



Department of Health Care Services
MEMORANDUM

DATE: August 28, 2014

TO: Tribal Chairpersons, California Indian Health Programs and Urban Indian Organizations

FROM: Original Signed by Sandra "Sam" Willburn, Chief, Primary, Rural, and Indian Health Division

SUBJECT: Notice of Proposed Change to the Medi-Cal Program

The purpose of this memo is to provide information regarding a proposed change to the Department of Health Care Services' (DHCS) Medi-Cal Program that will be submitted to the Centers for Medicare and Medicaid Services (CMS). DHCS is forwarding this information for your review and comment.

DHCS is required to seek advice from designees of Indian Health Programs and Urban Indian Organizations on Medi-Cal matters having a direct effect on Indians, Indian Health Programs or Urban Indian Organizations per the American Recovery and Reinvestment Act of 2009 (ARRA). DHCS must solicit the advice of designees prior to submission to CMS of any State Plan Amendment, waiver requests or modifications, or proposals for demonstration projects in the Medi-Cal program.

Drug Medi-Cal (DMC) Organized Delivery System (DMC-ODS) 1115 Bridge to Reform (BTR) Demonstration Waiver Amendment: DHCS is requesting a waiver from CMS to operate the DMC Program as an organized delivery system. The DMC-ODS waiver will 1) give state and county officials more authority to select providers to meet drug treatment needs, 2) ensure access to substance use disorder services, and 3) increase program oversight and integrity at the county and state level. Please see the enclosed summary of the waiver amendment for a detailed description and contact information for questions or comments.

QUESTIONS AND COMMENTS:

Indian Health Programs and Urban Indian Organizations may submit written comments or questions concerning this waiver amendment within 30 days from the receipt of this notice. Comments or feedback may be sent by mail or email to the address below:

Contact Information:

Marlies Perez, Chief
Substance Use Disorder Compliance Division
Department of Health Care Services
1700 K Street, 5th Floor
Sacramento, CA 95811
MHSUDStakeholderInput@dhcs.ca.gov

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In addition to this notice, DHCS plans to cover this waiver in the next quarterly Medi-Cal Indian Health webinar scheduled for 2:00 p.m., Friday, August 29, 2014. To register for the webinar, please visit: <https://www3.gotomeeting.com/register/942500926>. Please note that Indian Health Programs and Urban Indian Organizations may also request a consultation on this proposal at any time as needed.

Enclosure

**Department of Health Care Services
Drug Medi-Cal Program
Organized Delivery System Waiver Amendment
1115 Bridge to Reform Demonstration Waiver**

Background

The Department of Health Care Services (DHCS) is seeking a Drug Medi-Cal Organized Delivery System (DMC-ODS) waiver amendment that would amend DHCS's current Section 1115 Bridge to Reform Demonstration waiver. The amendment attempts to show how coordinated substance use disorder (SUD) care increases the success of DMC beneficiaries and address Affordable Care Act expanded benefits. The amendment reflects input given to DHCS through DMC Waiver Advisory Group and the public. Information about the waiver is on DHCS' website at:
<http://www.dhcs.ca.gov/provgovpart/Pages/MH-SUD-UpcomingMeetings.aspx>.

Description of Waiver Amendment

The amendment tries to show how coordinated SUD care increases the success of DMC beneficiaries. The waiver will give state and county officials more authority to select providers to meet drug treatment needs. This will strike a balance between ensuring access to these services while also ensuring that drug treatment services are consistent with program goals.

DHCS is trying to realign the DMC program to make sure the greatest degree of access to beneficiaries while keeping a high and steady level of care across the State of California. The introduction of the waiver comes from:

- The need to improve coordination of SUD treatment with county mental health and public safety systems and primary care.
- The chance to further improve State run and county operated Medi-Cal Specialty behavioral health programs across counties.
- The passing of the Affordable Care Act that will expand benefits and the number of possible Medi-Cal beneficiaries seeking additional substance use disorder treatment.
- The need to improve the DMC program specific to recent program integrity issues.

Impact to Indian Health Programs and Urban Indian Organizations

Counties that sign up for the waiver will provide, maintain, and monitor a system of drug treatment providers. The network will provide plenty of access to all services covered in this proposed waiver amendment. American Indian health programs in participating DMC waiver counties may subcontract to give substance use disorder treatment services. Indian health programs in non-DMC waiver counties are not affected by this proposal as they may continue to provide services outlined in the State Plan.

Impact on Indian Medi-Cal Beneficiaries

This proposed waiver may affect American Indian Medi-Cal beneficiaries by giving more access to more coordinated SUD services. Waiver services will be available as a Medi-Cal benefit for people who 1) meet the medical necessity criteria, 2) receive DMC services in their county of residence, 3) live within the service area where the DMC-

ODS services are given. American Indian specific managed care protections are not impacted by this waiver proposal and will remain in effect.

Response Date

American Indian Health Programs and Urban Indian Organizations may submit written comments or questions concerning this waiver amendment within 30 days from the receipt of this letter. Comments may be sent by email to MHSUDStakeholderInput@dhcs.ca.gov or by mail to the address listed below:

Marlies Perez, Chief
Substance Use Disorder Compliance Division
Department of Health Care Services
1700 K Street, MS 2600
Sacramento, CA 95811