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| LOCAL COMMISSIONERS MEMORANDUM |
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DSS-4037EL (Rev. 9/89)

Transmittal No: 92 LCM-121

Date: August 13, 1992

Division: Medical Assistance

TO: Local District Commissioners

SUBJECT: Medicaid Coverage of Medically Supervised
Ambulatory Substance Abuse Treatment Clinics

ATTACHMENTS: Public Notice (Available On-Line)

The Department of Social Services has worked closely with the Division of Substance Abuse Services, now part of the Office of Alcoholism and Substance Abuse Services (OASAS), to extend Medicaid coverage to medically supervised, ambulatory substance abuse treatment programs as a new type of clinic service under the State Plan for Medical Assistance. These treatment programs are certified under Part 1035 of DSAS regulations under the authority of Article 23 of Mental Hygiene Law. Currently, the only other outpatient substance abuse treatment covered under Medicaid is methadone maintenance. Medically supervised treatment programs will be implemented as soon as State Division of the Budget approves the rates.

Medically supervised substance abuse treatment programs represent a medical model of outpatient care that focuses on medical oversight of clients with health conditions in addition to their substance abuse. Individual and group counseling for the primary client and his/her significant others, psychological evaluations, and educational, vocational and social services are made available to each client to help the client address and resolve the substance abuse problem.

Coverage of this new clinic service under Medicaid expands Medicaid recipients' access to a medical model of care in the continuum of substance abuse treatment services available in the State. Coverage of this service also allows the State to obtain federal financial participation in the costs of these services. As with other Medicaid-covered clinic services, local districts are responsible for approximately 25% of the service costs. Coverage will be retroactive to July 1, 1991.

Federal regulations (42 CFR 447.205) require public notice for any significant proposed changes in the method and standards for setting payment rates for services provided under the Medicaid Program. Pursuant to these regulations, a notice will be published in the New York State Register, which indicates changes to the clinic reimbursement methodology.

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The Federal regulations indicate that copies of the proposed changes and the method of reimbursement must be available in every county for public review. A copy of the notice as it will appear in the State Register is enclosed for your information. As you will note, the State register notice indicates that such copies will be available in the local (county) social services districts. The Federal regulations only require that we make them available for public review and do not require this Department or you to distribute them to the public.

Should the public wish to comment on these proposed changes, early comment is encouraged. Written comments concerning this initiative should be directed to:

Michael J. McNaughton, Director
Local District Policy Communication Unit
New York State Department
of Social Services
40 North Pearl Street
Albany, New York 12243

If you are in need of further copies of the description of this new clinic service or wish further information, please contact Ms. Joyce Usher, Division of Medical Assistance at 1-800-342-3715 extension 3-5840, User ID 89A143.

I appreciate your cooperation in meeting the requirements of the Federal regulations.

Jo-Ann A. Costantino
Deputy Commissioner
Division of Medical Assistance

Public Notice
Department of Social Services

Pursuant to 42 CFR 447.205, the Department of Social Services (DSS) hereby gives notice to the following: The DSS under Title XIX (Medicaid) has extended Medicaid coverage to medically supervised ambulatory substance abuse treatment programs which are certified by the Office of Alcoholism and Substance Abuse Services (OSAS) (formerly the Division of Substance Abuse Services). These clinics are overseen by OSAS.

Medically supervised substance abuse treatment programs represent a medical model of outpatient care that focuses on medical oversight of clients with health conditions in addition to their substance abuse. Individual and group counselling for the primary client and his/her significant others, psychological evaluations, and educational, vocational and social services are made available to each client to help the client address and resolve the substance abuse problem.

The method of reimbursement will be prospective, provider-specific, all inclusive rates calculated by OSAS, approved by Division of the Budget and promulgated by DSS.

Implementation of these services will be retroactive to July 1, 1991. The Department estimates that the July 1, 1991 - June 30, 1992 cost of these clinics will be approximately \$12,937,482. Of this amount approximately \$5,045,618 represents the State share.

Coverage of this new clinic service under Medicaid expands Medicaid recipients' access to a medical model of care in the continuum of substance abuse treatment services available in the State.

Copies of the description of this clinic service now reimbursable by Medicaid are on file in each social services district and are available for public review.

In New York City, copies are available at the following locations:

New York County:	250 Church Street New York, New York 10013
Queens County:	Queens Center 3220 Northern Boulevard Long Island City, New York 11101
Kings County:	Fulton Center 114 Willoughby Street Brooklyn, New York 11201

Bronx County: Tremont Center
1916 Monterey Avenue
Bronx, New York 10457

Richmond County: Richmond Center
95 Central Avenue
St. George
Staten Island, New York 10301

If you have written comments, please sent them to:

Michael J. McNaughton, Director
Local District Policy Communications
New York State Department
of Social Services
40 North Pearl Street
Albany, New York 12243