IMD Overview

How To Use This Spreadsheet:

Consult the tables below for a overview of the "IMD Services Limit" and "Non-IMD Services CNOM Limit" in Scenarios 1 and 2. The tables provide basic concepts and frameworks for establishing the budget neutrality limits--and expenditure reporting requirements for monitoring. The notes below the table provide additional information related to allowable IMD medical assistance services, estimation of the various budget neutrality limits, trend rates, "in lieu of" services and other details of estimation and expenditure reporting. For states proposing to include IMD services as a component of their broader 1115 demonstrations, the limits established in this spreadsheet--once approved by CMS--will be included in the comprehensive budget neutrality spreadsheet, STCs and expenditure monitoring tool (see State Medicaid Director Letter #18-009). The limits established may be used as an upper limit for all medical assistance services provided in an IMD--or separately tabulated by, for example, diagnosis-type (see glossary below for definition of abbreviations).

Scenario 1

Situation: Demonstration CNOM is limited to expenditures for otherwise covered services furnished to otherwise eligible individuals who are primarily receiving treatment for SUD, SMI and/or SED who are residents in facilities that meet the definition of an IMD (i.e., IMD exclusion related MA).	**IMD Services Limit**	**Non-IMD Services CNOM Limit**
Without Waiver (i.e., budget neutrality limit)	PMPM Cost · Estimated average of all MA costs incurred during IMD MMs. · Est. total MA cost in IMD MMs ÷ est. IMD MMs Member Months · IMD MM: Any *whole* month during which a Medicaid eligible is inpatient in an IMD at least 1 day BN Expenditure Limit · PMPM cost × IMD MMs	
With Waiver	Expenditures Subject to Limit · All MA costs with dates of service during IMD MMs Reporting Requirements State must be able to identify and report: · IMD MMs separate from other Medicaid months of eligibility · MA costs during IMD MMs separate from other MA costs	

Scenario 2

Situation: Demonstration CNOM include both CNOM for IMD exclusion related MA to *and* CNOM for additional hypothetical services that can be provided outside the IMD.	**IMD Services Limit**	**Non-IMD Services CNOM Limit**
Without Waiver (i.e., budget neutrality limit)	PMPM Cost · Estimated average of all MA costs incurred during IMD MMs. · Est. total MA cost in IMD MMs ÷ est. IMD MMs Member Months · IMD MM: Any *whole* month during which a Medicaid eligible is inpatient in an IMD at least 1 day · *Can* exclude months with ≤ 15 IMD inpatient days under managed care BN Expenditure Limit · PMPM cost × IMD MMs	PMPM Cost · Estimate of average CNOM service cost during Non-IMD MMs · Est. total CNOM service cost ÷ est. Non-IMD MMs · CNOM service cost can include capitated cost of IMD services Member Months · Non-IMD MM: Any month of Medicaid eligibility in which a person *could* receive a CNOM service that is not an IMD MM BN Expenditure Limit · PMPM cost × Non-IMD MMs
With Waiver	Expenditures Subject to Limit · All MA costs with dates of service during IMD MMs Reporting Requirements State must be able to identify and report: · IMD MMs separate from other Medicaid months of eligibility · MA costs during IMD MMs separate from other MA costs	Expenditures Subject to Limit · All CNOM service costs with dates of service during Non-IMD MMs Reporting Requirements State must be able to identify and report: · Non-IMD MMs separate from IMD MMs · IMD CNOM costs separate from other MA costs

Glossary of Abbreviations

CNOM = expenditure authority (cost not otherwise matchable)
Hypo = hypothetical, i.e., optional services that could be included in the state plan but are instead being authorized in the 1115 using CNOM
IMD = institution for mental diseases
MA = medical assistance
MM = member month
SUD = substance abuse disorder

SMI = serious mental illness
SED = serious emotional disturbance

Notes

1. Date of service for capitation payments is the month of coverage for which the capitation is paid.
2. The IMD Services Limit and Non-IMD Services CNOM Limit are intended to be two distinct budget neutrality tests separately and independently enforced.
3. Services provided in an IMD "in lieu of" other allowable settings are excluded from this budget neutrality test (see below).
4. Some specific unallowable costs are detailed below (see STCs for additional exceptions and caveats).

Estimation for the IMD Services Limit

The IMD Services Limit represents the projected cost of medical assistance during months in which Medicaid eligible are patients at the IMD. These are the acceptable ways for the state to determine the PMPMs for the IMD Services Limit.

· States should present their most recent represenative year of historical data on overall MA costs for individuals with a SUD, SMI and/or SED diagnosis (or proxy) who received inpatient treatment those diagnoses (or could have received inpatient treatment if such services were available), to determine projected MA cost per user of SUD, SMI and/or SED inpatient services for each historical year.

· The per user per month cost(s) are then projected forward using the President's Budget PMPM cost trend--and the projected per user per month costs will become the PMPMs for the IMD Services Limit.
· If the state has an existing comprehensive Medicaid demonstration with already calculated without waiver PMPMs, CMS will incorporate the PMPMs established in this workbook.
· States may also "top off" IMD Services Limit PMPMs with an additional estimated amount representing any additional CNOM services that affected individuals may also receive during IMD months.
· State may use Alternate PMPM Development in Historical tab for estimating expenditures (see 'Supplemental Methodology Document' requirement below).

Trends

PMPM trend rates will generally be the smoothed trend from the most recent President's Budget Medicaid trends and will be supplied to states by CMS.

· The President's Budget trends should be for the eligibility groups that are participating in the IMD demonstration; most often, these will be the Current Adults, New Adults, or a blend of Current and New Adults, to determine average MA cost per user of SUD, SMI and/or SED inpatient services for each historical year.
· The per user per month costs are then projected forward using the President's Budget PMPM cost trend.
· The projected per user per month costs will become the PMPMs for the IMD Services Limit.

Multiple MEGs

There should be one set of MEGs for the current Medicaid state plan IMD Services Limit(s) with associated PMPMs and member months, and one for the Non-IMD Services CNOM Limit and/or Non-Hypothetical CNOM Limit, as applicable.

· States may also develop single, or multiple, PMPMs for SUD, SMI and/or SED.

Member Month Non-Duplication

IMD Services Limit member month must be non-duplicative of Non-IMD Services CNOM Limit member months, and must also be non-duplicative of general comprehensive demonstration budget neutrality limit member months.

· This means that month of Medicaid eligibility for an individual cannot appear as both an IMD Services Limit member month and a Non-IMD Services CNOM Limit member month; it has to be one or the other, and likewise for IMD Services Limit member month and general comprehensive demonstration budget neutrality limit member months.
· IMD Services CNOM Limit member months can be duplicative of general comprehensive demonstration budget neutrality limit member months.

State Data Inputs

States must add their data to the yellow highlighted cells for CMS review and discussion - and choose the appropriate drop-downs corresponding to their data inputs.

· CMS will provide template instructions with this spreadsheet.

"In Lieu of" Services

States must not report expenditures for a capitation payment to a risk-based MCO or PIHP for an enrollee with a short-term stay in an IMD for inpatient psychiatric or substance use disorder services of no more than 15 days within the month for which the capitation payment is made is permissible under the regulation at §438.6(e) for MCOs and PIHPs to use the IMD as a medically appropriate and cost effective alternative setting to those covered under the State plan or ABP.

· This flexibility is referred to in the regulations as "in-lieu-of" services or settings and is effectuated through the contract between the state and the MCO or PIHP.
· For more information on "in leu of" servies, see "Medicaid and CHIP Managed Care Final Rule (CMS-2390-F) Frequently Asked Questions (FAQs) – Section 438.6(e)" (August 2017).

Unallowable Costs

In addition to other unallowable costs and caveats outlined in the STCs, the state may not receive FFP under any expenditure authority approved under this demonstration for any of the following :

· Room and board costs for residential treatment service providers unless they qualify as inpatient facilities under section 1905(a) of the Act.
· Costs for services provided in a nursing facility as defined in section 1919 of the Act that qualifies as an IMD.
· Costs for services provided to inmates of a public institution, as defined in 42 CFR 435.1010 and clause A after section 1905(a)(29), except if the individual is admitted for at least a 24 hour stay in a medical institution (see SMI/SED SMDL, p. 13).
· Costs for services provided to beneficiaries under age 21 residing in an IMD unless the IMD meets the requirements for the "inpatient psychiatric services for individuals under age 21" benefit under 42 CFR 440.160, 441 Subpart D, and 483 Subpart G .

Supplemental Methodology Document

The 'Historical Spending Data' and/or 'Alternate PMPM Development' in the IMD Historical tab must be accompanied by a supplemental methodology and data sources document that fully describes, for each MEG, a complete break-out of all SUD, SMI and/or SED services--with descriptions of accompanying expenditures and caseloads.

· There should also be sections/headings in the methodology document which describe all other state data inputs (see 'State Data Inputs' above).

IMD Historical

Representative Data Year:	2019
Type of State Years:	Calendar

SMI Adults, Ages 18 to 64

IMD Services MEG 1	2019
TOTAL EXPENDITURES	$6,628,831
ELIGIBLE MEMBER MONTHS	720
PMPM COST	$9,206.71

SUD Adults, Ages 18 to 64

IMD Services MEG 2	
TOTAL EXPENDITURES	$13,706,377
ELIGIBLE MEMBER MONTHS	3,292
PMPM COST	$4,163.54

SUD Adolescents, Ages 17 and Under

IMD Services MEG 3	
TOTAL EXPENDITURES	$928,996
ELIGIBLE MEMBER MONTHS	241
PMPM COST	$3,854.75

Continue MEGs from Above, As Needed

						2019				
						Choose "Included" from Drop-Down(s) to Link Services with MEG(s)				
Alternate Development: IMD Services + Non-IMD & Non-Hypo CNOMs	Estimated Total Expenditures for Medical Assistance Provided in an IMD that are:		Managed Care PMPM (Replicate Column, as Necessary)			CURRENT State Plan Service(s)			NOT CURRENT State Plan Svc(s)	
IMD Services	Currently State Plan FFS (e.g. Carved Out) or Not Currently State Plan but Otherwise Approvable (Including Pending SPAs)	Absent 1115 Authority, Not Otherwise Eligible for FFP Under Title XIX, or "Costs Not Otherwise Matchable" ("Non-IMD" or "Non-Hypo" CNOMs)	Capitated PMPM for Currently Approved, non-IMD, State Plan or Other Title XIX Services	Estimated Eligible Member Months for All Medical Assistance Provided in an IMD	Estimated PMPM Cost for All Services Provided in an IMD	IMD Services MEG 1	IMD Services MEG 2	IMD Services MEG 3	Non-IMD Services CNOM Limit MEG	Non-Hypothetical Services CNOM MEG
Service 1			$0		#DIV/0!					
Service 2			$0		#DIV/0!					
Service 3			$0		#DIV/0!					
Service 4			$0		#DIV/0!					
Service 5			$0		#DIV/0!					
Service 6			$0		#DIV/0!					
Service 7			$0		#DIV/0!					
Service 8			$0		#DIV/0!					
Service 9			$0		#DIV/0!					
Service 10			$0		#DIV/0!					
Service 11			$0		#DIV/0!					
Service 12			$0		#DIV/0!					
Add additional services, as necessary			$0		#DIV/0!					
Totals						$0.00	$0.00	$0.00	$0.00	$0.00

IMD Without Waiver

PB Trend Rate(s) Used:

IMD Services MEG 1	4.80%
IMD Services MEG 2	4.80%
IMD Services MEG 3	4.80%
Non-IMD Services CNOM Limit MEG	

Start DY

ELIGIBILITY GROUP	PB TREND RATE	MONTHS OF AGING	LAST HISTORIC YEAR	DEMONSTRATION YEARS (DY) 2021	2022	2023	2024	2025	TOTAL WOW
IMD Services MEG 1									
Eligible Member Months	n.a.	n.a.	720	5,552	5,885	6,239	6,613	7,010	
PMPM Cost	4.8%	21	$ 9,207	$ 9,994	$ 10,474	$ 10,976	$ 11,503	$ 12,055	
Total Expenditure				$ 55,488,928	$ 61,641,545	$ 68,476,390	$ 76,069,073	$ 84,503,637	$ 346,179,572
IMD Services MEG 2									
Eligible Member Months	n.a.	n.a.	3292	9,893	10,487	11,116	11,783	12,490	
PMPM Cost	4.8%	21	$ 4,164	$ 4,520	$ 4,736	$ 4,964	$ 5,202	$ 5,452	
Total Expenditure				$ 44,712,238	$ 49,669,948	$ 55,177,335	$ 61,295,347	$ 68,091,765	$ 278,946,631
IMD Services MEG 3									
Eligible Member Months	n.a.	n.a.	241	267	283	300	318	337	
PMPM Cost	4.8%	21	$ 3,855	$ 4,184	$ 4,385	$ 4,596	$ 4,816	$ 5,047	
Total Expenditure				$ 1,116,687	$ 1,240,505	$ 1,378,052	$ 1,530,850	$ 1,700,590	$ 6,966,683

Continue MEGs from Above, As Needed

Non-IMD Services CNOM Limit MEG

Eligible Member Months	n.a.	n.a.	n.a.	0	0	0	0	0	
PMPM Cost	0.0%	0	$ -	$ -	$ -	$ -	$ -	$ -	
Total Expenditure				$ -	$ -	$ -	$ -	$ -	$ -

IMD With Waiver

ELIGIBILITY GROUP	LAST HISTORIC YEAR	PB TREND RATE	DEMONSTRATION YEARS (DY) 2021	2022	2023	2024	2025	TOTAL WW
IMD Services MEG 1								
Eligible Member Months			5,552	5,885	6,239	6,613	7,010	
PMPM Cost	$ 9,207	4.8%	$ 9,994	$ 10,474	$ 10,976	$ 11,503	$ 12,055	
Total Expenditure			$ 55,488,928	$ 61,641,545	$ 68,476,390	$ 76,069,073	$ 84,503,637	$ 346,179,572
IMD Services MEG 2								
Eligible Member Months			9,893	10,487	11,116	11,783	12,490	
PMPM Cost	$ 4,164	4.8%	$ 4,520	$ 4,736	$ 4,964	$ 5,202	$ 5,452	
Total Expenditure			$ 44,712,238	$ 49,669,948	$ 55,177,335	$ 61,295,347	$ 68,091,765	$ 278,946,631
IMD Services MEG 3								
Eligible Member Months			267	283	300	318	337	
PMPM Cost	$ 3,855	4.8%	$ 4,184	$ 4,385	$ 4,596	$ 4,816	$ 5,047	
Total Expenditure			$ 1,116,687	$ 1,240,505	$ 1,378,052	$ 1,530,850	$ 1,700,590	$ 6,966,683
Non-IMD Services CNOM Limit MEG								
Eligible Member Months	n.a.		0	0	0	0	0	
PMPM Cost	$ -	0.0%	$ -	$ -	$ -	$ -	$ -	
Total Expenditure			$ -	$ -	$ -	$ -	$ -	$ -

Continue MEGs from Above, As Needed

Main Budget Neutrality Test (i.e. NOT Hypothetical)

Non-Hypothetical Services CNOM MEG

ELIGIBILITY GROUP	PB TREND RATE	MONTHS OF AGING	LAST HISTORIC YEAR	DEMONSTRATION YEARS (DY) DY 01	DY 02	DY 03	DY 04	DY 05	TOTAL WOW
Eligible Member Months	n.a.	n.a.	n.a.	0	0	0	0	0	
PMPM Cost	0.0%		$ -	$ -	$ -	$ -	$ -	$ -	
Total Expenditure				$ -	$ -	$ -	$ -	$ -	$ -

IMD Summary

Supplemetal Test #1: IMD Services Cost Limit
Without-Waiver Total Expenditures

	DEMONSTRATION YEARS (DY)					TOTAL
	2021	2022	2023	2024	2025	
IMD Services MEG 1	$55,488,928	$61,641,545	$68,476,390	$76,069,073	$84,503,637	$346,179,572
IMD Services MEG 2	$44,712,238	$49,669,948	$55,177,335	$61,295,347	$68,091,765	$278,946,631
IMD Services MEG 3	$1,116,687	$1,240,505	$1,378,052	$1,530,850	$1,700,590	$6,966,683
Continue MEGs from Above, As Needed						
TOTAL	$101,317,852	$112,551,998	$125,031,776	$138,895,269	$154,295,991	$632,092,887

With-Waiver Total Expenditures

	2021	2022	2023	2024	2025	TOTAL
IMD Services MEG 1	$55,488,928	$61,641,545	$68,476,390	$76,069,073	$84,503,637	$346,179,572
IMD Services MEG 2	$44,712,238	$49,669,948	$55,177,335	$61,295,347	$68,091,765	$278,946,631
IMD Services MEG 3	$1,116,687	$1,240,505	$1,378,052	$1,530,850	$1,700,590	$6,966,683
Continue MEGs from Above, As Needed						
TOTAL	$101,317,852	$112,551,998	$125,031,776	$138,895,269	$154,295,991	$632,092,887
Net Overspend	$0	$0	$0	$0	$0	**$0**

Supplemental Test #2: Non-IMD Services CNOM Limit
Without-Waiver Total Expenditures

	DEMONSTRATION YEARS (DY)					TOTAL
	2021	2022	2023	2024	2025	
Non-IMD Services CNOM Limit MEG	$0	$0	$0	$0	$0	$0
TOTAL	$0	$0	$0	$0	$0	$0

With-Waiver Total Expenditures

	2021	2022	2023	2024	2025	TOTAL
Non-IMD Services CNOM Limit MEG	$0	$0	$0	$0	$0	$0
TOTAL	$0	$0	$0	$0	$0	$0
Net Overspend	$0	$0	$0	$0	$0	**$0**

Main Budget Neutrality Test (i.e. NOT Hypothetical)
With-Waiver Total Expenditures

	DEMONSTRATION YEARS (DY)					TOTAL
	2021	2022	2023	2024	2025	
Non-Hypothetical Services CNOM MEG	$0	$0	$0	$0	$0	$0
TOTAL	$0	$0	$0	$0	$0	**$0**

Add Trend Rates & PMPMs from Table Below to 'SUD IMD Supplemental Budget Neutrality Test(s)' STC

SUD MEG(s)	Trend Rate	2021	2022	2023	2024	2025
IMD Services MEG 1	4.8%	$9,994	$10,474	$10,976	$11,503	$12,055
IMD Services MEG 2	4.8%	$4,520	$4,736	$4,964	$5,202	$5,452
IMD Services MEG 3	4.8%	$4,184	$4,385	$4,596	$4,816	$5,047
Continue MEGs from Above, As Needed						
Non-IMD Services CNOM Limit MEG	0.0%	$0	$0	$0	$0	$0
Main Test: With Waiver "Coster(s)" (Amendments Only)						
Non-Hypothetical Services CNOM MEG	0.0%	$0	$0	$0	$0	$0

IMD Caseloads

Projected IMD Member Months/Caseloads		DEMONSTRATION YEARS (DY)				
	Trend Rate	2021	2022	2023	2024	2025
IMD Services MEG 1	6.0%	5,552	5,885	6,239	6,613	7,010
IMD Services MEG 2	6.0%	9,893	10,487	11,116	11,783	12,490
IMD Services MEG 3	6.0%	267	283	300	318	337
Non-IMD Services CNOM Limit MEG			0	0	0	0
Non-Hypothetical Services CNOM MEG			0	0	0	0