

119TH CONGRESS
1ST SESSION

S. 665

To amend title XIX of the Social Security Act to establish the Health Engagement Hub Demonstration Program to increase access to treatment for opioid use disorder and other substance use disorders, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 20, 2025

Ms. CANTWELL (for herself and Mr. CASSIDY) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To amend title XIX of the Social Security Act to establish the Health Engagement Hub Demonstration Program to increase access to treatment for opioid use disorder and other substance use disorders, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Fatal Overdose Reduc-
5 tion Act of 2025”.

1 **SEC. 2. HEALTH ENGAGEMENT HUB DEMONSTRATION PRO-**
2 **GRAM UNDER MEDICAID.**

3 Section 1903 of the Social Security Act (42 U.S.C.
4 1396b) is amended by adding at the end the following new
5 subsection:

6 “(cc) HEALTH ENGAGEMENT HUB DEMONSTRATION
7 PROGRAM.—

8 “(1) AUTHORITY.—The Secretary shall conduct
9 a demonstration program (referred to in this sub-
10 section as the ‘demonstration program’) for the pur-
11 pose of increasing access to treatment for opioid use
12 disorder and other substance use disorders through
13 the establishment of Health Engagement Hubs that
14 meet the criteria published by the Secretary under
15 paragraph (2)(A).

16 “(2) PUBLICATION OF GUIDANCE.—Not later
17 than 6 months after the date of enactment of this
18 subsection, the Secretary shall publish the following:

19 “(A) CERTIFICATION CRITERIA.—The cri-
20 teria described in paragraph (3)(A) (which may
21 be further defined and interpreted by the Sec-
22 retary as necessary to carry out the demonstra-
23 tion program) for an organization to be cer-
24 tified by a State as a Health Engagement Hub
25 for purposes of participating in the demonstra-
26 tion program.

“(B) PROSPECTIVE PAYMENT SYSTEM.—

Guidance for States selected to participate in the demonstration program to use to establish a prospective payment system for the required items and services described in paragraph (3)(B) (which may be further defined and interpreted by the Secretary as necessary to carry out the demonstration program) that are provided by a certified Health Engagement Hub participating in the demonstration program to individuals who are eligible for medical assistance under a State plan under this title or under a waiver of such plan. Such guidance shall specify that the prospective payment system established by a State shall only apply to the required items and services described in paragraph (3)(B)(i) that are provided in accordance with the requirements applicable under this title to the provision of such services to individuals who are eligible for medical assistance under the State plan under this title or under a waiver of such plan.

“(C) CLARIFICATION REGARDING PAYMENT FOR FURNISHING MEDICAL ASSISTANCE FOR PRESCRIBED DRUGS OR COVERED OUTPATIENT

1 DRUGS.—Statements that, with respect to the
2 provision of medical assistance for prescribed
3 drugs or covered outpatient drugs (as defined
4 in section 1927(k)) by a certified Health En-
5 gagement Hub to individuals who are eligible
6 for medical assistance under the State plan
7 under this title or under a waiver of such plan
8 and in accordance with the requirements appli-
9 cable under this title—

10 “(i) the prospective payment system
11 established by a State for purposes of the
12 demonstration program shall not include
13 payment for such medical assistance (other
14 than with respect to the service of pro-
15 viding a prescription or administering a
16 drug if needed); and

17 “(ii) a certified Health Engagement
18 Hub that provides medical assistance for
19 prescribed drugs or covered outpatient
20 drugs (as so defined) shall not be pre-
21 cluded from receiving payment under the
22 State plan under this title or under a waiv-
23 er of such plan for the provision of such
24 medical assistance, that is in addition to,
25 and separate from, any payment made to

1 the certified Health Engagement Hub
2 under such prospective payment system.

3 “(D) ELIGIBILITY OF AN INDIAN TRIBE,
4 TRIBAL ORGANIZATION, URBAN INDIAN ORGANI-
5 ZATION, OR CONSORTIA.—Such requirements as
6 the Secretary determines appropriate for an In-
7 dian Tribe or Tribal organization, (as such
8 terms are defined in section 4 of the Indian
9 Self-Determination and Education Assistance
10 Act), a tribal consortia, or an Urban Indian or-
11 ganization (as defined in section 4 of the Indian
12 Health Care Improvement Act), to apply for,
13 and be selected to participate in, the dem-
14 onstration program. To the extent practicable,
15 such requirements shall be similar to the re-
16 quirements applicable to a State desiring to
17 participate in the demonstration program.

18 “(3) CRITERIA FOR CERTIFICATION OF HEALTH
19 ENGAGEMENT HUBS.—

20 “(A) GENERAL REQUIREMENTS.—In order
21 to be certified as a Health Engagement Hub,
22 an organization shall satisfy the following re-
23 quirements:

24 “(i) The organization demonstrates
25 that the organization is equipped to serve

1 individuals who are eligible for medical as-
2 sistance under a State plan under this title
3 or under a waiver of such plan (including
4 individuals who are eligible for such assist-
5 ance but are not enrolled in such State
6 plan or waiver), as well as uninsured indi-
7 viduals (as defined in section 1902(ss)),
8 and provide such populations with access
9 to a range of social and medical services,
10 in a drop-in manner and without prior ap-
11 pointment.

12 “(ii) The organization provides (in a
13 manner reflecting person-centered care)
14 the services specified in subparagraph (B)
15 which, if not available directly through the
16 organization, are provided or referred
17 through partnerships or formal contracts
18 with other providers.

19 “(iii) The organization demonstrates
20 that in selecting the location for the
21 Health Engagement Hub, the organization
22 prioritized placement in communities dis-
23 proportionately impacted by overdose and
24 other harms related to substance use dis-
25 order (as further defined by the Sec-

retary), including rural areas, geographically isolated areas within the State, tribal areas, urban centers with under-resourced behavioral health infrastructure, communities with significant numbers of individuals experiencing homelessness, and communities negatively impacted by the criminal-legal system.

“(iv) The organization uses evidence-based models to increase engagement and improve outcomes for individuals with opioid use disorder or other substance use disorders, such as social work empowerment models, motivational interviewing models, shared decision-making models, and other evidence-based recovery and support services.

“(v) The organization demonstrates that the organization is equipped to provide—

“(I) overdose education and distribution of a drug or device approved or cleared under the Federal Food, Drug, and Cosmetic Act for emer-

1 agency reversal of known or suspected
2 opioid overdose (such as naloxone);

3 “(II) safer substance use edu-
4 cation and supplies;

5 “(III) safer-sex supplies;

6 “(IV) emotional support and
7 counseling services to reduce harms
8 associated with substance use, using a
9 trauma-informed approach; and

10 “(V) access, within 4 hours of
11 the arrival of an individual with opioid
12 use disorder or other substance use
13 disorder at a Health Engagement
14 Hub, to drugs approved under section
15 505 of the Federal Food, Drug, and
16 Cosmetic Act and biological products
17 licensed under section 351 of the Pub-
18 lic Health Service Act (42 U.S.C.
19 262) for treatment of opioid use dis-
20 order or substance use disorder with a
21 strong evidence base of significantly
22 reducing mortality, directly or through
23 partnerships or formal contracts with
24 other providers in a manner that in-

1 sures consistency of care and care co-
2 ordination.

3 “(vi) The organization demonstrates
4 that the organization is equipped to pro-
5 vide, as selected by the organization, 1 or
6 more services to address health-related so-
7 cial needs, which may include—

8 “(I) identification services (such
9 as assistance with obtaining a govern-
10 ment-recognized form of identifica-
11 tion);

12 “(II) employment counseling;

13 “(III) recovery support services,
14 including services that promote a
15 process of change through which indi-
16 viduals improve their health and
17 wellness, live self-directed lives, and
18 strive to reach their full potential
19 through career, education, or commu-
20 nity-building;

21 “(IV) family reunification serv-
22 ices, including services that help the
23 reunification of family members sepa-
24 rated by the legal system or foster
25 system; and

1 “(V) criminal-legal services, in-
2 cluding the provision of legal clinical
3 consultation, legal information and
4 advice, legal referrals, and legal advo-
5 cacy or retainer.

6 “(vii) The organization demonstrates
7 that the organization is equipped to
8 meet—

9 “(I) the minimum staffing re-
10 quirements described in subparagraph
11 (C);

12 “(II) the experience requirement
13 described in subparagraph (D); and

14 “(III) the community advisory
15 board requirement described in sub-
16 paragraph (E).

17 “(viii) The organization agrees to pro-
18 vide services to an uninsured individual (as
19 defined in section 1902(ss)), with fees for
20 such services imposed on a sliding scale
21 basis that—

22 “(I) is developed at the discretion
23 of a certified Health Engagement
24 Hub or the State;

1 “(II) is based on an individual’s
2 ability to pay; and

3 “(III) provides that the organiza-
4 tion shall not reject or limit services
5 on the basis of an individual’s ability
6 to pay or place of residence.

7 “(B) SCOPE OF ITEMS AND SERVICES.—
8 The items and services specified in this sub-
9 paragraph are the following, subject to the re-
10 quirements applicable under this title to the
11 provision of such items and services:

12 “(i) REQUIRED ITEMS AND SERVICES
13 PAID FOR THROUGH THE PROSPECTIVE
14 PAYMENT SYSTEM.—

15 “(I) Harm reduction services and
16 supplies.

17 “(II) Patient-centered and pa-
18 tient-driven physical and behavioral
19 health care that has walk-in avail-
20 ability, is offered during non-tradi-
21 tional hours, including evenings and
22 weekends, and includes—

23 “(aa) primary mental health
24 and substance use disorder serv-
25 ices, as defined by the Secretary,

1 including screening, assessment,
2 and referrals to higher levels of
3 care;
4 “(bb) shared decision-mak-
5 ing for patients and providers for
6 opioid use disorder or substance
7 use disorder under which a pa-
8 tient and provider discuss the pa-
9 tient’s diagnosis and condition
10 together and evaluate treatment
11 options together;
12 “(cc) wound care and sup-
13 plies;
14 “(dd) infectious disease vac-
15 cination, screening, testing, and,
16 to the extent practicable, treat-
17 ment (including for HIV, sexually
18 transmitted infections, and hepa-
19 titis);
20 “(ee) sexual and reproduc-
21 tive health services provided di-
22 rectly or through partnerships or
23 formal contracts with other pro-
24 viders; and

1 “(ff) secure medication stor-
2 age and inventory policies and
3 procedures for patients experi-
4 encing homelessness or housing
5 insecurity.

6 “(III) Medication management,
7 as specified by the State, including
8 with respect to the types of conditions
9 for which medication management
10 must be at a minimum available.

11 “(IV) Targeted case manage-
12 ment.

13 “(V) Peer support services.

14 “(VI) Community health out-
15 reach and navigation services, includ-
16 ing services that guide patients
17 through social and health care sys-
18 tems to connect with services and
19 service providers that the patients
20 need.

21 “(ii) PRESCRIBED DRUGS AND COV-
22 ERED OUTPATIENT DRUGS PAID SEPARATE
23 FROM THE PROSPECTIVE PAYMENT SYS-
24 TEM.—Directly or through partnerships or
25 formal contracts with other providers, pre-

scribed drugs and covered outpatient drugs
 (as defined in section 1927(k)) for which
 medical assistance is available under the
 State plan under this title or under a waiver
 of such plan that are provided in accordance
 with requirements applicable under this title
 and, if applicable, a rebate agreement in effect
 under section 1927.

“(C) MINIMUM STAFFING REQUIREMENTS.—

“(i) IN GENERAL.—The minimum staffing requirements specified in this subparagraph are the following:

“(I) At least 1 part-time or full-time health care provider who is licensed to practice in the State where the Health Engagement Hub is located and is licensed, registered, or otherwise permitted, by the United States to prescribe controlled substances (as defined in section 102 of the Controlled Substances Act) in the course of professional practice.

“(II) At least 1 part-time or full-time registered nurse or licensed prac-

1 tical nurse who can provide or super-
2 vise staff providing medication man-
3 agement, targeted case management,
4 wound care, and vaccine administra-
5 tion.

6 “(III) At least 1 part-time or
7 full-time licensed behavioral health
8 staff who is qualified to assess or pro-
9 vide counseling about potential treat-
10 ment options or about the need for
11 treatment.

12 “(IV) At least 1 full-time equiva-
13 lent staff who is a peer support spe-
14 cialist, community health worker, or
15 recovery coach, with priority for hir-
16 ing staff for such positions who are
17 individuals with lived and living expe-
18 rience with substance use.

19 “(V) Full-time outreach, engage-
20 ment, and ongoing care navigation
21 staff, including peer support special-
22 ists, community health workers, and
23 recovery coaches. At least 50 percent
24 of such staff shall be individuals with

1 lived and living experience with sub-
2 stance use.

3 “(ii) STAFFING THROUGH CONTRAC-
4 TUAL ARRANGEMENTS WITH PARTNER
5 AGENCIES.—An organization may enter
6 into a contractual arrangement with a
7 partner agency, such as a Federally-quali-
8 fied health center, to satisfy the minimum
9 staffing requirements specified in clause (i)
10 with staff who are on-site at the Health
11 Engagement Hub.

12 “(D) EXPERIENCE.—An organization shall
13 have a demonstrated history of at least 12
14 months of providing opioid use disorder or sub-
15 stance use disorder treatment services to indi-
16 viduals.

17 “(E) COMMUNITY ADVISORY BOARD.—An
18 organization shall have a community advisory
19 board composed of individuals with lived and
20 living experience with substance use that meets,
21 at a minimum—

22 “(i) on a monthly basis, to review pro-
23 gram utilization data and provide feedback
24 to the organization; and

1 “(ii) on a quarterly basis, with the ex-
 2 ecutives or board of directors of the orga-
 3 nization to provide input on service deliv-
 4 ery and receive feedback on actions taken
 5 based on previous feedback provided by the
 6 community advisory board.

7 “(4) PLANNING GRANTS; ADMINISTRATION.—
 8 There is appropriated, out of any funds in the
 9 Treasury not otherwise appropriated, \$60,000,000
 10 to the Secretary for purposes of implementing, ad-
 11 ministering, and making planning grants to States
 12 as soon as practicable for purposes of developing
 13 proposals to participate in the demonstration pro-
 14 gram and obtaining technical assistance from the
 15 Secretary with respect to the design and implemen-
 16 tation of the demonstration program, for expendi-
 17 tures attributable to collecting and reporting the in-
 18 formation and data required under paragraph
 19 (6)(B), and for administrative expenses of the Sec-
 20 retary to carry out this subsection, to remain avail-
 21 able until expended.

22 “(5) STATE DEMONSTRATION PROGRAMS.—

23 “(A) IN GENERAL.—Not later than 9
 24 months after the date on which the Secretary
 25 first awards a planning grant under paragraph

1 (4), the Secretary shall solicit applications to
2 participate in the demonstration program solely
3 from States awarded such a grant.

4 “(B) APPLICATION REQUIREMENTS.—An
5 application to participate in the demonstration
6 program shall include the following:

7 “(i) A description of the target popu-
8 lation (including the estimated number of
9 individuals in such population) to be served
10 by the State under the demonstration pro-
11 gram.

12 “(ii) An assurance that at least 50
13 percent of the Health Engagement Hubs
14 in the State shall be located in—

15 “(I) a county (or municipality or
16 other unit of local government, if not
17 contained within any county) where
18 the mean drug overdose death rate
19 per 100,000 people over the past 3
20 years for which official data are avail-
21 able from the State, is higher than
22 the most recent available national av-
23 erage overdose death rate per 100,000
24 people over the past 3 years, as re-

1 ported by the Centers for Disease
2 Control and Prevention; or

3 “(II) an area of the State that is
4 designated under section 332(a)(1)(A)
5 of the Public Health Service Act as a
6 mental health professional shortage
7 area.

8 “(iii) A description of the prospective
9 payment system that is to be tested under
10 the demonstration program.

11 “(iv) A list of the certified Health En-
12 gagement Hubs located in the State that
13 will participate in the demonstration pro-
14 gram.

15 “(v) Verification that each such cer-
16 tified Health Engagement Hub satisfies
17 the requirements described in paragraph
18 (3).

19 “(vi) Verification that the State has
20 agreed to pay for the items and services
21 required to be paid for through the pro-
22 spective payment system at the rate estab-
23 lished under the prospective payment sys-
24 tem.

1 “(vii) Any other information that the
2 Secretary may require relating to the dem-
3 onstration program with respect to deter-
4 mining the soundness of the proposed pro-
5 spective payment system.

6 “(C) SELECTION CRITERIA.—

7 “(i) IN GENERAL.—The Secretary
8 shall select from among the applications
9 submitted up to 10 States to participate in
10 the demonstration program.

11 “(ii) PRIORITY.—In selecting States
12 to participate in the demonstration pro-
13 gram, the Secretary shall prioritize select-
14 ing States—

15 “(I) with the highest opioid- or
16 stimulant-involved overdose death
17 rates; and

18 “(II) in a manner that ensures,
19 to the extent practicable, geographic
20 diversity across the United States.

21 “(D) LENGTH OF DEMONSTRATION PRO-
22 GRAMS.—A State selected to participate in the
23 demonstration program shall participate in the
24 program for a 5-year period.

1 “(E) WAIVER OF CERTAIN REQUIRE-
2 MENTS.—The Secretary shall waive section
3 1902(a)(1) (relating to statewideness) and sec-
4 tion 1902(a)(10)(B) (relating to comparability)
5 as may be necessary for a State to participate
6 in the demonstration program in accordance
7 with this paragraph.

8 “(F) PAYMENTS TO STATES.—

9 “(i) IN GENERAL.—For each quarter
10 occurring during the period for which the
11 demonstration program is conducted, the
12 Secretary shall pay a State participating in
13 the demonstration program an amount
14 equal to 90 percent (or, if higher, the Fed-
15 eral medical assistance percentage other-
16 wise applicable to the State and year under
17 section 1905 (without regard to this sub-
18 paragraph)) of the amounts expended by
19 the State for the quarter for items and
20 services provided by certified Health En-
21 gagement Hubs (directly or through part-
22 nerships or formal contracts with other
23 providers) at the rate established under the
24 prospective payment system established by
25 the State for purposes of the demonstra-

1 tion program to individuals who are eligi-
2 ble for, and enrolled under, the State plan
3 or under a waiver of such plan.

4 “(ii) ENSURING NO DUPLICATE PPS
5 PAYMENTS.—The guidance required under
6 paragraph (2)(B) shall include guidance on
7 how the Secretary will determine, if 2 or
8 more prospective payment systems may
9 apply to a service provided by a certified
10 Health Engagement Hub (directly or
11 through partnerships or formal contracts
12 with other providers) to an individual who
13 is eligible for, and enrolled under, the
14 State plan or under a waiver of such plan,
15 which prospective payment systems shall
16 apply for purposes of determining the
17 amount to be paid to a State for a quarter
18 under clause (i).

19 “(iii) APPLICATION.—Payments made
20 to States made under this subparagraph
21 shall be considered to have been made
22 under, and are subject to, the requirements
23 of this section.

24 “(6) REPORTS.—

1 “(A) INITIAL IMPLEMENTATION.—During
2 the first 2 years in which a State participates
3 in the demonstration program under paragraph
4 (5), the State shall submit to the Secretary
5 such information as the Secretary may require
6 relating to the implementation and initial oper-
7 ation of the demonstration program.

8 “(B) ANNUAL STATE REPORTS.—

9 “(i) IN GENERAL.—Beginning with
10 the 3rd year in which a State participates
11 in the demonstration program under para-
12 graph (5), the State shall submit an an-
13 nual report to the Secretary on the dem-
14 onstration program that includes the fol-
15 lowing:

16 “(I) An assessment of the extent
17 to which Health Engagement Hubs
18 funded under the demonstration pro-
19 gram have increased access to treat-
20 ment for opioid use disorder and other
21 substance use disorders, health serv-
22 ices for individuals who use drugs,
23 and other social services under the
24 State’s plan under this title or under
25 a waiver of such plan in the area or

1 areas of the State targeted by the
2 demonstration program, as compared
3 to other areas of the State.

4 “(II) An assessment of the extent
5 to which Health Engagement Hubs
6 are reducing opioid and stimulant
7 overdose mortality rates and the rate
8 of adherence to prescribed medication
9 for opioid use, hospitalization rates,
10 recovery rates, and housing status for
11 the populations served by the Health
12 Engagement Hubs as compared to
13 populations that are not served by the
14 Health Engagement Hubs.

15 “(III) Data and information
16 comparing for populations served by
17 the Health Engagement Hubs the ra-
18 cial and socioeconomic demographics,
19 housing status, employment, and
20 other metrics, as recommended by the
21 Secretary, of such populations.

22 “(IV) A description of the suc-
23 cesses of the demonstration program.

24 “(V) Recommendations for im-
25 provements to the demonstration pro-

1 gram, including whether the dem-
2 onstration program should be contin-
3 ued, expanded, modified, or termi-
4 nated.

5 “(ii) DATA AVAILABILITY.—Each
6 State selected to participate in the dem-
7 onstration program under paragraph (5)
8 shall agree, as a condition of such selec-
9 tion, to cooperate with data collection for
10 purposes of the national implementation
11 evaluation under paragraph (7).

12 “(iii) INFORMATION AND DATA COL-
13 LECTION AND REPORTING EXPENDI-
14 TURES.—From amounts made available
15 under paragraph (4)(A)(i), the Secretary
16 shall make payments to States for expendi-
17 tures attributable to collecting and report-
18 ing the information and data required
19 under this subparagraph.

20 “(C) REPORTS TO CONGRESS AND THE
21 COMPTROLLER GENERAL.—

22 “(i) IN GENERAL.—Beginning with
23 the 3rd year in which a State participates
24 in the demonstration program under para-
25 graph (5), the Secretary shall submit to

1 Congress and the Comptroller General of
 2 the United States, and make publicly avail-
 3 able, an annual report that describes the
 4 information, findings, and recommenda-
 5 tions in the annual State reports submitted
 6 to the Secretary under subparagraph (A).

7 “(ii) IMPLEMENTATION EVALUATION
 8 RESULTS.—The Secretary shall include
 9 with the first 3 annual reports submitted
 10 by the Secretary under this subparagraph
 11 the findings and conclusions of the na-
 12 tional implementation evaluation required
 13 by paragraph (7).

14 “(7) NATIONAL IMPLEMENTATION EVALUA-
 15 TION.—

16 “(A) IN GENERAL.—The Secretary shall
 17 contract with an entity that meets the require-
 18 ments of subparagraph (B)(ii) to solicit public
 19 input and conduct a national implementation
 20 evaluation of the planning grants awarded
 21 under paragraph (4) and the State demonstra-
 22 tion programs under paragraph (5) to deter-
 23 mine the reach, effectiveness, adoption, and im-
 24 plementation of the demonstration program in
 25 each such State and to allow for a complete as-

1 assessment of the impact of Health Engagement
 2 Hubs in each State participating in the dem-
 3 onstration program.

4 “(B) REQUIREMENTS.—

5 “(i) INFORMATION.—The evaluation
 6 shall include information on the character-
 7 istics of the individuals who received serv-
 8 ices, service utilization metrics over time
 9 (including by staff role), and input from
 10 interviews with such individuals and staff.

11 “(ii) ELIGIBLE ENTITIES.—In order
 12 to be eligible to conduct the evaluation, an
 13 entity shall—

14 “(I) have documented experience
 15 conducting implementation evalua-
 16 tions of health and social services pro-
 17 grams; and

18 “(II) satisfy such additional eligi-
 19 bility criteria as the Secretary may es-
 20 tablish.”.

21 **SEC. 3. GOVERNMENT ACCOUNTABILITY OFFICE REPORT.**

22 Not later than 18 months after receipt of the annual
 23 State reports and the findings and conclusions of the na-
 24 tional implementation evaluation under paragraph (6)(C)
 25 of section 1903(cc) of the Social Security Act (as added

1 by section 2), the Comptroller General of the United
2 States shall provide to the Committee on Finance of the
3 Senate and the Committee on Energy and Commerce of
4 the House of Representatives a report assessing the Sec-
5 retary's evaluation of the Health Engagement Hub Dem-
6 onstration Program established under such section.

○