

**Department of Health Care Services  
Proposed Trailer Bill Legislation**

**647—Contracting Authority to Administer Federal Cures Act Grants**

**FACT SHEET**

**Issue Title: Contracting Authority to Administer Federal Cures Act Grants.** The federal government has approved a \$90 million grant under the Cures Act to address the opioid epidemic in California. Because services are required to begin by September 1, 2017, the Department of Health Care Services (DHCS) is proposing to have contract exemption authority in order to utilize grant funds.

**Background:** The 21st Century Cures Act made \$1 billion available to states for opioid prevention and treatment services over two years. The 21st Century Cures Act supports the development and improvement of substance use disorder (SUD) and mental health services programs. SUD initiatives include strengthening SUD workforce, and early intervention services for adolescents.

DHCS applied on February 17, 2017 for the federal Substance Abuse and Mental Health Services Administration's (SAMHSA) State Targeted Response to the Opioid Crisis Grant (STR Grant). The primary objectives of the grant include expanding medication-assisted treatment (MAT); reducing unmet treatment needs; and reducing opioid overdose related deaths through provisions of prevention, treatment, and recovery activities. SAMHSA allocated California \$44.7 million a year for two years with no state matching funds required. This funding will only be available one time. SAMHSA requires at least 80 percent of the funds to be used for treatment and recovery services. DHCS proposed a "hub and spoke" model utilizing the narcotic treatment program (NTP) as the hub and buprenorphine providers as the spokes. DHCS's focus of this grant will be on reaching rural areas, increasing statewide access to buprenorphine, and increasing MAT access to California's American Indian and Native Alaskan tribal communities. DHCS is looking to award funding to 15 hub and spoke models through the Request for Proposal process, with up to \$5.2 million over two years. For counties that have a NTP, the NTP will be the lead entity. For counties that do not have a NTP, the lead entity could be the county, an alcohol and other drug (AOD) facility, a federally qualified health center or other group. The request for proposal will include detailed information about the grant.

DHCS estimates that the overall project will serve approximately 21,000 individuals over the two-year grant period and will create a foundation for sustainable treatment programs beyond the end of the grant.

**Justification for the Change:** In order to begin services by September 1, 2017, as required by the Opioid STR grant, DHCS is proposing to have the ability to enter into exclusive or nonexclusive contracts, without the Department of General Services review, for the purposes of administering and implementing the grant. Under this proposal, DHCS would be able to release the request for proposal (RFP) in May 2017, award contracts in August 2017, and enable services to begin by September 1, 2017.

**Summary of Arguments in support:**

- DHCS would be able to comply with SAMHSA grant requirements.
- This proposal would expand access to treatment for opioid use disorders across California.