

New CMS Standards Pave the Way for Expanded Access to Mental Health, Substance Abuse Services

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In April, the Centers for Medicare & Medicaid Services (CMS) finalized new regulations that will make critical healthcare services more accessible and affordable for Americans while expanding opportunities for physicians and healthcare providers across a range of practice areas.

In its 2024 Notice of Benefit and Payment Parameters Final Rule (the “Notice”), CMS outlined significant changes for issuers, brokers and providers that utilize the Affordable Care Act Marketplace (the “Marketplace”).

Among the most significant changes outlined in the Notice, CMS will bolster its network adequacy standards within the Marketplace adding both Mental Health Facilities and Substance Abuse Disorder Treatment Centers to its list of Essential Community Providers (ECP). The ECP designation is given to providers predominantly serving individuals in low-income or medically underserved communities, and CMS requires that all market-qualified health plans include coverage for a sufficient number of ECPs within a defined geography. Currently, the list of Federal ECPs includes Federally Qualified Health Centers, Ryan White HIV/AIDS Program Providers, Family Planning Providers, Indian Health Providers, Hospitals, and other clinics serving vulnerable populations.

The addition of mental and behavioral health clinics as well as substance abuse treatment centers is a keystone moment for both Marketplace consumers and providers. As recently as 2021, more than 22 percent of American adults reported living with a mental illness, while 9.5 million adults are affected by both a mental illness *and* substance abuse disorder in the United States. What’s more, the opioid epidemic continues to plague communities across the nation - particularly those in rural and medically underserved areas - with rates of overdose skyrocketing during the Covid-19 pandemic, according to the National Institute on Drug Abuse.

CMS achieves three important objectives by expanding access to critical mental health and substance abuse treatment services through Marketplace providers. First and foremost, it shines a light on the prevalence of the mental health and substance abuse crisis facing communities across the country in an effort to destigmatize the individuals who suffer under the weight of these illnesses, making it easier to access support and resources to begin a journey toward treatment and recovery.

Expanding the ECP designation also creates myriad opportunities for providers to grow their practices by expanding the scope of their existing services to address the community needs. For many providers, having an ECP designation will open a new range of payers including through Medicare, the largest insurer in the U.S., which covers more than 65 million Americans.

Finally, expanded coverage for mental health and substance abuse illnesses by Medicare paves the way for a host of private insurers to follow suit, as is often the case, potentially expanding the availability of more comprehensive behavioral health services. While private payers largely have covered mental health, particularly related to children's therapy, there remains a persistent gap in coverage for substance abuse treatment.

Benesch's healthcare practice group, Benesch Healthcare+, continually monitors rapidly evolving healthcare regulatory environment and its impact on both providers and consumers. For more information and updates, please contact us.

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