



Board Agenda Item 33

DATE: May 3, 2022

TO: Board of Supervisors

SUBMITTED BY: Susan Holt, Director, Department of Behavioral Health

SUBJECT: Drug Medi-Cal Master Agreement with Substance Use Disorder Treatment Providers

RECOMMENDED ACTION(S):

- 1. Approve and authorize Chairman to execute a Master Agreement with Drug Medi-Cal certified providers for outpatient, narcotic treatment and residential services with no maximum compensation amount, effective July 1, 2022 not to exceed five consecutive years, which includes a three-year base contract and two optional one-year extensions.**
- 2. Authorize the Department of Behavioral Health Director, or designee, to add providers to the Drug Medi-Cal Master Agreement.**
- 3. Approve and authorize the Department of Behavioral Health Director, or designee, upon review by County Counsel as to legal form and Auditor-Controller/Treasurer-Tax Collector as to accounting form, to approve minor changes to program requirements and budgets, as needed, to accommodate regulatory changes relating to substance use disorder treatment, with no change to the maximum compensation.**

Approval of recommended actions will enable the County to continue to contract with Drug Medi-Cal (DMC) certified providers for the provision of substance use disorder treatment services. Approval will also allow the Department of Behavioral Health to continue contractual arrangements with treatment providers through a Master Agreement, with no increase to Net County Cost. DMC certification is required by the California Department of Health Care Services (DHCS) for substance use disorder treatment providers to be able to serve the Medi-Cal population. Approval of recommended actions will permit the Director or designee to add providers and make minor changes to Master Agreement exhibits due to changes in state or federal regulations, upon review by County Counsel and the Auditor-Controller/Treasurer Tax Collector. This item is countywide.

ALTERNATIVE ACTION(S):

Should your Board not approve the recommended actions, the Department will not be able to continue contracts with substance use disorder treatment service providers.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The annual costs for the recommended Master Agreement will be fully offset with Drug Medi-Cal Federal Financial Participation. The Master Agreement has no maximum compensation amount as DMC funding is dependent on the number of services provided. The State is required to pay for each service provided up to a maximum

allowable rate. Sufficient appropriations and estimated revenues will be included in the Department's Org 5630 FY 2022-23 Recommended Budget and in subsequent budget requests for the duration of the term.

DISCUSSION:

On December 4, 2018, the Board approved Intergovernmental Agreement No. 18-95145 with DHCS to provide substance use disorder treatment services under a new service delivery model known as the DMC Organized Delivery System (DMC-ODS). The DMC-ODS is a pilot program, approved by the Federal Centers for Medicare & Medicaid (CMS) for a five-year term through a demonstration waiver request submitted by DHCS, designed to test the effectiveness of an organized delivery of treatment services for Medicaid-eligible persons served. The initial waiver period expired on December 31, 2021. DHCS has received a five-year extension from CMS to continue the DMC-ODS through December 31, 2026, at which time an additional five-year extension request is anticipated to be submitted.

To participate in the pilot program, California counties were required to opt-in. The County's DMC-ODS, also known as the Substance Use Disorder System of Care, became operational on January 1, 2019. Since implementation, the Department has sought to contract with newly eligible DMC-certified providers to increase access to care and improve quality of care and outcomes for substance use disorder treatment within the County.

The Department is recommending that your Board approve and authorize the Chairman to execute the DMC Master Agreement with the Services Vendor List on Attachment A.

The recommended agreement is effective July 1, 2022, not to exceed five consecutive years, which includes two optional one-year extensions upon written approval from both parties. The agreement provides for unilateral amendments by the County and allows the Director, or designee, to issue notice of non-renewal. The agreement may be terminated without cause by the County upon giving the provider a 30-day advance written notice to terminate.

REFERENCE MATERIAL:

BAI #40, December 4, 2018

ATTACHMENTS INCLUDED AND/OR ON FILE:

Attachment A

On file with Clerk - Drug Medi-Cal Master Agreement

CAO ANALYST:

Sonia M. De La Rosa