



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 4/23/2019

Agenda Placement: 6D

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: JoAnn Melgar for Jennifer Yasumoto - Director
Health & Human Services Administration

REPORT BY: JoAnn Melgar, Staff Services Analyst II - 707-253-4722

SUBJECT: Amendment No. 1 to Agreement with the Department of Health Care Services (DMC-ODS Waiver Agreement)

RECOMMENDATION

Director of Health and Human Services requests approval of and authorization for the Chair to sign Amendment No. 1 to Revenue Agreement No. 180182B with the Department of Health Care Services increasing the amount by \$2,012,186 for a new maximum of \$20,597,776, modifying the terms and conditions to add network adequacy standards and reporting requirements, increasing the budget in years 2 and 3 and identifying those changes in Exhibit B, Attachment 1 A1 for the term December 15, 2017 through June 30, 2020 for alcohol and drug programs approved in the Napa County Drug Medi-Cal Organized Delivery System (ODS) Waiver Pilot Implementation Plan.

EXECUTIVE SUMMARY

The Department of Health Care Services (DHCS) Substance Use Disorder Services (SUDS) contract provides most of the State and Federal funding for the substance abuse services delivered by Napa County Health and Human Services Agency. The SUDS agreement is a multi-year revenue agreement ending on June 30, 2020 for the Drug Medi-Cal (DMC) program. Napa County has opted into the Drug Medi-Cal Organized Delivery System (DMC-ODS) Waiver pilot project which requires a prescribed continuum of substance use services with an negotiated fee schedule based on estimated and actual program costs that replaces the state maximum allowance (SMA). The DMC-ODS Waiver allows Napa County to bill for expanded services which were not previously billable under Drug Medi-Cal. The expanded services include case management, residential treatment, Medication Assisted Treatment (MAT), Narcotic Treatment Program (NTP) services, withdrawal management, recovery services, physician consultation and more frequent individual treatment sessions.

The Board originally approved this Agreement on November 21, 2017. The purpose of today's requested action is to amend the Agreement to:

1. Modify the terms and conditions to add the network adequacy standards established by DHCS 438 Final Rule, which was not yet developed at the time of the original revenue Agreement;
2. Add reporting requirements, which apply whenever there is a significant change in operations that would affect the requirement to maintain a network of providers that is sufficient to meet the needs of beneficiaries;
3. Increase the budget in years 2 and 3 by \$2,012,186; and
4. Identify budget changes in Exhibit B, Attachment 1 A1 - Funding Amounts.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Health & Human Services Alcohol & Drug Services
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	This agreement is discretionary, however approval of this amended agreement will allow the Health and Human Services Agency to continue requesting reimbursement for substance use services.
Is the general fund affected?	No
Future fiscal impact:	This revenue agreement was included in the approved Fiscal Year 2018-2019 budget and is included in the requested Fiscal Year 2019-2020 budget.
Consequences if not approved:	If this amendment is not approved, the terms of Napa County's State-County Contract will be inconsistent with the state and federal allocations.
Additional Information:	

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

In August 2015, the United States Department of Health & Human Services Centers for Medicare & Medicaid Services (CMS) authorized California to test a new paradigm for the organized delivery of health care services for individuals with a substance use disorder (SUD). The Drug Medi-Cal Organized Delivery System (DMC-ODS) is a Medi-Cal benefit and delivery system in counties that choose to opt into and implement this pilot program. The DMC-ODS allows counties to selectively contract with providers in a managed care environment to deliver a full array of services consistent with the American Society of Addiction Medicine (ASAM) Treatment Criteria, including recovery supports and services.

In California, SUD services for Medi-Cal beneficiaries have historically covered only five modes of treatment:

outpatient drug-free services, narcotic replacement therapy (methadone), naltrexone services, day care rehabilitation (intensive outpatient care) for pregnant women, and perinatal residential services for pregnant and postpartum women. In addition, there was a limited fee-for-service DMC benefit for interventions provided by licensed physicians and for inpatient withdrawal management services. They did not include many essential services, such as widely available residential treatment that can assist individuals with SUDs in achieving and sustaining recovery. Other challenges included lack of access to evidence-based medications, poor coordination with mental health and physical health services, and limited flexibility to select providers and hold them accountable.

Napa County chose to opt into participating in the DMC-ODS waiver to address the aforementioned limitations on California's Drug-Medi-Cal funded (DMC) services. Becoming a waived county will provide individuals suffering from a Substance Use Disorder improved access to treatment modalities and services previously not covered by DMC benefits. This will ensure Napa County beneficiaries have available, a full continuum of evidence-based SUD treatment services to increase the likelihood of achieving and sustaining long-term recovery. In addition, this organized delivery system will facilitate increased coordination and integration of SUD services with physical health and mental health care, potentially leading to improved clinical and fiscal outcomes.

The Department of Health Care Services (DHCS) Substance Use Disorder Services (SUDS) contract provides most of the State and Federal funding for the substance abuse services delivered by Napa County Health and Human Services Agency. The SUDS agreement is a multi-year revenue agreement ending on June 30, 2020 for the Drug Medi-Cal (DMC) program. Opting into the DMC-ODS Waiver pilot project requires a prescribed continuum of SUD services with a negotiated fee schedule based on estimated and actual program costs that replaces the state maximum allowance (SMA) which did not cover the cost of services. The DMC-ODS Waiver will allow Napa County to bill for expanded services which were not previously billable under Drug Medi-Cal. The expanded services include case management, residential treatment, Medication Assisted Treatment (MAT), Narcotic Treatment Program (NTP) services, withdrawal management, recovery services, physician consultation and more frequent individual treatment sessions. In addition, the DMC-ODS Waiver pilot project will ensure that SUD services are aligned with the Centers for Medicare & Medicaid Services (CMS) Parity requirements and network adequacy standards.

The Board originally approved this Agreement on November 21, 2017. The purpose of today's requested action is to amend the Agreement to modify the terms and conditions to add network adequacy standards and reporting requirements and increase the budget in years 2 and 3.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Ben Guerrieri