



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Behavioral Wellness
Department No.: 043
For Agenda Of: October 16, 2018
Placement: Administrative
Estimated Time:
Continued Item:
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Alice Gleghorn, PhD, Director
Director(s) Department of Behavioral Wellness 805-681-5220
Contact Info: Pam Fisher, PsyD. Deputy Director, Chief of Clinical Operations,
681-5220
SUBJECT: Behavioral Wellness Alcohol and Drug Program – Drug Medi-Cal Organized
Delivery System Intergovernmental Agreement (#18-95148)

County Counsel Concurrence

As to form: Yes

Other Concurrence:

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

- A. Approve and authorize the Director of Behavioral Wellness and/or designee to execute the **Department of Health Care Services (DHCS) Drug Medi-Cal Organized Delivery System (DMC-ODS) Intergovernmental Agreement** (No. 18-95148) and any subsequent amendments impacting service rates or the contract maximum, to provide Substance Use Disorder (SUD) treatment in the amount of \$53,789,466 for the period of December 1, 2018 to June 30, 2021; and
- B. Determine that these activities are exempt from California Environmental Quality Act review per CEQA Guidelines Section 15378(b)(5) since the recommended actions are government administrative activities which do not involve commitment to any specific project which may result in potentially significant physical impact on the environment.

Summary Text:

On February 28, 2017, the BOS approved and authorized Behavioral Wellness to submit to DHCS the DMC-ODS Implementation Plan to participate in the state Medicaid demonstration waiver for Substance Use Disorder (SUD) services. At that time Behavioral Wellness informed the BOS that we would return for approval once DHCS and the federal Centers for Medicare and Medicaid Services (CMS) approved

Behavioral Wellness's Implementation Plan and finalized the Intergovernmental agreement with Behavioral Wellness to provide DMC-ODS Substance Use Disorder services.

DHCS approved Behavioral Wellness' DMC ODS Implementation Plan on June 20, 2017 and provided the Intergovernmental Agreement to Behavioral Wellness on October 2, 2018. This agenda item is before the Board of Supervisors to request approval the recommended action to allow Behavioral Wellness to implement the ADP DMC-ODS Agreement effective December 1, 2018, to provide mandated SUD services for clients.

Once County participation is finalized through the Intergovernmental Agreement, funding for the DMC-ODS expansion will be covered by the Drug Medi-Cal negotiated rates approved DHCS and CMS through state funds available pursuant to Sections 11848.5(a) and (b) of the Health and Safety Code, Sections 14021.51–14021.53 and 14124.20–14124.25 of the W&I Code, 42 CFR Part 438, and the Special Terms and Conditions of the DMC-ODS waiver between DHCS and CMS.

Background:

The California Department of Health Care Services (DHCS) allocates State and Federal funding to counties for Substance Use Disorder (SUD) Treatment Services available to Medi-Cal beneficiaries pursuant to Title XIX and Title XXI of the Social Security Act. As part of the Affordable Care Act (ACA), the state of California DHCS applied for a Medicaid waiver, a Section 1115 Demonstration Waiver, approved August 2015, to expand and enhance the DMC system in this state and to provide a continuum of care. The DMC-ODS pilot is authorized and financed under the authority of California's Section 1115 waiver "Bridge to Reform Demonstration". The DMC ODS is a new paradigm for the organized delivery of health care services for Medicaid eligible individuals with substance use disorder.

In February of 2017, Behavioral Wellness submitted a proposed Implementation Plan to DHCS to participate in the Drug Medi-Cal Organized Delivery System (DMC-ODS) which the BOS approved. Under DMC-ODS, the federal government has waived many of the existing restrictions regarding available substance use disorder treatment services, while increasing quality assurance, monitoring and accountability. The waiver gives Medi-Cal beneficiaries who need help with substance use disorders a much better opportunity to get successful treatment for their individual needs. The DMC-ODS should prevent recidivism and costly emergency services. The DMC-ODS provides for automatic mandatory enrollment of all Medi-Cal beneficiaries.

Then in June 2017, DHCS approved the Behavioral Wellness DMC-ODS implementation plan and forwarded the plan to the CMS for review and approval. DHCS carried on a lengthy contract and fiscal negotiations process with Behavioral Wellness and CMS over this past year. Each step and process required federal CMS and State approval to finalize the Implementation Plan as well as a separate fiscal plan. In addition, funding under DMC-ODS changes the billing mechanism for substance use treatment services available to Medi-Cal beneficiaries, from a limited fee-for-service model where the State determines the rate of reimbursement for services, to a cost reimbursement model, while also expanding covered services. Under the DMC-ODS cost reimbursement model, the County sets the reimbursement rates to reflect the actual cost of providing covered treatment services. Behavioral Wellness's Fiscal Department worked diligently to negotiate and complete the rate setting process with DHCS.

The DMC-ODS Agreement requires the County to ensure the availability and accessibility of adequate numbers of facilities, service locations, service sites, and professional, allied and supportive personnel to provide medically necessary services, and ensure the authorization of services for urgent conditions. In preparation of the DMC-ODS Agreement, in November 2017 Behavioral Wellness began the Request for

Proposal process to select Drug Medi-Cal providers as required by DMC-ODS. A thorough process was conducted and the final Notices of Intent to Award were sent to the selected providers in July 2018.

As part of the DMC-ODS process, in April 2018, DHCS conducted an onsite a Readiness Review of the current implementation status as required by CMS to demonstrate the County's ability to implement DMC-ODS services. The Review included a comprehensive assessment of the operational activities including: operations, interagency coordination and stakeholder engagement, enrollment related functions, fraud, waste and abuse prevention, member services, service delivery and utilization management, provider network adequacy and access, continuity and coordination of care, grievance, appeal, and fair hearing process, quality assessment and performance improvement process, data information and payment system readiness, program integrity structure and reporting, and test claim billings in preparation for the transition to the new ODS implementation. DHCS finalized the Fiscal Plan along with our Implementation Plan.

The next step for the State was the final preparation of the DMC-ODS Intergovernmental Agreement in collaboration with CMS. On October 2, 2018, after several delays due to DHCS constraints, DHCS provided Behavioral Wellness with the Intergovernmental Agreement which requires Board approval. The DMC ODS implementation expands and enhances DMC benefits. Behavioral wellness will provide the following services during year one of the DMC-ODS:

- a. Case Management services to navigate the transitions between treatment levels and coordinate with supportive services such as housing, physical health care, and employment.
- b. Intensive Outpatient Treatment (IOT)
- c. Medication Assisted Treatment (MAT) services (additional medications available to help with the withdrawal and cravings associated with substance use disorders).
- d. Opioid Narcotic Treatment Program (NTP)
- e. Physician Consultation
- f. Recovery Support services to assist in the maintenance of long-term recovery after the treatment episode.
- g. Residential Treatment services to all beneficiaries both perinatal and non-perinatal requiring higher levels of care.

Participation in the DMC ODS waiver program is voluntary and participation is elective for five years. If at any point the County elects to withdraw from Agreement or if the State exercises its ability to cancel the agreement for cause or to terminate for convenience upon 30 days' notice then Behavioral Wellness would revert back to provide service under the multiyear Drug Medi-Cal revenue Agreement #17-94102. The County's DMC beneficiaries receive only those drug and substance use disorder treatment services outlined in the approved state plan. The County will no longer benefit from the higher reimbursement rates or from the waiver of the IMD exclusion for SUD Residential treatment.

The DMC-ODS Agreement will be effective December 1, 2018 and it will replace the multiyear Drug Medi-Cal revenue Agreement #17-94102 approved by the BOS in November 2017. Behavioral Wellness will return to the Board of Supervisors in November with the updated ADP DMC-ODS provider contracts for Board approval.

Performance Measure:

The county will participate in providing data and information to the University of California, Los Angeles (UCLA) Integrated Substance Abuse Programs, through an existing contract with DHCS for the DMC-ODS evaluation. The evaluation process, included in the Intergovernmental Agreement, will focus on four key areas of evaluation: (1) access, (2) quality, (3) cost, and (4) integration and coordination of care, to measure and monitor the outcomes from the DMC ODS waiver, which will require quarterly reporting.

The following data elements will be incorporated into the external quality review organization (EQRO) protocol, including but are not limited to:

- a. Appropriate level of care after referral and assessment;
- b. Number of days to first DMC-ODS service/follow-up appointments at appropriate level of care after referral and assessment
- c. Existence of a 24/7 telephone access line with prevalent non-English language(s)
- d. Access to DMC-ODS services with translation services in the prevalent non-English language(s)
- e. Number, percentage of denied and time period of authorization requests approved or denied;
- f. Proper placement of clients in treatment levels at any given time;
- g. Treatment engagement and successful completion of treatment planning.

In addition, The Behavioral Wellness Quality Improvement Committee will review the following data at a minimum on a quarterly basis since EQRO site reviews will begin after county implementation. With regard to overdose (OD) services, performance measures will include the number of individuals educated about overdose harm reduction, the number of individuals trained to reverse an OD and the actual number of OD reversals or lives saved as a result of the OD Policies & Procedures.

Fiscal and Facilities Impacts:

Budgeted: The rates as set in the DMC-ODS Agreement are expected to be budget neutral.

Fiscal Analysis:

<u>Funding Sources</u>	<u>FY 18-19</u>	<u>FY 19-20</u>	<u>FY 20-21</u>
General Fund			
State	\$ 2,288,275	\$ 4,575,549	\$ 4,576,549
Federal	\$ 8,469,619	\$ 16,939,237	\$ 16,939,237
Fees			
Other:			
Total	\$ 10,757,894	\$ 21,514,786	\$ 21,515,786
Original Three-Year Total:	\$ 53,788,466		

Narrative: Subject to annual state budget appropriation, DHCS intends to provide payments to participating counties for a state share of the costs for program implementation. We anticipate DHCS's support to blend and braid funding streams and to allow integration to proceed with reasonable flexibility.

Key Contract Risks:

The established rates must conform to 42 USC § 1396b(w)(6) and 42 CFR § 433.51, and all certified public expenditures will be subject to annual reconciliation and cost settlement consistent with Federal and State requirements.

The funding is subject to congressional and state appropriation of funds. If the funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, DHCS has the option to either cancel this Contract with no liability occurring to DHCS, or offer an amended agreement to Contractor to reflect the reduced amount. It also passes on to the County the responsibility to repay any audit exception taken by the Federal government and the State or the California State Auditor. The contract also imposes procedural and reporting requirements implemented by Behavioral Wellness that could be subject to audit in the future. However, Behavioral Wellness contracts with its service providers include language requiring contractors to repay any amounts disallowed in audit findings, minimizing financial risks to County.

Staffing Impacts:

At this time there is no impact to staffing. Although the DMC ODS may require some additional administrative infrastructure, it is not anticipated to increase costs to the County. We anticipate that the DMC ODS administrative allowances and reasonable negotiated reimbursement rates will more than fund the infrastructure and in fact provide additional cost savings.

Special Instructions:

Please provide a copy of the Minute Order via email to Denise Morales at dmorales@co.santa-barbara.ca.us and a copy to Behavioral Wellness Contracts at bwellcontractstaff@co.santa-barbara.ca.us.

Attachments:

Attachment A: DHCS DMC ODS Agreement FY 18-21 #18-95148

Authored by:

D. Morales