



SUMMARY OF MEETING
Substance Use Disorder Drug MediCal
Waiver Advisory Group
Department of Health Care Services
1700 K Street, 1st Floor Conference Room, Sacramento
November 3, 2014

Overview

The Department of Health Care Services (DHCS) is seeking an 1115 Demonstration Waiver for the Substance Use Disorder Drug Medi-Cal (DMC) Program. The overall purpose of the Waiver is to create a model that will provide an Organized Delivery System of Substance Use Disorder (SUD) services. This Waiver will be an amendment to California's existing section 1115 "Bridge to Reform" Waiver.

Waiver Amendment Submission Requirements

Marlies Perez, Division Chief from DHCS, described the Waiver Amendment submission requirements mandated by the Center for Medicare and Medicaid Services (CMS) which include the Special Terms and Conditions (STCs), Budget Neutrality, Expenditure Authority and Tribal Notification. The second draft of the STCs is available on the DHCS website at: <http://www.dhcs.ca.gov/provgovpart/Documents/2nd-Draft-STCs-for-stakeholders.pdf> .

DHCS conveyed that changes to the Special Terms and Conditions can still be made even after formal submission to CMS since it is an iterative process. Stakeholders are encouraged to send their feedbacks/comments to MHSUDStakeholderInput@dhcs.ca.gov

Budget Neutrality and Shared Financing Model

Don Braeger, Division Chief from DHCS, presented the Waiver fiscal planning process, budget neutrality and shared financing model. DHCS plans to utilize a Per User Per Month (PUPM) for utilization calculations based on both historical spending in the county and projected costs of the expanded benefits and expanded populations. The goal of the methodology is to provide flexibility to counties to develop appropriate rates across the various benefit categories while also protecting the county and state from incurring costs beyond what would have occurred absent the Waiver.

Since the Substance Abuse Prevention and Treatment (SAPT) funds cannot be matched to Federal Financial Participation (FFP), it will not be included in the Waiver calculations. The Stakeholders recommended the State review how SAPT funds are currently used to assist counties with calculations pertaining to the residential benefit.

DHCS will use the PUPM to develop a state-county sharing ratio (on a county specific level) for the non-federal funding of the PUPM costs. Counties will have the target PUPM amount to develop and

negotiate rates for the benefits. DHCS will be responsible for approving the rates proposed by each county.

DHCS explained that four counties were selected to test the PUPM model. The counties were selected by size due to the variability of counties sizes across California. Individual technical assistance calls were held with all four counties. Based on the current readiness of counties, DHCS estimates that approximately eight to twelve counties will be the first to opt-in to the Waiver. DHCS has not formally requested counties to submit their letter of intent.

Stakeholders expressed concerns with moving to county of residence. DHCS explained that additional details and requirements will be outlined in the State-County contract. Stakeholders requested to review the provisions outlined in the State-County contract once it is complete.

DHCS reiterated that for counties that do not opt-in to the Waiver, the current DMC structure and requirements will remain the same; however, beneficiaries in non-Waiver counties will not be able receive the enhanced benefits outlined in the Waiver.

Readiness Assessment, Implementation Plan and Next Steps

Marlies Perez outlined the structure of the Implementation Plan which counties will submit to participate in the Waiver. The Implementation Plan will include a narrative, assumptions, beneficiary projections, and proposed rates. If the county proposes rates that DHCS denies, counties will be permitted to resubmit with new rates or choose not to participate in the Waiver.

Stakeholders asked DHCS to keep the development of the Implementation Plan transparent and to share a draft with the Waiver Advisory Group. Stakeholders also suggested requiring counties to involve local stakeholders in the development of the counties' Implementation Plan.

DHCS stated that the formal submission of the Waiver will occur once all portions are complete. CMS then has 120 days to render a decision.

Open Discussion

Stakeholders requested an update pertaining to the use of residential services. DHCS explained that CMS has been positive about DHCS including the residential benefit without any limitation on bed size; however, no official decision has been rendered.

DHCS confirmed that while the responsibility for access to services lies with both the State and County, it still remains the responsibility of the State. Stakeholders expressed concerns regarding the current length of time for providers to receive DMC certification. DHCS confirmed that the Provider Enrollment Division (PED) has been approving more certifications and that the Department is dedicated to certifying the new providers required by the Waiver while also resolving any outstanding issues.

Agendas and handouts are available at <http://www.dhcs.ca.gov/provgovpart/Pages/MH-SUD-UpcomingMeetings.aspx>

All stakeholders are encouraged to submit comments to: MHSUDStakeholderInput@dhcs.ca.gov