

**Summary #1 of Stakeholder Comments from July 13, 2011, Meeting
Regarding Transfer of Drug Medi-Cal Program Functions from the Department of Alcohol
and Drug Programs (DADP) to the Department of Health Care Services (DHCS)**

Issue #1:

What are your comments on the organizational placement of Drug Medi-Cal and behavioral health leadership with DHCS?

- Organizational
 - Several supportive statements regarding creation of the new Deputy Director of Behavioral Health at the Department of Health Care Services
 - Recommendation that more emphasis be placed on Drug Medi-Cal
 - Concern voiced about “combining” Drug Medi-Cal and Medi-Cal related specialty mental health within DHCS under one deputy
 - Concern voiced that the proposed integration of the Drug Medi-Cal Program with Medi-Cal Specialty Mental Health Services will result in Drug Medi-Cal getting ‘lost’
 - Suggestion to create two Deputy Directors – one for Drug Medi-Cal, and one for Specialty Mental Health Services
 - Request that ‘whatever’ structure is chosen, DHCS selects a deputy with experience in the field(s) to lend credibility to both subject areas.
- Programmatic
 - Drug Medi-Cal Program -- there is disparity and lack of capacity in many rural counties in the state (only 40 counties provide these services)
 - Drug Medi-Cal Program – Services are very limited and do not include many alcohol and drug services that are now considered ‘best practice.’

Issue #2

What are your recommendations regarding the roles of Drug Medi-Cal stakeholders and interactions between stakeholders and (a) DADP and DHCS during the transfer period, and (b) DHCS on an on-going basis?

- The stakeholder process should be “on-going” and a regular part of the transitioned program.
- Request that current advisory alcohol and drug stakeholder and advisory groups be retained and perhaps strengthened.
- Stakeholders can play an on-going key role in developing an improved and effective Drug Medi-Cal Program, as well as a broader behavioral stakeholder workgroup and the 1115 waiver.
- Concern that alcohol and drug program needs and stakeholders will be lost by the bigger mental and physical health care programs.

Issue #3

How can DHCS and DADP best ensure continuous and uninterrupted administrative support to drug and alcohol treatment service providers, pre and post transfer of the Drug Medi-Cal Program?

- It is critical that DHCS work with counties and providers to streamline and simplify the billing and reimbursement process.
- Drug and alcohol providers are not proficient in the use of electronic billing. State electronic billing requirements pursuant to the Health Insurance Portability and Accountability Act (HIPAA) and the federal Health Care Reform, along with other state and federal requirements create barriers – especially for small and rural counties.

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- Administrative expertise at DADP must be transferred to DHCS in its entirety –bifurcation of programs will strain staff and the system itself.
- DHCS must thoroughly understand the services and rules for Drug Medi-Cal services, so that audits conform to actual billing.
- Counties will require IT assistance to implement HIPAA-compliant billing systems. DHCS should seek opportunities for additional federal funding or incentives for counties/providers to implement electronic billing systems.
- Title 9 and Title 22 California Code of Regulations do not reflect current billing or ‘best’ practices, and must be updated.
- The counselor certification process must be improved.
- DHCS must keep the rate-setting methodology for narcotic treatment providers, rather than allowing rate-setting at the county level.
- DHCS must retain the Drug Medi-Cal rate-setting stakeholder workgroup on an on-going basis.
- DHCS should consider directly contracting with providers rather than only contracting with counties.

Issue #4

What proposed Drug Medi-Cal Program changes and efficiencies do you recommend DHCS and DADP consider in this initial phase of the program transfer?

- Improvement of the provider application process is critical.
- Improve/change the biennial renewal of provider certification.
- Consider eliminating the need to certify outpatient programs.
- DHCS should accept the certification for Drug Medi-Cal providers that is provided by (national?) accreditation boards, rather than continuing a separate California certification.
- The infrastructure in different counties differs – DHCS must carefully consider how the department coordinates the integration of specialty mental health services with Drug Medi-Cal and physical health services. Integration may work well if the unique aspects of both specialty mental health services and Drug Medi-Cal programs are retained.
- Reiteration of earlier comment for DHCS to seek federal incentives and funding for IT improvements at the county and provider levels.
- Develop software that can easily take both Drug Medi-Cal and specialty mental health services claims data.
- DHCS should improve the explanation of benefits processes so that providers can more easily know why claims are cut back or denied.
- DHCS should standardize the claiming timelines for providers for both Drug Medi-Cal and specialty mental health services (since DHCS federal reporting timelines for claims are the same).
- Allow billing for both specialty mental health services and Drug Medi-Cal on the same day, as well as allowing for billing of multiple necessary services within each program on the same day.
- Rate setting should remain statewide and should not be delegated to the counties.

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Issue #5

Considering the above questions, what are your priorities for discussion in future meetings?

- Discussion of the transfer of Medi-Cal related specialty mental health services needs to also incorporate the 'broader' issues of realignment, implementation of the federal health care reform, and re-structuring of behavioral health.
- Ongoing stakeholder conversations and meetings.
- Continued stakeholder input in the transition process, and a DHCS outcome evaluation.
- An on-going stakeholder process to discuss "broader" issues.
- Drug Medi-Cal benefits should be based on science and known 'best practices' in the alcohol and drug field. Examples: range of services allowable; multiple services to be billed on the same day for multiple/co-occurring conditions such as substance abuse, mental health, and physical health care conditions.
- DHCS must consider that effective outcomes in the provision of Drug Medi-Cal Program and specialty mental health services also impact the child welfare, child and adult probation, and education systems.
- Evaluation of the services provided by the Drug Medi-Cal Program – discussion of continuity of services between the counties – discussion of how to avoid beneficiaries seeking services outside their county of residence.