



# Board Agenda Item 40

DATE: December 4, 2018

TO: Board of Supervisors

SUBMITTED BY: Dawan Utecht, Director, Department of Behavioral Health

SUBJECT: Drug Medi-Cal Agreement

RECOMMENDED ACTION(S):

**Approve and authorize the County Behavioral Health Director/Alcohol and Other Drug Program Administrator to execute Drug Medi-Cal Agreement No. 18-95145 with the California Department of Health Care Services, including required certifications, for the provision of substance use disorder treatment services to Fresno County residents, effective January 1, 2019 through June 30, 2021 (\$181,657,157).**

Approval of the recommended action will enable the County to opt-in to the Drug Medi-Cal Organized Delivery System (DMC-ODS) and continue receiving State and Federal Drug Medi-Cal (DMC) funds through the California Department of Health Care Services (DHCS) to finance County substance use disorder (SUD) treatment services, with no increase Net County Cost. Authorizing the County Behavioral Health Director/Alcohol and Other Drug Program Administrator to execute the Drug Medi-Cal Agreement will allow DBH to meet time sensitive deadlines required by DHCS.

ALTERNATIVE ACTION(S):

If the recommended action is not approved, the County would not be able to opt-in to the DMC-ODS, which expands SUD treatment service modalities beyond the current State Plan level of care, and would jeopardize up to \$181,657,157 in State and Federal funding and Behavioral Health Realignment revenues supporting mandated SUD programs during the contract period. Fresno County DMC services would continue under existing DHCS Agreement No. 17-94070 at the State Plan level of service.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. The recommended Agreement will provide \$181,657,157 in revenues for the County over the three fiscal years to administer Federal SUD programs. Sufficient appropriations and estimated revenues have been included in the Department's Org 5630 FY 2018-19 Adopted Budget and will be included in subsequent budget requests for the duration of the contract term.

DISCUSSION:

Since FY 1989-90, DHCS has contracted with the County to provide SUD treatment services. The recommended Agreement will replace the current Agreement No. 17-94070 which will terminate simultaneously with the effective date of the new Agreement. The Agreement provides both Federal and State funding to support alcohol and drug treatment services for County residents. With these funds, the County contracts with local DMC-certified providers to deliver SUD treatment services to more than 5,480

DMC-eligible county residents annually.

On August 13, 2015, DHCS received approval from the Federal Centers for Medicare & Medicaid Services (CMS) to test a new paradigm for the organized delivery of health care services for Medicaid eligible individuals with a substance use disorder under a demonstration waiver, known as the Drug Medi-Cal Organized Delivery System (DMC-ODS) Pilot program. The goals of the DMC-ODS are to: 1) simultaneously implement a historic coverage expansion; 2) begin the process of transforming the health care delivery system; and 3) reinforce California's safety net to meet the needs of the uninsured. To participate in the DMC-ODS counties are required to opt in by submitting an Implementation Plan that describes how SUD treatment services will be expanded and integrated with physical and mental health services. Fresno County's Implementation Plan was approved December 22, 2017. The DMC-ODS will demonstrate how organized substance use disorder care increases the success of DMC beneficiaries while decreasing other system health care costs. Critical elements of the DMC-ODS include: 1) providing a continuum of care modeled after the American Society of Addiction Medicine (ASAM) Criteria for SUD treatment services; 2) increased local control and accountability; 3) greater administrative oversight; 4) utilization controls to improve care and efficient use of resources; 5) use of evidence-based practices; and 6) increased coordination with other systems of care (physical and mental health). The DMC-ODS is expected to provide beneficiaries with access to the care and system interaction needed in order to achieve sustainable recovery.

Counties that do not opt in to the DMC-ODS pilot program will continue to make State Plan DMC services available through the existing State-County Agreement. State Plan services include outpatient and intensive outpatient treatment and narcotic treatment programs for perinatal and non-perinatal populations. In addition to the State Plan services, counties that opt in to the DMC-ODS will also offer residential treatment, withdrawal management, recovery services, case management and medication assisted treatment. The DMC-ODS services can be offered in person, by phone or by telehealth in clinics and in community-based settings to increase access and improved beneficiary recovery.

With your Board's approval, the recommended agreement will allow DBH to continue to provide SUD treatment services to County residents. Disputes related to the provision of treatment services or to DHCS financial audits must be resolved using the dispute resolution process stated in the recommended agreement. Further, by executing the recommended agreement the County is agreeing to indemnify the State for any intellectual property claims arising from the agreement and for any and all claims and losses accruing or resulting from the performance of this agreement.

The cancellation clause gives DHCS the right to terminate the recommended agreement without cause; however, the County is not given the same right.

DBH requests approval for the County Behavioral Health Director/Alcohol and Other Drug Program Administrator to execute the Drug Medi-Cal Agreement to allow DBH to meet time sensitive deadlines required by DHCS. Intergovernmental Agreements between the County and DHCS must be signed, copied 5 times and returned back to DHCS within a few days of the Board date to allow DHCS and Centers for Medicare and Medicaid Services (CMS) to have sufficient time to execute the agreement on their end. If this time sensitive deadline is not met it will negatively impact the January 1, 2019 Go-Live date for Waiver services in Fresno County.

REFERENCE MATERIAL:

BAI #43, October 17, 2017

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Agreement No. 18-95145 with DHCS

CAO ANALYST:

Ron Alexander