



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 17, 2023  
**Placement:** Administrative  
**Estimated Time:**  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors  
**FROM:** Department Antonette Navarro, LMFT, Director  
Director(s) Department of Behavioral Wellness, (805) 681-5220  
Contact Info: Melissa Wilkins, MPH, CADC-II, CCPS, Division Chief Alcohol  
and Drug Programs, Department of Behavioral Wellness, (805)  
681-5220  
**SUBJECT:** California Department of Health Care Services Second Amendment to the Drug Medi-Cal Organized Delivery System Intergovernmental Agreement (No. 21-10034 A02) FY 2021- 2024

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**County Counsel Concurrence**

As to form: Yes

Other Concurrence: N/A

As to form: Risk Management

**Auditor-Controller Concurrence**

As to form: N/A

**Recommended Actions:**

That the Board of Supervisors:

- a) Approve, ratify, and authorize the Director of the Department of Behavioral Wellness or designee to execute a Second Amendment to the **California Department of Health Care Services (DHCS) Drug Medi-Cal Organized Delivery System (DMC-ODS) Intergovernmental Agreement** (No. 21-10034 A02) to update programmatic and financial terms and conditions for compliance with state and federal requirements including the California Advancing and Innovating Medi-Cal (CalAIM) Behavioral Health Payment Reform changes with no change in the contract maximum amount of \$84,718,000 for the period of July 1, 2021 to June 30, 2024; and
- b) Determine that the above action is a government fiscal activity or funding mechanism, which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment and is therefore not a project under the California Environmental Quality Act (CEQA) pursuant to section 15378(b)(4) of the CEQA Guidelines.

**Summary Text:**

The above-referenced item is on the agenda to request the Board of Supervisors (Board) to approve, ratify, and authorize the Director of Behavioral Wellness (BWell) or designee to execute a second amendment to the DHCS DMC-ODS Intergovernmental Agreement (No. 21-10034 A02) to update programmatic and financial terms and conditions for compliance with state and federal requirements including the California Advancing and Innovating Medi-Cal (CalAIM) Behavioral Health Payment Reform changes with no change in the contract maximum amount of \$84,718,000 for the period of July 1, 2021 to June 30, 2024.

**Background:**

DHCS allocates state and federal funding to counties for Substance Use Disorder 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), through the state of California DHCS applied for a Medicaid waiver, and a Section 1115 Demonstration Waiver was approved in August 2015 to expand and enhance the DMC system in this state and provide a continuum of care. The DMC-ODS pilot program is a voluntary program which offers California counties the opportunity to expand access to high-quality care for Medi-Cal members, authorized and financed under the authority of California's Section 1115 waiver "Bridge to Reform Demonstration."

DMC-ODS Medi-Cal beneficiaries who need help with substance use disorders have more opportunities to obtain successful treatment for their individual needs if the County participates in SUD services through the DMC-ODS Agreement. The DMC-ODS prevents recidivism and costly emergency services and provides for automatic mandatory enrollment of all Medi-Cal beneficiaries. 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.

Initially, on February 28, 2017, the Board approved and authorized BWell to submit the DMC-ODS Implementation Plan to DHCS in order to participate in the state Medicaid demonstration waiver for SUD services. On October 12, 2021, the Board approved the DHCS DMC-ODS multi-year Intergovernmental Agreement (No. 21-10034) for FY 21-24 for the period of July 1, 2021 through June 30, 2024 to provide mandated SUD services for clients.

On November 29, 2022, the Board approved and authorized BWell to executed a first amendment to the multi-year DHCS DMC-ODS Intergovernmental Agreement (No. 21-10034 A01) to update the terms and conditions for compliance with California Advancing and Innovating Medi-Cal (CalAIM), add Peer Support Service and Contingency Management Services, and increase the contract amount by \$724,000.00 (\$362,000.00 for year two and three) for a total maximum contract amount of \$84,718,000.00 for the period of July 1, 2021 to June 30, 2024;

BWell is returning to the Board to request approval of a second amendment to the multi-year DHCS DMC-ODS Intergovernmental Agreement (No. 21-10034 A02) to update programmatic and financial terms and conditions for compliance with state and federal requirements including the California Advancing and Innovating Medi-Cal (CalAIM) Behavioral Health Payment Reform changes with no change in the contract maximum amount of \$84,718,000 for the period of July 1, 2021 to June 30, 2024.

BWell provides the following services: Case Management services to navigate the transitions between treatment levels and coordinate with supportive services such as housing, physical health care, and employment; Intensive Outpatient Treatment; Medication Assisted Treatment services (additional medications available to help with the withdrawal and cravings associated with substance use disorders); Opioid Narcotic Treatment Program; Physician Consultation; Recovery Support services (to assist in the maintenance of long-term recovery after the treatment episode); and Residential Treatment services to

all beneficiaries, both perinatal and non-perinatal, requiring higher levels of care. Approval of the recommended actions will allow the County to maintain compliance with DHCS requirements and implement the new payment methods necessary for partnership with providers.

**Performance Measure:**

The County participates in, and provides 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 focuses 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 require quarterly reporting. The following data elements are incorporated into the external quality review organization (EQRO) protocol, including but 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; and
- g. Treatment engagement and successful completion of treatment planning.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

<b>Funding Sources</b>	<b>FY 21-22</b>	<b>FY 22-23</b>	<b>FY 23-24</b>
General Fund			
State	\$ 3,000,000.00	\$ 3,160,000.00	\$ 3,160,000.00
Federal	\$ 24,998,000.00	\$ 25,200,000.00	\$ 25,200,000.00
Fees			
Other:			
Total	\$ 27,998,000.00	\$ 28,360,000.00	\$ 28,360,000.00
Three-Year Total:			\$ 84,718,000.00

**Narrative:**

The maximum amount of the DMC-ODS Agreement remains at \$84,718,000. DHCS intends to provide payments to participating counties for a state share of the costs for program implementation, subject to annual state budget appropriation. The State General Fund amounts are based on biannual Department of Managed Care estimates. Amounts are included in the adopted budget for Behavioral Wellness.

**Key Contract Risks:**

The funding for the DMC-ODS Agreement 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 the DMC-ODS Agreement with no liability occurring to DHCS or offer an amended agreement to County to reflect the reduced amount. DHCS may also cancel the DMC-ODS Agreement without cause upon 90 days' notice to County. County's contracts with providers also allow for termination for convenience. As with any agreement funded by state and federal sources, there is a risk of future audit disallowances and repayments. BWell's contracts with providers include language requiring contractors to repay any amounts disallowed in audit findings, minimizing financial risks to the County. In addition, DHCS requires the County to comply with network adequacy standards, developed by DHCS including those set by statute.

**Staffing Impacts:**

At this time there is no impact to staffing. The DMC-ODS administrative allowances and reasonable negotiated reimbursement rates will fund the infrastructure and provide additional cost savings.

**Special Instructions:**

Please provide a copy of the Minute Order to Amber Foschaar at [cfoschaar@sbcbswell.org](mailto:cfoschaar@sbcbswell.org) and to Behavioral Wellness Contracts at [bwelcontractstaff@sbcbswell.org](mailto:bwelcontractstaff@sbcbswell.org).

**Attachments:**

Attachment A: DHCS DMC ODS FY 21-24 Agreement No. 21-10034 A02

Attachment B: DHCS DMC ODS FY 21-24 Agreement No. 21-10034 A01

Attachment C: DHCS DMC ODS FY 21-24 Agreement No. 21-10034

**Authored by:**

A. Foschaar