



# SYSTEM TRANSFORMATION TO ADVANCE RECOVERY AND TREATMENT

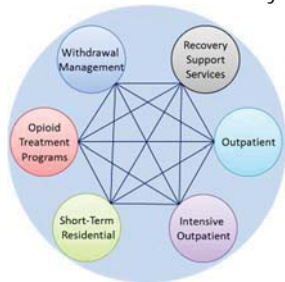
Los Angeles County's Substance Use Disorder Organized Delivery System

## EXPANDING LOS ANGELES COUNTY'S SUBSTANCE USE DISORDER SYSTEM: More Eligible Patients and an Improved Benefit Increase Demand for Treatment Slots

### New SUD Benefits under Medi-Cal

California's Medi-Cal 2020 1115(a) Waiver Demonstration Project paves the way for Los Angeles County (LAC) to increase access to substance use disorder (SUD) treatment services for adolescents and adults who are eligible for Medi-Cal. It expands Drug Medi-Cal (DMC) reimbursable services beyond outpatient (OP), intensive outpatient (IOP), and opioid (narcotic) treatment program (OTP) to create a fuller continuum of care that includes withdrawal management (WM), medication-assisted treatment (MAT), short-term residential (RS), case management and care coordination with physical and mental health, and recovery support services.

With the new benefits, also comes the responsibility to make placement decisions based on the American Society of Addiction Medicine (ASAM) Criteria and medical necessity; provide care at the lowest and most appropriate level of care (LOC), including improved transitions between LOCs; and use MAT in conjunction with other treatment services.



### Expanded Population Served

Currently, Substance Abuse Prevention and Control's (SAPC) delivery system has approximately 71,196 SUD treatment admissions annually. This number is expected to increase by 48% by July 2018 due to expansion in the Medi-Cal eligible population to include single adults without children and incomes up to 138% of the Federal Poverty Level and an improved benefit package.

When considering improved transitions to higher or lower LOCs, annual utilization will be around 17,000 care episodes for youth (12-17 years of age) and 89,000 for adults (18 years of age and older) by 2018.

### Expanded Service Locations and Slots

To meet the increased demand, new programs and/or treatment slots must be added at all LOCs. Even with a fairly expansive system of care for adults, there is significant variance between current capacity and anticipated need:

ASAM LOC	ADULT SYSTEM OF CARE		
	Current Slots	Projected Need	Percent Change
Outpatient	2,402	5,195	116%
Intensive Outpatient	375	1,064	184%
Short-Term Residential	1,226	2,365	93%
Withdrawal Management	49	155	216%
Opioid Treatment Programs	5,373	7,096	32%
<b>Total</b>	<b>9,425</b>	<b>15,875</b>	<b>68%</b>

Given the limited availability of programs tailored to meet the needs of youth and young adults (18-25 years of age), an even greater service expansion is expected for these populations. Overall, participation in the Waiver will provide an opportunity for current and new SUD service contractors to fill this need.

### Launch Date of the System Transformation

LAC submitted its implementation plan to the California Department of Health Care Services (DHCS) and the federal Centers for Medicare and Medicaid Services (CMS) on February 11, 2016. The new DMC benefits and requirements will begin once the plan is approved by DHCS and CMS, and the new State/County contract is signed by the LAC Board of Supervisors (BOS). This is expected by July 2017.

### DMC Primary Payer for SUD Services

Soon after the new DMC benefits begin, individuals who qualify for Medi-Cal will receive all DMC-covered services at a DMC certified provider. Since most individuals qualifying for publicly managed SUD services are Medi-Cal eligible, this will be a substantial shift in how most SUD treatment services are reimbursed in LAC. To minimize a reduction in referrals and admissions, and to benefit from the expanded DMC-eligible population, it is essential that SUD providers without DHCS DMC certification for provided LOCs submit new/modified applications as soon as possible.

All SAPC contractors must be DMC-certified and/or licensed for all contracted LOCs/sites by July 1, 2017 in order to maintain and/or obtain new contracts; contracts will not be renewed for any agency and/or site without the required DMC certification and/or licensure. Current and prospective contractors are encouraged to submit new and/or modified DMC applications by the launch date (about August 2016) to allow sufficient time for DHCS to process applications.

## DMC Certification Process by LOC

Any current SAPC contractor must obtain DHCS DMC alcohol and other drug (AOD) certification and/or licensure for contracted LOCs by July 1, 2017; any new contractor must obtain this certification and/or licensure before a contract can be executed. The exception is youth residential services that require licensure from the California Department of Social Services (CDSS) instead of DHCS.

### DMC Application Process

Each ASAM LOC requires different certifications and/or licenses (see table below). DHCS' [Drug Medi-Cal Certification Webpage](#) provides additional information on what documents are needed to become a qualified DMC provider site.

DMC FACILITY REQUIREMENTS BY LOC			
LOC	ASAM	Site Type	Required License/Certification
WM	1-WM	DHCS-Certified Outpatient Facility	(1) AOD Certification with Non-Residential detox service authorization (2) DMC Outpatient Certification
	2-WM	DHCS-Certified Outpatient Facility	(1) AOD Certification with Non-Residential detox service authorization (2) DMC Outpatient Certification
	3.2-WM	DHCS-Licensed Residential Facility	(1) DHCS Residential License with detox service authorization (2) DMC Residential Certification
OTP	1-OTP	DHCS-Licensed OTP Facility	(1) AOD Certification (2) DMC OTP Certification (3) ASAM Designation 1-OTP (4) Drug Enforcement Authority (DEA) Registration (5) Substance Abuse and Mental Health Services Administration (SAMHSA) Certification
OP	1.0	DHCS-Certified Outpatient Facility	(1) AOD Certification (2) DMC Outpatient Certification
	2.1	DHCS-Certified Intensive Outpatient Facility	(1) AOD Certification (2) DMC Intensive OP Certification
RS	3.1	CDSS Group Home (<18)	(1) DHCS Residential License (adults) (2) CDSS Group Home License (youth) (3) ASAM Designation 3.1 (4) DMC Residential Certification
	3.3		(1) DHCS Residential License (adults) (2) ASAM Designation 3.3 (3) DMC Residential Certification
	3.5	DHCS-Licensed Residential Facility (>18)	(1) DHCS Residential License (adults) (2) CDSS Group Home License (youth) (3) ASAM Designation 3.5 (4) DMC Residential Certification

DMC Applications: [http://www.dhcs.ca.gov/services/adp/Pages/Drug\\_MediCal.aspx](http://www.dhcs.ca.gov/services/adp/Pages/Drug_MediCal.aspx)

### DMC ASAM Residential Designation and WM Process

SAPC residential service providers will also need to obtain a DMC ASAM Residential Designation for provided LOCs (ASAM 3.1, 3.3, and/or 3.5). To obtain the ASAM Residential Designation, complete the [DHCS ASAM LOC Designation Questionnaire](#). Submit the form to the following address and notify your SAPC Contract Program Auditor (CPA) to facilitate the technical assistance process.

Department of Health Care Services, Substance Use Disorder Compliance Division  
P.O. Box Number 997413, MS 2603 Sacramento, California 95899-7413  
Phone: (916) 552-9690 Fax: (916) 322-7388  
<http://www.dhcs.ca.gov/provgovpart/Pages/ASAM-Designation.aspx>

### DMC Agency/Site Certification Process

DMC site certification must be obtained for each agency-operated clinic location where DMC services are regularly provided. Site certification will not be required for services provided at non-agency operated sites (e.g., schools, group homes, community centers, health clinics) and field-based services (e.g., in-home, homeless encampments) for providers in waiver opt-in Counties. This change will occur once LAC's plan has been approved and the contract signed by the BOS.

### SAPC Contracting Process

Beginning July 1, 2017, any agency who provides SUD services in LAC must have (1) the appropriate DMC Certification and/or License and (2) a Master Agreement with SAPC that includes provided LOCs. Both the State and County processes typically take at least six months to one year to complete so it is essential to start this process early:

SAPC CONTRACT APPLICATION PROCESS		New Applicant*	Current Provider**
1	Send SAPC a Letter of Intent to apply as a DMC provider.	✓	✓
2	Apply for AOD (each agency-operated site) and DMC (level of care, formerly termed as modality) certifications with DHCS.	✓	✓
3	Respond to the SUD Request for Service Qualifications (RFSQ) for desired LOCs. RFSQ is available at <a href="http://publichealth.lacounty.gov/cg/">http://publichealth.lacounty.gov/cg/</a>	✓	✓***
4	Upon successful completion of the RFSQ, be awarded a Master Agreement with desired LOCs.	✓	✓***
5	When released, respond to Work Order Solicitations (WOS) as included in your Master Agreement.	✓	✓
6	Upon successful submission of a WOS, be awarded a Master Agreement Work Order.	✓	✓

\*New Applicant: Agencies who do not have any contract with SAPC.  
\*\*Current Provider: Agencies who have a current contract but who are obtaining DMC certification for a new or current LOC.  
\*\*\* Current providers must add LOCs if previously not included in existing Master Agreements.

### Available Technical Assistance

Current providers are encouraged to contact their SAPC CPA for general questions regarding the DMC application process and the Waiver. Agencies seeking to become a provider may contact SAPC's Contract Services Unit at (626) 299-4532 or [ddeniz@ph.lacounty.gov](mailto:ddeniz@ph.lacounty.gov).

### More Information on the SUD Transformation

#### Website

<http://publichealth.lacounty.gov/sapc/NetworkProviders/Stakeholder.htm>

#### Email

[SUDTransformation@ph.lacounty.gov](mailto:SUDTransformation@ph.lacounty.gov)