demonstration project under this  
21 subsection.

22 “(V) The expected financial im-  
23 pact of the demonstration project  
24 under this subsection on the State.

1                   “(VI) A description of all funding  
2                   sources available to the State to pro-  
3                   vide substance use disorder treatment  
4                   or recovery services in the State.

5                   “(VII) A preliminary plan for  
6                   how the State will sustain any in-  
7                   crease in the capacity of providers to  
8                   deliver substance use disorder treat-  
9                   ment or recovery services resulting  
10                  from the demonstration project under  
11                  this subsection after the termination  
12                  of such demonstration project.

13                  “(VIII) A description of how the  
14                  State will coordinate the goals of the  
15                  demonstration project with any waiver  
16                  received pursuant to section 1115 for  
17                  the delivery of substance use services  
18                  under the State plan, as applicable.

19                  “(ii) CONSULTATION.—In completing  
20                  an application under clause (i), a State  
21                  shall consult with relevant stakeholders, in-  
22                  cluding Medicaid managed care plans,  
23                  health care providers, and Medicaid bene-  
24                  ficiary advocates, and include in such ap-  
25                  plication a description of such consultation.

1           “(5) PAYMENT.—

2                   “(A) IN GENERAL.—For each quarter oc-  
3 ccurring during the period for which the dem-  
4 onstration project is conducted (after the first  
5 18 months of such period), the Secretary shall  
6 pay under this subsection, subject to subpara-  
7 graphs (C) and (D), to each State selected  
8 under paragraph (4) an amount equal to 80  
9 percent of so much of the qualified sums ex-  
10 pended during such quarter.

11                   “(B) QUALIFIED SUMS DEFINED.—For  
12 purposes of subparagraph (A), the term ‘quali-  
13 fied sums’ means, with respect to a State and  
14 a quarter, the amount equal to the amount (if  
15 any) by which the sums expended by the State  
16 during such quarter attributable to substance  
17 use treatment or recovery services furnished by  
18 providers participating under the State plan (or  
19 a waiver of such plan) exceeds 1/4 of such sums  
20 expended by the State during fiscal year 2018  
21 attributable to substance use treatment or re-  
22 covery services.

23                   “(C) NON-DUPLICATION OF PAYMENT.—In  
24 the case that payment is made under subpara-  
25 graph (A) with respect to expenditures for sub-

1           stance use treatment or recovery services fur-  
2           nished by providers participating under the  
3           State plan (or a waiver of such plan), payment  
4           may not also be made under subsection (a) with  
5           respect to expenditures for the same services so  
6           furnished.

7           “(D) CONDITIONS.—In the case of a State  
8           selected under paragraph (4) that provides sub-  
9           stance use disorder treatment and recovery  
10          services under a waiver under section 1115,  
11          such State shall, as a condition of receiving  
12          payments under subparagraph (A)—

13                 “(i) coordinate such services under  
14                 such waiver with substance use disorder  
15                 treatment and recovery services provided  
16                 under the demonstration project under this  
17                 subsection; and

18                 “(ii) take such actions as appropriate  
19                 under the demonstration project to expand  
20                 such services under such waiver.

21          “(6) REPORTS.—

22                 “(A) STATE REPORTS.—A State receiving  
23                 payments under paragraph (5) shall, for the pe-  
24                 riod of the demonstration project under this  
25                 subsection, submit to the Secretary a quarterly

1 report, with respect to expenditures for sub-  
2 stance use treatment or recovery services for  
3 which payment is made to the State under this  
4 subsection, on the following:

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

8 “(ii) The number of providers that de-  
9 livered substance use disorder treatment or  
10 recovery services in the State under the  
11 demonstration project compared to the es-  
12 timated number of providers that would  
13 have otherwise delivered such services in  
14 the absence of such demonstration project.

15 “(iii) The number of individuals en-  
16 rolled under the State plan (or a waiver of  
17 such plan) who received substance use dis-  
18 order treatment or recovery services under  
19 the demonstration project compared to the  
20 estimated number of such individuals who  
21 would have otherwise received such services  
22 in the absence of such demonstration  
23 project.

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



1 “(B) CMS REPORTS.—

2 “(i) INITIAL REPORT.—Not later than  
3 October 1, 2020, the Administrator of the  
4 Centers for Medicare & Medicaid Services  
5 shall, in consultation with the Director of  
6 the Agency for Healthcare Research and  
7 Quality and the Assistant Secretary for  
8 Mental Health and Substance Use, submit  
9 to Congress an initial report on—

10 “(I) the States awarded planning  
11 grants under paragraph (3);

12 “(II) the criteria used in such se-  
13 lection; and

14 “(III) the activities carried out  
15 by such States under such planning  
16 grants.

17 “(ii) INTERIM REPORT.—Not later  
18 than October 1, 2022, the Administrator  
19 of the Centers for Medicare & Medicaid  
20 Services shall, in consultation with the Di-  
21 rector of the Agency for Healthcare Re-  
22 search and Quality and the Assistant Sec-  
23 retary for Mental Health and Substance  
24 Use, submit to Congress an interim re-  
25 port—

1                   “(I) on activities carried out  
2                   under the demonstration project  
3                   under this subsection;

4                   “(II) on the extent to which  
5                   States selected under paragraph (4)  
6                   have achieved the stated goals sub-  
7                   mitted in their applications under sub-  
8                   paragraph (C) of such paragraph;

9                   “(III) with a description of the  
10                  strengths and limitations of such dem-  
11                  onstration project; and

12                  “(IV) with a plan for the sustain-  
13                  ability of such project.

14                  “(iii) FINAL REPORT.—Not later than  
15                  October 1, 2024, the Administrator of the  
16                  Centers for Medicare & Medicaid Services  
17                  shall, in consultation with the Director of  
18                  the Agency for Healthcare Research and  
19                  Quality and the Assistant Secretary for  
20                  Mental Health and Substance Use, submit  
21                  to Congress a final report—

22                         “(I) providing updates on the  
23                         matters reported in the interim report  
24                         under clause (ii);

1                   “(II) including a description of  
2                   any changes made with respect to the  
3                   demonstration project under this sub-  
4                   section after the submission of such  
5                   interim report; and

6                   “(III) evaluating such dem-  
7                   onstration project.

8                   “(C) AHRQ REPORT.—Not later than  
9                   three years after the date of the enactment of  
10                  this subsection, the Director of the Agency for  
11                  Healthcare Research and Quality shall submit  
12                  to Congress a summary on the experiences of  
13                  States awarded planning grants under para-  
14                  graph (3) and States selected under paragraph  
15                  (4).

16                  “(7) DATA SHARING AND BEST PRACTICES.—  
17                  During the period of the demonstration project  
18                  under this subsection, the Secretary shall, in collabo-  
19                  ration with States selected under paragraph (4), fa-  
20                  cilitate data sharing and the development of best  
21                  practices between such States and States that were  
22                  not so selected.

23                  “(8) CMS FUNDING.—There is appropriated,  
24                  out of any funds in the Treasury not otherwise ap-  
25                  propriated, \$5,000,000 to the Centers for Medicare

1       & Medicaid Services for purposes of implementing  
2       this subsection. Such amount shall remain available  
3       until expended.”.

