



Transition Plan: Update

Transfer of the Drug Medi-Cal Treatment Program from the Department of Alcohol and Drug Programs to the Department of Health Care Services, effective July 1, 2012.

Department of Health Care Services

November 15, 2011

Overview

Assembly Bill (AB) 106 (Chapter 32, Statutes of 2011) transfers the administration of the Drug Medi-Cal Treatment Program from the Department of Alcohol and Drug Programs (DADP) to the Department of Health Care Services (DHCS), effective July 1, 2012. The law required DHCS to submit a written transition plan to the fiscal and applicable policy committees of the Legislature no later than October 1, 2011. DHCS submitted the transition plan as required, and it is available on the DHCS website.

[Click here](#) to review the transition plan, or visit the DHCS website at the following address: <http://www.dhcs.ca.gov/services/medical/Pages/DrugMedi-CalProgram.aspx> for more information about the program transfer.

The October 1, 2011 transition plan is not the final plan, and DHCS committed to providing a bimonthly update beginning November 15, 2011. The updates will provide further detail on current and future transition activities and describe progress throughout this transition year. This first bimonthly update focuses on progress in meeting key milestones in the transition plan and does not discuss milestones or activities that the two departments expect to conduct later in the fiscal year. Future bimonthly updates will report on milestones for which there is reportable progress.

DHCS is committed to continuing ongoing stakeholder engagement and welcomes comments through a regularly monitored email address designated specifically for that purpose. Please provide any comments to DHCSDRUGMEDI-CALTRANSFER@DHCS.CA.GOV.

Key Milestones – Part A

Milestone #5 - Recruit and Hire Deputy Director and Division Chief

By September 2011, develop a duty statement and begin recruitment. DHCS intends to have the new Deputy Director in place well before July 1, 2012, to provide critical leadership during the transition of staff and programming.

Status: This milestone is partially complete. DHCS developed the duty statement for the Deputy Director of Mental Health and Substance Use Disorder Services and posted it to the DHCS website on September 14, 2011. DMH also posted contact information on its website. DHCS has requested assistance from stakeholders in sharing information about the recruitment and arranged for several national mental health organizations to post the Deputy Director's duty statement on their websites. Several national organizations sent the duty statement directly to their membership. DHCS will continue the recruitment until it finds a well-qualified candidate.

Milestone # 8 – Legal Issues and Court Decisions

By September 2011, DHCS Office of Legal Services (OLS) and DADP legal staff will collaboratively work on any lawsuits and/or active cases relating to the Drug Medi-Cal Treatment Program.

Status: This milestone is complete. Attorneys from both departments met on September 16, 2011 to discuss legal issues associated with the Drug Medi-Cal Treatment Program. The legal staff of both departments will continue to keep lines of communication open on legal issues throughout the transfer process.

By November 2011, DADP legal staff will develop a list and copy of key court decisions applicable to the Drug Medi-Cal Treatment Program and provide this list and copies to DHCS.

Status: This milestone is complete. DADP legal staff provided the information to DHCS on September 16, 2011. DHCS legal staff will review each applicable court decision to ensure they have an understanding of the issues prior to the July 1, 2012 transfer effective date.

Milestone #12 – Flow Charting and Process Improvement of Key Functions and Processes

By October 2011, list each function to transfer to DHCS and identify the key associated processes for flow charting and process improvements. Examples include, but are not limited to: cost settlements; cost reports and other required reports; audit processes and overlaps; county encumbrance and payments; Drug Medi-Cal Treatment Program provider certification; Maintenance of the Master Provider File; and development timelines for flowcharting the above items.

Status: This milestone is partially complete. DADP staff created a list of functions that will transfer and have completed flow charts for approximately 50 percent of the identified Drug Medi-Cal Treatment Program functions. DHCS anticipates completing the remaining flow charts by the end of November 2011. The flow charting process is time consuming and complex, and delays for this milestone are the result of conflicting priorities for staff who must absorb this work along with their regular assigned responsibilities. DHCS will work with DADP to develop a timeline for transferring and implementing program functions once DADP has developed and approved all flow charts.

Milestone #14 – County and Direct Provider Contract Status

By October 2011, DADP will provide a list and copy of all current Drug Medi-Cal Treatment program contracts to the DHCS, and update the list monthly.

Status: This milestone is complete. DADP provided the list of all county and direct provider contracts to DHCS in August 2011 and notified DHCS in October that the list had not changed. DADP has committed to providing a list of their current county and direct provider Drug Medi-Cal Treatment Program contracts

on a monthly basis to DHCS. Realignment activities for DADP, although technically unrelated to the July 1, 2012 program transfer of the Drug Medi-Cal Treatment Program to DHCS, may affect the State's ability to continue direct contracts with DADP providers. DADP has provided a copy of boilerplate contract language to DHCS. Both departments will continue to work together to ensure communication regarding current issues and expiration dates of all county and direct provider Drug Medi-Cal Treatment Program contracts.

Key Milestones – Part B

Project Management:

The administrative project management team developed the DHCS/DADP Transition Project chart to track the major administrative processes associated with the transfer of the Drug Medi-Cal Treatment Program from DADP. The team identified the following major categories: Communications, Human Resources, Fiscal Management, Information Technology, Facilities & Space Planning, Flow Charting, and Training. The team has developed key milestones and incorporated them in the chart. View the chart [here](#) or visit the DHCS website at the following address: <http://www.dhcs.ca.gov/services/medi-cal/Pages/DMPTransitionPlan.aspx>. (Please note: The red vertical line in the chart identifies progress to date.)

Telecommunications, Leased Facilities, and Contract Management:

In August 2011, the Telecommunications and Leased Facilities Unit (TLFU) met with the DADP Facility Manager to evaluate and assess program needs regarding storage, space, ergonomic and reasonable accommodation and parking. Further assessment and evaluation of available space in the East End Complex for DADP is pending final determination of the number of staff transitioning to DHCS.

Information Technology (IT) Services:

The DHCS IT transition team has met with DADP IT several times. DADP has provided an overview of its IT systems. DADP also provided documentation of the SMART system and other DADP applications and business functions, and both departments continue discussions on strategies for migration.

Human Resources and Labor Relations:

Effective July 1, 2012, staff in the designated DADP positions will begin reporting to DHCS. The transfer is complicated in that Drug Medi-Cal Treatment Program staff responsibilities spread across multiple DADP positions. For example, four full-time DADP positions, each funded 25 percent by Drug Medi-Cal Treatment (DMC) Program funds, perform DMC-related duties 25 percent of the time and non-DMC related duties 75 percent of the time. Therefore, it is not possible to easily identify the transferees. DADP will offer staff the ability to volunteer to transfer to DHCS. If too many or too few staff volunteer to transfer to DHCS, DADP will use state service seniority to make the final determination as to which staff transfer. DADP staff performing DMC-related duties 100 percent of the time will transfer with the position. DADP will generate state service seniority lists for affected DADP staff for this purpose.

The total number of positions is still under discussion in addition to the identification of the staff that will transfer to DHCS. However, once this occurs, DHCS will secure all personnel forms, Official Personnel Files, and all other necessary records for the employees transferring from DADP. DHCS Human Resources will process employment transactions to place the transferring employees onto the DHCS payroll and attendance automated systems no later than July 23, 2012 (the Master Payroll Cut-off for the July 2012 pay period).

DHCS Human Resources will provide a brief presentation in June 2012 (or earlier if feasible) to transferring employees to ensure completion of all forms required of employees new to DHCS. On an on-going basis, DHCS Human Resources will consult with program staff on the new organizational structure, position classifications, and any change to the essential functions of the transferring positions. Also, DHCS Labor Relations staff will be available to meet with union representatives for the transferring employees and program management to address any and all employee transfer concerns. DHCS Labor Relations will also ensure that the departments provide transferring employees with adequate notice of physical moves from one facility to another.

Until final determination of the total number of ADP positions and amount of funding to be transferred, DHCS Budgets will not complete the budget building processes to transfer the resources to the Department. This information will be final before the 2012 May Revision, and the DHCS Budget Section will work with the Department of Finance to proceed with the necessary workload for the July 1, 2012 transfer. DHCS also has to determine whether a unique fiscal coding structure is necessary for these programs or whether it can use existing codes.