

Medicaid's Role in Treating Perinatal Substance Use Disorder (SUD): Current Approaches and Further Considerations for Colorado

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Medicaid plays a critical role in providing healthcare to pregnant people, especially those with substance use disorder (SUD). Some research estimates that 21% of nonelderly Medicaid enrollees have a mild, moderate, or severe SUD.¹

Additionally, Medicaid is the single largest payer of substance use treatment and behavioral health services in the United States.^{2,3} Substance use during pregnancy is not uncommon; however, there is limited prevalence data available for pregnant people with SUD. A 2020 report from SAMHSA estimates that 8-11% of pregnant people (women aged 15-44) used illicit substances, alcohol, or tobacco in the past month.⁴ Nationally, about 2.7% of pregnant or postpartum Medicaid patients had documentation of opioid use disorder (OUD) in their claims.⁵ The true prevalence of SUDs during pregnancy may be higher, as not all patients with SUD will have accurate diagnoses in clinical documentation. Additionally, persistent stigma and legal ramifications of perinatal SUD may mean pregnant people are less likely to disclose their substance use to clinicians.

In recent years, both the federal and state governments have acted within Medicaid to support pregnant people with SUD. Reviewing these actions provides important context to understand how Colorado's current efforts align with national trends and to help identify further opportunities.

This brief summarizes current approaches within Colorado's Medicaid program to support people with perinatal SUD. Additionally, it describes strategies to address perinatal SUD used by other states that could be considered in Colorado. The brief concludes with recommendations for Colorado to strengthen care for those with perinatal SUD, based on Colorado's initiatives thus far and other state and federal actions.

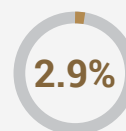
PERINATAL SUD IN COLORADO



Accidental overdose was the second leading cause of pregnancy-associated deaths for Coloradans from 2016-2020.⁶



Among pregnancy-related deaths, those with Medicaid were 2.5X more likely to die than those with private insurance.⁶



of Colorado infants received a neonatal abstinence syndrome (NAS)* diagnosis in 2019.⁷

* The terminology "Neonatal Abstinence Syndrome" is less frequently used now. More current alternatives include substance exposed newborn or Neonatal Opioid Withdrawal Syndrome (NOWS)



Current Approaches in Colorado Medicaid Addressing Perinatal SUD and Supporting Pregnant People with SUD

Colorado currently has several innovative approaches in place using Medicaid to provide perinatal SUD services. Some of these actions include coverage expansions, additional benefits, and care team enhancements.

Coverage expansions

Colorado has taken important steps to expand Medicaid coverage to groups that have not traditionally been eligible. Continuous Medicaid coverage is critical for patients experiencing SUD, promoting relapse prevention and improved outcomes.

Colorado is one of 49 states that have extended Medicaid coverage for a full year postpartum. The American Rescue Plan Act included a provision to allow states to extend Medicaid coverage for 12 months after birth, up from the previous limit of 60 days. This expansion allows those with SUD to continue receiving critical treatment in the postpartum period, in which relapses are common.⁸ Additionally, Cover all Coloradans provides Medicaid “lookalike” coverage for children and pregnant people not eligible for Medicaid due to their immigration status.⁹ Undocumented immigrants are a particularly vulnerable group when it comes to perinatal SUD – without this program, undocumented pregnant and parenting patients with SUD would have virtually no recourse to access healthcare coverage.

Additional benefits

Colorado has also used federal flexibilities, largely allowed through waiver programs authorized in Title IX of the Social Security Act, to cover additional benefits for pregnant and parenting people with SUD. These waiver programs allow for innovative delivery models or coverage of benefits and services that are not typically covered through Medicaid but are critical to support those with SUD.

States can use Section 1115 waivers to test new approaches to delivering care in Medicaid that differ from federal statute. In 2017, the Centers for Medicare and Medicaid Services (CMS) issued guidance for states to obtain section 1115 waivers for providing SUD treatment in residential facilities, which was previously restricted by Medicaid’s prohibition of paying for “Institutions of Mental Disease.” Colorado adopted one of these waivers, called “Colorado’s Expanding the Substance Use Disorder Continuum of Care.”¹⁰ Colorado’s waiver provides housing support, social supports, care navigation, nutrition support, and other services to those experiencing SUD, in addition to traditional Medicaid services. Approximately 4,000 people qualifying for the program were pregnant.

Additionally, Colorado also offers a variety of state-run initiatives to support those with perinatal SUDs. Behavioral Health Administrative Service Organizations (BHASOs) connect those in need with full spectrum behavioral health services, including substance use disorder treatment and social supports.¹¹

Colorado Medicaid also offers Prenatal Plus, an enhanced program for pregnant members who are at risk for negative maternal and infant health outcomes and are considered high risk based on certain criteria, including a history of drug or alcohol use.¹² Prenatal Plus supports a multidisciplinary team-based approach that provides care coordination, nutrition services, and mental health counseling throughout pregnancy, in addition to routine prenatal medical care. Those receiving full Prenatal Plus services had better birth outcomes (including rates of low-birth weight and prematurity) than those who didn't.¹³

Finally, Special Connections is a program specifically for pregnant and postpartum Colorado Medicaid enrollees with SUD, with a goal of supporting healthier pregnancies and improved maternal and infant outcomes.¹⁴ The Special Connections program provides case management, counseling, and education. In addition, the program covers residential SUD treatment in a women-only setting where children can stay with their mother whenever possible.

Care team enhancements

Colorado also supports pregnant members with SUD by reimbursing for care providers that are not required to be covered under Medicaid. Peer support professionals are trained to use their lived experiences to support those with behavioral health disorders, including SUD. Peer support services are reimbursable through Colorado Medicaid's behavioral health benefit.¹⁸ These peers often partner with interdisciplinary teams to provide a full spectrum of care, including behavioral health outreach, alcohol and drug treatment, and psychiatric care. However, in 2025, Colorado limited which types of provider organizations are eligible to bill Medicaid for peer support services, potentially limiting access to these services outside of specific settings.¹⁹ Additionally, Colorado is one of 26 states that are actively reimbursing for doulas, who provide non-clinical support for pregnant and postpartum patients.²⁰ Doula use is associated with a range of positive health outcomes, including decreased c-section rates, increased breastfeeding, and improved mental health.²¹

Other Important Factors for Perinatal SUD

While Medicaid-based initiatives are critical for pregnant people with SUD, many other important supports fall outside this brief's scope. Programs like SNAP and WIC provide essential social assistance separate from Medicaid, and local initiatives also play a major role in supporting health-related social needs of pregnant people and their families. For example, Michigan's RxKids program provides pregnant people with a cash "prescription" to help offset the financial strain associated with pregnancy, childbirth, and caregiving.¹⁵ Additionally, Medicaid changes stemming from H.R. 1 and state budget constraints may affect care for this population. For more information, please refer to a recent brief on the changes being made in Colorado Medicaid and Colorado's Medicaid Sustainability Framework.^{16,17}

New payment models

Finally, Colorado has designed a maternity bundled payment program to improve health outcomes, reduce costs, and address racial disparities.²² The program addresses perinatal SUD through incentives designed to promote SUD screening, referral, and treatment for pregnant and postpartum parents.

Other State and Federal Approaches

States and the federal government have implemented a range of policies to support individuals with perinatal SUD through Medicaid. These examples can help inform Colorado's ongoing work to improve care for those with perinatal SUD.

Use of federal flexibilities, laws, and programs

Thirty-seven (37) states (including Colorado) have adopted the Section 1115 substance use disorder waiver authority described above. Some states have included pregnancy-specific provisions within their waivers.²³ For example, Vermont created a special residential treatment program specifically for pregnant women and mothers with children under five.²⁴ Other states have used these Section 1115 waivers to address social needs broadly, not just for pregnant or parenting individuals. For instance, New Jersey's Section 1115 waiver covers housing supports, such as helping members to identify housing and tenant rights education.²⁵ While these services are not directly targeted to pregnant individuals, they are useful to this group as well.

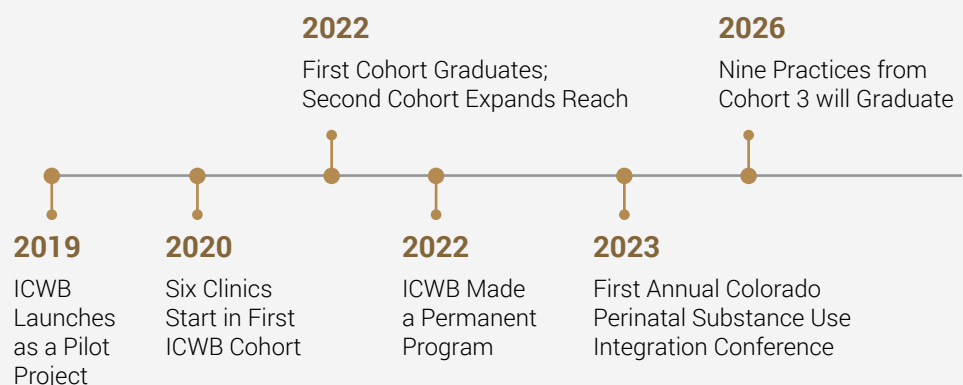
Case Management and Resource Linkages

Other states have addressed perinatal SUD through enhanced case management and resource linkages. For example, in Kentucky, Moms MATR (Maternal Assistance Towards Recovery) is a behavioral health prevention and case management program focused on risks and effects of substance use.²⁶ The program provides education, information, resources, support, and hope to pregnant and postpartum individuals and their families and the professionals who serve them. Rhode Island employs a similar strategy through the Perinatal Substance Use Program, which links pregnant people to supports like peer services, family visits, and MAT.²⁷ Additionally, the program oversees Rhode Island's "Circle of Safe Care Plan", which link substance-exposed newborns and their adult caregivers to supportive services and resources.

States are also working to integrate medical care and SUD treatment. For example, Vermont employs a "Hub and Spoke" model of care, which integrates SUD treatment with primary care. Some primary care practices offer office-based opioid treatment alongside case management and routine medical care.²⁸ These co-located services may improve care for Medicaid beneficiaries by removing the burden of receiving medical care and SUD treatment in disparate locations and teams.

Integrated Care for Women and Babies (ICWB) Timeline

This policy brief was developed through work in the ICWB program, which is administered by the Colorado Behavioral Health Administration and implemented by CAMPHIRE (formerly the Practice Innovation Program) at CU Anschutz. ICWB provides financial support and practice facilitation to improve care for pregnant and parenting people.





Additional Tailored Inpatient Services

Washington state has created two tailored inpatient services addressing perinatal SUD. The first, the Substance Using Pregnant People program, provides up to a 26-day inpatient hospital stay to provide withdrawal management and SUD treatment.²⁹ The second is legislation (Senate Bill 5580) that allows for an additional five-day inpatient stay for postpartum patients with SUD to stay with their hospitalized infants and establishes a postdelivery and transitional care program.³⁰ These additional inpatient services improve access to integrated medical, behavioral health, SUD treatment, and social work services, as well as support early parent-infant bonding.

Considerations for Colorado

Preserve and strengthen current programs and eligibility expansions. Colorado has developed several critical programs and eligibility expansions that improve access to perinatal SUD care. Preserving these programs is essential to decreasing maternal mortality and morbidity driven by overdose and suicide.

Continue and enhance reimbursement for peer support services, doulas, and community health workers. Reimbursement for these non-clinical providers is key to sustaining integrated models of care. Sustaining reimbursement for these professionals and expanding which types of providers can be reimbursed by Medicaid can help reduce barriers to SUD treatment and improve care engagement.

Explore the feasibility of expanding access to residential treatment and sober living facilities for mothers with children. Few residential SUD treatment facilities allow children to stay with their mothers, creating an additional barrier to treatment. Colorado could consider conducting a feasibility study to determine the financial and other resources that would be necessary to expand these facilities to be more mother and child friendly.

Consider opportunities to improve integration between Medicaid and other social and structural supports. Medicaid alone cannot meet all the needs of those with perinatal SUD. Strengthening coordination between Medicaid and other social support programs (including local initiatives) can help members meet all their needs. This could include additional investment in the Colorado Social Health Information Exchange, to share physical, behavioral, and social health information between providers.

Conclusion

Colorado Medicaid has taken significant steps to address perinatal SUD through expanded coverage, targeted benefits, and team-based supports. Sustaining and strengthening these efforts and improving access to residential treatment can further reduce maternal and infant health risks associated with SUD in Colorado.

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