

Section 1115 Demonstration Waiver Amendment

Public Notice

**Nevada's Treatment of Opioid Use Disorder (OUD) and Substance Use Disorders (SUDs)
Transformation Project**

Single Specialty Managed Care Plan Amendment

State of Nevada

Nevada Health Authority

Division of Medicaid



September 4, 2025

Joe Lombardo
Governor
State of Nevada

Stacie Weeks, JD, MPH
Director
Nevada Health Authority

1115 Demonstration Summary

A. Program Summary

On June 13, 2022, the State of Nevada submitted a federal Section 1115 Demonstration Waiver known as Nevada's Treatment of Opioid Use Disorders (OUDs) and Substance Use Disorders (SUDs) Transformation (project: 11-W-00409/9). This application was approved by the Centers for Medicare & Medicaid Services (CMS) on December 29th, 2022.

Nevada is requesting federal authorization to amend this waiver to require all Medicaid-eligible children in the care and custody of Nevada, those receiving adoption subsidy assistance, and other children and youth who meet defined clinical criteria to enroll in a single specialty managed care plan. Mandatory eligibility groups will include Medicaid eligible children and youth ages 0-21 or up to age 26 if aged out of foster care in Nevada at age 18 and who meet additional criteria as defined further in Section III. Background.

This amendment does not impact the current OUD and SUD demonstration, nor would it impact the November 2024 pending amendment request to receive federal Medicaid matching funds for Serious Mental Illness or Severe Emotional Disturbance treatment provided in an Institution for Mental Disease. Rather, Nevada seeks to amend the current demonstration to support the design of a new managed care program with a single managed care organization (MCO) that would operate under concurrent 1115 and 1915(b) federal authorities.

This proposal is aligned with the Administration's priorities to increase state flexibility in Medicaid, improve cost efficiency, strengthen managed care models, and expand access to community-based alternatives to institutional care. Nevada is committed to reducing federal and state Medicaid expenditures by shifting services away from costly institutional settings and investing in care models that provide accountability, care coordination, and improved outcomes. The single specialty health plan will provide quality, comprehensive, family-integrated care targeted to eligible children and youth.

The Division aims to make this new delivery system available to children and families no later than January 1, 2027.

B. Demonstration Goals and Objectives

A single specialty MCO will be well-positioned to meet the accountability framework for this critical initiative to transform Nevada's child and youth behavioral health infrastructure. Key considerations and objectives for this amendment are described below.

Accountability for the Population: The needs of the focus population require specialized and integrated medical services and support systems, and these evidence-based & trauma-informed service models may be delivered by providers unaccustomed to interacting with Medicaid managed care plans. The provision of an enhanced benefit package under a single MCO supports continuity of care, transitions between settings of care, and eases provider burden by streamlining service authorization procedures for more timely service delivery. With this system of care, Nevada hopes to reduce institutional placements, as well as drive efficiency by increasing the use of lower levels of care. The MCO must have experience with multi-system involved children and youth and ensure key staff, case managers, and member/provider support systems have the requisite knowledge and expertise. The rationale for a single MCO is further supported by the decision in other Medicaid programs to use a single, specialized health plan for children in foster

care and/or children with behavioral health diagnoses (e.g., Missouri, New Mexico, Ohio, West Virginia).

Accountability as a Risk-Based Entity: The projected size of the target population is 20,000, combined with the costs of intensive services and specialized operations suggests a single MCO can remain financially viable as a risk-based entity and be held to financial obligations (e.g., meeting a minimum medical loss ratio based on credible experience).

Accountability for Outcomes: A primary objective for this initiative is to transform Nevada's child and youth behavioral health infrastructure. To evaluate the MCO's performance according to established performance measures, the MCO needs sufficient utilization and stable enrollment to calculate valid outcomes. Furthermore, a single MCO will better support Nevada's oversight and monitoring across operational domains (e.g., network adequacy and accessibility of services, grievance and appeals, financial performance, and program integrity).

This demonstration seeks to achieve the following objectives:

Objective 1: Provide child and family centered care coordination practices for each member enrolled

Members will have access to a care coordination model that takes into consideration the unique needs of each child and family to address individualized issues. This includes enhanced cross-system partnerships and trauma informed care across child-serving systems in alignment with requirements outlined in the DOJ Settlement Agreement, including the development of individualized care plans, assignment of care coordinators, and cross-agency team-based planning to strengthen coordination and improve the well-being of children, youth, and families who are often involved in multiple child-serving systems.

Objective 2: Drive system efficiencies by reducing utilization of higher levels of care

While members will be able to have freedom of choice of providers within the specialty health plan network, the care coordination model will reduce institutional placements, provide effective access to lower levels of care, establish a comprehensive physical and behavioral health provider network that is trauma-informed and specializes in the targeted population, and reduces over-utilization of services.

C. Eligible Populations

Mandatory eligibility groups will include children and youth ages 0-21 or up to age 26 if aged out of foster care at age 18 who meet at least one of the following criteria:

- Have a Serious Emotional Disturbance (SED) designation or Serious Mental Illness (SMI) diagnosis or substance use disorder
- Are involved with the foster care system.

Voluntary eligibility groups include children and youth that are determined to be at high risk of developing SED or SMI based on a variety of factors and Native American children and youth that otherwise meet the criteria for mandatory enrollment categories.

Nevada will automatically enroll these children into the specialty health plan and these members will remain enrolled in the specialty health plan until any of the following occur:

- The member qualifies for Supplemental Security Income (SSI) and the member or member's

- guardian chooses to disenroll from managed care
- The member meets the qualifications described in Section 501 (a)(1)(D) of the Act and chooses to disenroll from managed care
- The member meets the qualifications described in Section 1902 (e)(3) of the Act and chooses to disenroll from managed care
- The member no longer meets the criteria for the mandatory population as described in Section III (e.g., no longer in foster care, adoption subsidy, or clinically eligible), and is automatically disenrolled and is automatically disenrolled from the specialty health plan

D. Enrollment Projections

No enrollment limits will be applied to the Demonstration. This Demonstration is not expected to increase enrollment projections for Nevada's Medicaid program. This demonstration waiver will be available for Nevada Medicaid recipients based on need, rather than waiver-specific eligibility criteria.

The state has an expectation of 20,000 – 40,000 youth who will be positively impacted by this SMCP.

Projected annual aggregate expenditures for the specialty managed care program will be provided in the 1915(b) waiver application via the required cost effectiveness test as this targeted 1115 amendment request to use a single MCO for the specialty managed care program does not have a quantifiable impact on projected annual aggregate expenditures. To the extent possible, the 1115 amendment application to CMS will provide an estimated range of annual aggregate expenditures.

E. Demonstration Hypothesis and Evaluation Parameters

The changes proposed under this amendment are not anticipated to create any changes to the waiver's hypothesis and evaluation design. This amendment only proposes to authorize a single specialty managed care plan through expenditure authority and does not change the evaluation approach approved under the original 1115 demonstration. This change should not influence the originally approved Section 1115 Treatment of opioid use disorders (OUDs) and substance use disorders (SUDs) Transformation waiver demonstration. Evaluation requirements will be implemented through the 1915(b) waiver for the specialty managed care program.

G. Benefits and Cost Sharing

Benefits, Cost Sharing, and Delivery System

The intent is for this new managed care program to be a single, statewide plan that integrates both medical and behavioral health services for eligible children. The state will not impose any cost sharing for populations eligible to enroll in the SMCP.

H. State Public Notice and Comment Period

The Nevada Health Authority published a notice of the public comment period for the Demonstration waiver on September 5, 2025. The notice will be posted on the Nevada Health Authority temporary website: OEM.NV.GOV

The published notice includes details of the amendment to the demonstration waiver application, dates, and locations for public hearings, which include teleconferencing and videoconferencing, as well as the physical and email addresses where interested parties could submit written comments.

The initial comment period will begin on September 5, 2025. Further, the Nevada Health Authority will send emails to stakeholder groups via an online announcement and a subscription email listserv to inform them of the amendment to the demonstration waiver and the public comment period. All materials including the published notice, hearing information, and amendment to the demonstration waiver application were made available online at: [OEM.NV.GOV](https://oem.nv.gov) The public hearing agenda will be made available at district offices throughout the state.

With support and further recommendation from CMS, Nevada developed a dedicated webpage for 1115 Demonstrations, to further outline and provide easy access to core information related to the 1115 process. For example, Public Notice, Public Hearings held, minutes from public meetings, 1115 application, 1115 Implementation Plan, etc.

For additional details on this demonstration, please attend the public hearing on September 5, 2025 (1210 S. Valley View, Suite 104, Las Vegas NV 89102 – 10am), or the second public hearing on September 17, 2025 (745 W. Moana Lane, Suite 200, Reno NV 89509 – 3pm), as we invite public comments and review of the amendment application found here: [OEM.NV.GOV](https://oem.nv.gov) beginning September 5, 2025, when the application and public notice will be posted on the Nevada Health Authority temporary website: [OEM.NV.GOV](https://oem.nv.gov). Public comments can be submitted to: 1115waivers@nvha.nv.gov through 5 p.m. Pacific Standard Time on October 18, 2025.

This notice and agenda have been posted online at: [OEM.NV.GOV](https://oem.nv.gov) as well as Carson City, Las Vegas, Elko, and Reno central offices for NVHA. Please see addresses for central office locations:

- 1919 College Parkway, Carson City, Nevada 89706
- 1010 Ruby Vista Drive, Suite 103, Elko, Nevada 89801
- 1210 S. Valley View, Suite 104, Las Vegas, Nevada
- 745 W. Moana Lane, Suite 200, Reno, Nevada 89509

Email notice has been made to such individuals as have requested notice of meetings (to request notifications, please contact at: 1115waivers@nvha.nv.gov or in writing at: 1919 College Parkway, Carson City, NV 89706.)

If you require a physical copy of supporting material for the public meeting, please contact 1115waivers@nvha.nv.gov or in writing at: 1100 East William Street, Suite 101, Carson City, Nevada 89701. Supporting material will also be posted online as referenced above.

Note: We are pleased to provide reasonable accommodation for members of the public with a disability that wish to participate. If accommodated arrangements are necessary, notify NVHA as soon as possible, and at least 10 days in advance of the meeting, by email at: 1115waivers@nvha.nv.gov or in writing, at:

1919 College Parkway, Carson City, NV 89706.)