

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

**Drug Medi-Cal Reimbursement of Medication Assisted Treatment  
for Opioid Use Disorders**

**FACT SHEET**

**Issue Title: Drug Medi-Cal (DMC) Reimbursement of Medication Assisted Treatment (MAT) for Opioid Use Disorders.** The Department of Health Care Services (DHCS) proposes to reimburse for MAT services under the DMC Treatment Program.

**Background:** DMC Treatment Program services are provided to an eligible Medi-Cal beneficiary when determined to be medically necessary, in accordance with Title 22, California Code of Regulations Section 51303. The DMC Treatment Program includes the following substance use disorder services: Narcotic Treatment Program (NTP) services, naltrexone treatment services, outpatient drug free treatment, intensive outpatient treatment services, and perinatal residential services.

In 2015, the Medi-Cal 2020 Waiver established the DMC Organized Delivery System (DMC-ODS) Program, which allows counties to elect to provide expanded substance use disorder treatment services as a prepaid inpatient health plan (PIHP). The expanded substance use disorder treatment services include additional MAT services.

In 2018, HR 6 (115<sup>th</sup>) enacted the Substance Use–Disorder Prevention that Promotes Opioid Recovery and Treatment (SUPPORT) for Patients and Communities Act, which, in part, amended Title 42 of the United States Code (USC) to require all Medicaid State Plans to include, for the period of October 1, 2020 to September 30, 2025, the provision of MAT for opioid use disorders, counseling services and behavioral therapy (Title 42 USC Sections 1396d(a)(29) and 1396d(ee)). The DMC-ODS waiver already includes these additional MAT services, so counties participating in the DMC-ODS waiver are already reimbursed for providing these services.

**Justification for the Change:** Currently, reimbursement for the provision of MAT services for opioid treatment in the DMC Treatment Program under the State Plan is limited to methadone and naltrexone. Therefore, in order to come into compliance with the SUPPORT for Patients and Communities Act, DHCS proposes to provide statewide reimbursement to all State Plan DMC certified providers for the provision of MAT services to treat opioid use disorders.

Specifically, this proposal would:

- Clarify that the definition of “Drug Medi-Cal reimbursable services” applies to the chapter rather than the section (Welfare and Institutions (W&I) Code Section 141224.24(a)).
- Replace “day care rehabilitative” with “intensive outpatient treatment services” to align with what is listed in the Medicaid State Plan (W&I Code Section 14124.24(a)(2) and (b)(2)(A)).

- Add MAT services as a reimbursable DMC Treatment Program benefit for all DMC provider types, which includes all medications approved by the Food and Drug Administration to treat opioid use disorders, counseling services and behavioral therapy in accordance with the SUPPORT for Patients and Communities Act (proposed W&I Code Sections 14124.24(b)(2)(A)(i-ii) and 14021.51(a)(5)).
- Authorize DHCS to implement the two sections by means of bulletin or similar instructions until any necessary regulations are adopted and require DHCS to adopt any regulations necessary to implement the sections by July 1, 2023 (proposed W&I Code Sections 14124.24(l) and 14021.51(k)).
- Move description of NTP services from W&I Code Section (f)(1-5) to the top of the section (proposed W&I Code Section 14021.51(a)(1-6)).
- Remove references to obsolete MAT medication levodalphacetylmethadol, also known as LAAM (W&I Code Section 14021.51).
- Clarify that reimbursement of NTP services under the DMC Treatment Program are limited to those services specified in state law, authorized by federally approved state plan amendments or waivers associated with DMC services, and state and federal law governing the licensing and administration of NTPs (W&I Code Section 14021.51(f)).
- Require that the section be implemented only to the extent that any necessary federal approvals are obtained, and federal financial participation is available and not otherwise jeopardized (proposed W&I Code Section 14021.51(l)).

**Summary of Arguments in Support:**

- Brings DHCS into compliance pursuant to HR 6 requirements.
- Increases access to MAT services for individuals with opioid use disorders.

**Estimate # and Title:** Regular Policy Change Number 69: Drug Medi-Cal MAT Benefit