State of California—Health and Human Services Agency
Department of Health Care Services

MICHELLE BAASS
DIRECTOR

GAVIN NEWSOM
GOVERNOR

October 15, 2021

Mr. James G. Scott, Director
Division of Program Operations
Medicaid and CHIP Operations Group
Centers for Medicare & Medicaid Services
601 East 12th Street, Suite 0300
Kansas City, MO 64106-2898

STATE PLAN AMENDMENT 21-0058: ADDITION OF EXPANDED DRUG MEDI-CAL ORGANIZED DELIVERY SYSTEM SUBSTANCE USE DISORDER TREATMENT SERVICES IN THE STATE PLAN

Dear Mr. Scott:

The Department of Health Care Services (DHCS) is submitting State Plan Amendment (SPA) 21-0058 for your review and approval. In alignment with DHCS' California Advancing and Innovating Medi-Cal (CalAIM) initiative, the authority for the Drug Medi-Cal-Organized Delivery Services (DMC-ODS) expanded substance use disorder treatment services is moving from California's Medi-Cal 2020 Section 1115(a) Demonstration Waiver to the 1915(b) waiver, and DMC-ODS services will be included in the Medicaid State Plan. Therefore, State Plan Amendment (SPA) 21-0058 adds DMC-ODS' expanded substance use disorder treatment services to the Medicaid State Plan. DHCS seeks an effective date of January 1, 2022, for this SPA.

SPA 21-0058 proposes to add to the Medicaid State Plan DMC-ODS expanded substance use disorder services in the following levels of care:

1. Outpatient Services (also known as Outpatient Drug Free or ODF)
2. Intensive Outpatient Treatment
3. Partial Hospitalization
4. Residential Treatment
5. Narcotic Treatment Program (also known as NTP or Opioid Treatment Program or OTP)
6. Withdrawal Management

In addition, Senate Bill (SB) 803, Chapter 150, Statutes of 2020, authorized DHCS to seek federal approvals to add peer support specialists as a Medi-Cal provider type and

peer support services as a distinct service type in counties opting to participate and implement this service. Accordingly, SPA 21-0058 proposes to add peer support services as a DMC-ODS expanded substance disorder service and includes peer support specialists as a distinct provider type. This SPA will allow DMC-ODS counties, that choose to opt-in, to provide and claim reimbursement for peer support services as a DMC-ODS service and to establish certified peer support specialists as a distinct provider type. Peer support services will be implemented and have an effective date of July 1, 2022. This effective date is specific to the implementation of peer support services since the implementation of the other expanded DMC-ODS services is January 1, 2022.

Included in this submission are the following:

- Supplement 3 to Attachment 3.1-A, pages 6f-6r
- Supplement 2 to Attachment 3.1-B, pages 4f-4s
- Limitations on Attachment 3.1-A, page 20a2
- Limitations on Attachment 3.1-B, page 20a2
- Attachment 4.19-B, pages 41g-r
- Attachment 4.19-A, pages 41a-b

In compliance with the American Recovery and Reinvestment Act of 2009, DHCS routinely notifies Indian Health Programs and Urban Indian Organizations of SPAs that have a direct impact on the programs and organizations. DHCS released the Tribal Notice on August 26, 2021, and held a webinar on August 31, 2021.

DHCS anticipates the federal budget impact for Federal Fiscal Year (FFY) 2021-2022 to be $0 and $8,000,000 for FFY 2022-2023.

If you have any questions or need addtional information, please contact Shaina Zurlin, Chief, Medi-Cal Behavioral Health Division, at (916) 584-3810 or by email at Shaina.Zurlin@dhcs.ca.gov

Sincerely,

[redacted]

Jacey Cooper
State Medicaid Director
Chief Deputy Director
Health Care Programs

Enclosures

cc: See next page

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DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 21 — 0058

2. STATE: California

3. PROGRAM IDENTIFICATION: Title XIX of the Social Security Act (Medicaid)

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE: January 1, 2022

5. TYPE OF PLAN MATERIAL *(Check One)*

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT *(Separate transmittal for each amendment)*

6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 440.130 and 42 CFR Part 447

7. FEDERAL BUDGET IMPACT
a. FFY 21/22 $ 0
b. FFY 22/23 $ 8,000 (in thousands)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Supplement 3 to Attachment 3.1-A, page 6f-6r
Supplement 2 to Attachment 3.1-B, page 4f-4s
Limitations on Attachment 3.1-A, page 20a2
Limitations on Attachment 3.1-B, page 20a2
Attachment 4.19-A, pages 41g-r
Attachment 4.19-B, pages 41a-b

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
None

10. SUBJECT OF AMENDMENT

State Plan Amendment (SPA) 21-0058 adds Drug Medi-Cal Organized Delivery Services (DMC-ODS) expanded substance use disorder treatment services to the Medicaid State Plan. SPA 21-0058 also proposes to add peer support services as a DMC-ODS expanded substance disorder service and includes peer support specialists as a distinct provider type.

11. GOVERNOR'S REVIEW *(Check One)*

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
☒ OTHER, AS SPECIFIED

12. SIGNATURE OF STATE AGENCY OFFICIAL
Jacey Cooper
Digitally signed by Jacey Cooper
Date: 2021.10.15 12:05:08 -07'00'

13. TYPED NAME
Jacey Cooper

14. TITLE
State Medicaid Director

15. DATE SUBMITTED
October 15, 2021

16. RETURN TO
Department of Health Care Services
Attn: Director's Office
P.O. Box 997413, MS 0000
Sacramento, CA 95899-7413

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED

18. DATE APPROVED

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL

20. SIGNATURE OF REGIONAL OFFICIAL

21. TYPED NAME

22. TITLE

23. REMARKS

For Box 11 "Other, As Specified," Please note: The Governor's Office does not wish to review the State Plan Amendment.

State/Territory: California

REIMBURSEMENT OF INPATIENT WITHDRAWAL MANAGEMENT SERVICES

A. DEFINITIONS

"Inpatient Withdrawal Management Services" means Level 3.7 and Level 4.0 Withdrawal Management as defined in section 13.d.6 of Supplement 3 to Attachment 3.1-A of this State Plan when provided in an acute care hospital.

"Cost Report" means the CMS 2552 Hospital Cost Report.

B. REIMBURSEMENT METHODOLOGY AND PROCEDURES

A hospital shall be paid its reasonable and allowable Medicaid costs for Inpatient Withdrawal Management Services. The following steps will be taken to determine reasonable and allowable Medicaid costs and associated reimbursement for Inpatient Withdrawal Management Services.

1. Interim Rates
   Each county that contracts with a hospital for inpatient withdrawal management services will negotiate an interim per diem rate with the hospital and submit that rate to DHCS. Each county will negotiate the interim per diem rate based upon the hospital's historical actual cost as determined in the hospital's most recently filed Cost Report. The interim rate approximates, but does not need to equal, actual cost. Interim rates shall be established on an annual basis.

2. Interim Payments
   Interim payments of FFP are based upon an approximation of the Medicaid (Medi-Cal) costs that are eligible for Federal Financial Participation (FFP). Interim payments for Inpatient Withdrawal Management Services are based upon interim per diem rates that are negotiated by a county and a hospital on an annual basis as described in section B.1, above.

3. Cost Report Submission
   Each hospital that provides Inpatient Withdrawal Management Services that does not otherwise submit the cost report to the Department of Health Care Services annually must submit a Cost Report and supplemental schedules by November 1st following the close of the State Fiscal Year (i.e., June 30th). An extension to submit the cost report may be granted by the state for good cause.

4. Interim Settlement
   No later than eighteen months after the close of the state fiscal year, the State will

complete the interim settlement of each hospital's cost report. The interim settlement will compare interim payments made to each hospital with the amount determined in the Cost Report and supplemental schedules. Final reimbursement will be limited to the lower of the hospital's reasonable and allowable costs or usual and customary charges for inpatient withdrawal management services. The State will pay the hospital additional amounts due if the total reimbursement calculated in the cost report is more than the interim payments made to the hospital. Any overpayments are recouped, and the federal share of the overpayments is returned to the federal government in accordance with 42 CFR 433.316.

5. Final Settlement
The State will complete the audit of the interim settled Cost Report and supplemental schedules within three years of the date the Cost Report and supplemental schedules are submitted. The audit performed by the State will determine whether the income, expenses, and statistical data reported on the Cost Report and supplemental schedules are reasonable, allowable, and in accordance with State and Federal rules, regulations, and Medicare principles of reimbursement issued by the Centers for Medicare and Medicaid Services (CMS). The audit will also determine that the hospital's Cost Report and supplemental schedules represent the actual cost of providing inpatient withdrawal management services in accordance with Generally Accepted Accounting Principles (GAAP), Title 42, Code of Federal Regulations, Part 200 of Title 2, Code of Federal Regulations, Generally Accepted Governmental Auditing Standards, as published by the Comptroller General of the United States and other State and Federal regulatory authorities. The State will pay the hospital additional amounts due if the total reimbursement calculated in the cost report is more than the interim payments made to the hospital. Any overpayments are recouped, and the federal share of the overpayments is returned to the federal government in accordance with 42 CFR 433.316.

6. Cost Principles
For the purpose of paragraphs B.4 and B.5, reasonable and allowable costs will be determined using the Cost Report and the cost principles described in 42 CFR 413 and the Provider Reimbursement Manual, CMS Publications 15-1 and 15-2.

7. Apportioning Costs to Medicaid (Medi-Cal)
Total inpatient costs will be determined from the Cost Report and supplemental schedules. Total inpatient hospital costs will be apportioned to the Medi-Cal program using a cost per day for each routine hospital cost center and a cost-to-charge ratio for each ancillary and other hospital cost centers. Intern and resident costs will be included in the total costs determined on the CMS 2552 and apportioned to the Medi-Cal program. The State does not reimburse these costs separately using a per resident amount methodology.

State/Territory: California

REIMBURSEMENT FOR EXPANDED SUBSTANCE USE DISORDER TREATMENT LEVELS OF CARE

During the period beginning October 1, 2020 and ending September 30, 2025, MAT for OUD services are exclusively covered and reimbursed under the 1905(a)(29) benefit.

A. **DEFINITIONS**

"Expanded Substance Use Disorder Treatment Services" are expanded substance use disorder treatment services as described under section 13.d.6 of Supplement 3 to Attachment 3.1-A to this State plan

"Expanded Substance Use Disorder Treatment Services Reimbursed Outside a Level of Care" include Recovery Services, Peer Support Services, Care Coordination Services, Medication for Addiction Treatment (MAT) for Opioid Use Disorder (OUD) and MAT for Alcohol Use Disorder (AUD) as those services are described under section 13.d.6 of Supplement 3 to Attachment 3.1-A to this State plan.

"Expanded Substance Use Disorder Levels of Care" include Outpatient Services, Intensive Outpatient Treatment, Narcotic Treatment Program, Partial Hospitalization, Residential Treatment, and Withdrawal Management as described under section 13.d.6 of Supplement 3 to Attachment 3.1-A to this State plan.

"Non-Narcotic Treatment Program (non-NTP) Levels of Care" include Outpatient Services, Intensive Outpatient Treatment, Partial Hospitalization, Residential Treatment, and Withdrawal Management as described under section 13.d.6 of Supplement 3 to Attachment 3.1-A to this State plan .

"Narcotic Treatment Program (NTP) Level of Care" includes Daily Dosing services as described in Section C below and Individual and Group Counseling services as described under section 13.d.6 of Supplement 3 to Attachment 3.1-A to this State plan.

"Provider of Services" means any private or public agency that provides expanded substance use disorder services and is certified by the State as meeting applicable standards for participation in the DMC Program, as defined in the Drug Medi-Cal Certification Standards for Substance Use Disorder Clinics.

"Published charges" are usual and customary charges prevalent in the alcohol

and drug treatment services sector that are used to bill the general public, insurers, and other non- Title XIX payers. (42 CFR 447.271, and 405.503(a)).

“Statewide maximum allowance” (SMA) is established for each type of non-NTP service, for a unit of service.

“Allowable cost” is reasonable and allowable cost, determined based on year-end cost reports and Medicare cost reimbursement principles as described at 42 CFR Part 413, the Medicare Provider Reimbursement Manual (Centers for Medicare and Medicaid Services, Publication 15-1), and OMB A-87. and Medicaid non-institutional reimbursement principles.

“Legal Entity” means each county alcohol and drug department or agency and each of the corporations, sole proprietors, partnerships, agencies, or individual practitioners providing Drug Medi-Cal services under contract with the county alcohol and drug department or agency or with DHCS.

“Regional Counties” means those counties listed in Section G of this segment to this State plan.

“Non-Regional Counties” means those counties listed in Section I of this segment to this State plan. Non-Regional Counties provide Drug Medi-Cal services through Legal Entity providers.

“Medication for Addiction Treatment for Alcohol Use Disorder and Other Non-Opioid Use Disorders (MAT for AUD)” includes services to treat alcohol use disorder (AUD) and other non-opioid substance use disorders (SUD) involving FDA-approved medications to treat AUD and non-opioid SUDs. MAT for AUD does not include the FDA approved medication.

“Medication for Addiction Treatment for Alcohol Use Disorder and Other Non-Opioid Use Disorders (MAT for AUD) Medications” include all FDA approved medications to treat alcohol use disorders and other non-opioid use disorders.

“Medication for Addiction Treatment for Opioid Use Disorders (MAT for OUD)” includes services to treat Opioid Use Disorder (OUD) involving FDA-approved medications to treat OUD. MAT for AUD does not include the FDA approved medication.

“Medication for Addiction Treatment for Opioid Use Disorder (MAT for OUD) Medications” include all FDA approved medications to treat Opioid Use Disorders.

B. REIMBURSEMENT METHODOLOGY – NON-REGIONAL COUNTIES

1. The reimbursement methodology for Expanded Substance Use Disorder Treatment Levels of Care and Expanded Substance Use Disorder Treatment Services Provided Outside a Level of Care rendered by county operated providers is equal to the provider's allowable cost of providing the level of care or service

2. The reimbursement methodology for Expanded Substance Use Disorder Treatment Levels of Care and Expanded Substance Use Disorder Treatment Services Provided Outside a Level of Care rendered by non-County operated providers is equal to the lowest of:
   a. The provider's usual and customary charge to the general public for the same or similar level of care, or
   b. The provider's allowable cost of providing the level of care or service.

3. The reimbursement methodology for NTP levels of care for non-county operated NTP providers is the lowest of:

   a. The provider's usual and customary charge to the general public for the same or similar level of care, or
   b. The uniform statewide daily reimbursement rate (USDR) established in Section D.1.b below.

4. The reimbursement methodology for NTP Levels of Care for county-operated providers is the lowest of:

   a. The provider's usual and customary charge to the general public for providing the same level of care;
   b. The provider's allowable cost of providing the level of care as described in Section D below; or
   c. The USDR established in Section D.1.b below.

C. ALLOWABLE EXPANDED SUBSTANCE USE DISORDER TREATMENT LEVELS OF CARE AND UNITS OF SERVICE – ALL COUNTIES

1. Allowable Expanded Substance Use Disorder Levels of Care and units of service are as follows:

Level of Care	Unit of Service (UOS)
Intensive Treatment Outpatient Services	15-Minutes
Outpatient Treatment Services (also	15-Minutes

known as Outpatient Drug Free or ODF)

Residential Treatment	24-hour structured environment per day (excluding room and board)
Partial Hospitalization	Daily
Withdrawal Management ASAM Levels 1 and 2	Daily
Withdrawal Management ASAM Level 3.2, 3.7, and 4.0	24-hour structured environment per day (excluding room and board)

Narcotic Treatment Programs (consist of two components):

a) Daily Dosing	Daily bundled service which includes the following components: A. Core: Assessment, medication services, treatment planning, physical evaluation, drug screening, and supervision. B. Laboratory Work: Tuberculin and syphilis tests, monthly drug screening, and monthly pregnancy tests of female-methadone patients. C. Dosing: Ingredients and labor cost for Medication Addiction Treatment (MAT) for Alcohol Use Disorder (AUD).
b) Counseling Individual and/or Group	10-Minutes

2. The following Expanded Substance Use Disorder Treatment Services are reimbursed separately from the Level of Care payment when provided in a Non-NTP Level of Care or outside of any Expanded Substance Use Disorder Treatment Level of Care:

Service	Units
Recovery Service	15 Minutes
Peer Support Service	15 Minutes
Care Coordination Service	15 Minutes
MAT for AUD	15 Minutes
MAT for AUD Medication	Dose
MAT for OUD	15 Minutes
MAT for OUD Medication	Dose

3. The following Expanded Substance Use Disorder Treatment Services are reimbursed separately from the Level of Care payment when provided in a NTP Level of Care:

Service	Units
Recovery Service	15 Minutes
Peer Support Service	15 Minutes
Care Coordination Service	15 Minutes

D. **COST DETERMINATION PROTOCOL FOR EXPANDED SUBSTANCE USE DISORDER LEVELS OF CARE RENDERED BY NON-NTP AND COUNTY-OPERATED NTP PROVIDERS – NON-REGIONAL COUNTIES**

The following steps will be taken to determine the reasonable and allowable Medicaid costs for providing .non-NTP Expanded Substance Use Disorder Treatment Levels of Care, County-operated NTP Expanded Substance Use Disorder Treatment Levels of Care, and Expanded Substance Use Disorder Treatment Services Reimbursed Outside a Level of Care.

1. Interim Payments

Interim payments for non-NTP Expanded Substance Use Disorder Treatment Levels of Care, County-Operated NTP Expanded Substance Use Disorder Levels of Care, and Expanded Substance Use Disorder Treatment Services Reimbursed Outside a Level of Care provided to Medi-Cal beneficiaries are reimbursed up to the SMA/USDR for the current year.

a. SMA METHODOLOGY FOR NON-NTP LEVELS OF CARE

"SMAs" are based on the statewide median cost of each type of service as reported in the most recent interim settled cost reports submitted by providers. Until providers have submitted cost reports for Expanded Substance Use Disorder Treatment Levels of Care and the State has completed the interim settlement of those cost reports, SMAs for Expanded Substance Use Disorder Levels of Care are the statewide median rate based upon information submitted to the State by counties. The SMAs are updated annually with the rate effective July 1 of each State fiscal year.

b. UNIFORM STATEWIDE DAILY REIMBURSEMENT RATE METHODOLOGY FOR THE NTP LEVEL OF CARE

The uniform statewide daily reimbursement (USDR) rate for the daily dosing service is based on the average daily cost of providing dosing and ingredients,

core and laboratory work services as described in Section C. The daily cost is determined based on the annual cost per patient and a 365-day year, using the most recent and accurate data available, and in consultation with narcotic treatment providers, and county alcohol and drug program administrators.

The uniform statewide daily reimbursement rates for NTP Individual and Group Counseling are based on the SMA rate for the Outpatient Level of Care as described under Section D.1.a above.

2. Cost Determination Protocol

The reasonable and allowable cost of providing each non-NTP Level of Care, the NTP Level of Care, and Expanded Substance Use Disorder Treatment Services Reimbursed Outside a Level of Care will be determined in the CMS-reviewed cost report pursuant to the following methodology. Total allowable costs include direct and indirect costs that are determined in accordance with Medicare cost reimbursement principles in 42 CFR 413, OMB Circular A-87 and CMS Medicaid non-institutional reimbursement policy. Allowable direct costs will be limited to the costs related to direct practitioners, medical equipment, medical supplies, and other costs, such as professional service contracts, that can be directly charged in providing the specific non-NTP Level of Care, NTP Level of Care, or Expanded Substance Use Disorder Treatment Service Reimbursed Outside a Level of Care. Indirect costs may be determined by either applying the cognizant agency specific approved indirect cost rate to its total direct costs or allocated indirect costs based upon the allocation process in the Legal Entity's approved cost allocation plan. If the Legal Entity does not have a plan, the costs and related basis used to determine the allocated indirect costs must be in compliance with OMB Circular A-87, and Medicare cost reimbursement principles (42 CFR 413 and Medicare Provider Reimbursement Manual Parts 1 and 2)., and Medicaid non- institutional reimbursement policy.

For the non-NTP Residential Treatment Level of Care, allowable costs are determined in accordance with Medicare cost reimbursement principles in 42 CFR 413, OMB Circular A-87 and CMS Medicaid non-institutional reimbursement policy. Allowable direct costs are costs related to direct practitioners, medical equipment, and medical supplies for providing the service. Indirect costs are determined by applying the cognizant agency approved indirect cost rate to the total direct costs or derived from the provider's approved cost allocation plan. When there is not an approved indirect cost rate, the provider may allocate those overhead costs that are not directly attributable to the provision of the medical services using a CMS reviewed cost allocation methodology. Specifically, indirect costs that are directly attributable to the provision of medical services but would generally be incurred at the same level if

the medical service did not occur will not be allowable. For those facilities, allowable costs are only those costs that are "directly attributable" to the professional component of providing the medical services and are in compliance with Medicaid non-institutional reimbursement policy. Costs incurred that "benefit" multiple purposes and would be incurred at the same level if the medical services did not occur are not allowed (e.g., room and board, allocated cost from other related organizations).

The total allowable cost for providing the specific non-NTP Level of Care, NTP Level of Care, or Expanded Substance Use Disorder Treatment Services Reimbursed Outside a Level of Care by each a Legal Entity is further reduced by any third parties' payments received for the services provided in the non-NTP or NTP Level of Care to Medicaid beneficiaries. The amount that is apportioned to the Medi-Cal program is further reduced by any provisions specified in the Legal Entity's contractual agreement in providing the non-NTP or NTP Level of Care to arrive to the Medi-Cal allowable cost for providing the specific non-NTP or NTP Level of Care.

The Legal Entity specific unit rate for each non-NTP Level of Care, NTP Level of Care, or Expanded Substance Use Disorder Treatment Services Reimbursed Outside a Level of Care is calculated by dividing the Medi-Cal allowable cost for providing the specific non-NTP or NTP Level of Care or Expanded Substance Use Disorder Treatment Service Reimbursed Outside a Level of Care by the total number of Units of Service for the specific non-NTP or NTP Level of Care or Expanded Substance Use Disorder Treatment Services Reimbursed Outside a Level of Care for the applicable State fiscal year.

3. Cost Report Submission

Each Legal Entity that receives reimbursement for non-NTP Level of Care, county operated NTP Level of Care, or Expanded Substance Use Disorder Services Reimbursed Outside a Level of Care is required to file a CMS reviewed cost report by November 1 following the end of each State fiscal year. An extension to submit the cost report may be granted by the State for good cause.

4. Interim Settlement

No later than eighteen (18) months after the close of the State fiscal year, DHCS will complete the interim settlement. The interim settlement will compare interim payments made to each provider with the total reimbursable costs as determined in the State-developed cost report for the reporting period. Total reimbursable

costs are specified under Section B.1 for non-NTP Levels of Care and county operated providers of the NTP Level of Care. If the total reimbursable costs are greater than the total interim payments, the State will pay the provider the difference. If the total interim payments are greater than the total reimbursable costs, the State will recoup the difference and return the Federal share to the Federal government in accordance with 42 CFR 433.316.

5. Final Settlement Process

The State will complete the final settlement process within three (3) years from the date of the interim settlement. The State will perform financial compliance audits to determine data reported in the provider's State-developed cost report represents the allowable cost of providing non-NTP or NTP Levels of Care in accordance with Medicare cost reimbursement principles (42 CFR 413), OMB A-87, and Medicaid non-institutional reimbursement principles; and the statistical data used to determine the unit of service rate reconcile with the State's record. If the total audited reimbursable cost based on the methodology described under Section B(1) is less than the total interim payment and the interim settlement payments, the State will recoup any overpayments and return the Federal share to the Federal government in accordance with 42 CFR 433.316. If the total reimbursable cost is greater than the total interim and interim settlement payments, the State will pay the provider the difference.

E. REIMBURSEMENT METHODOLOGY – REGIONAL COUNTIES

1. For county-operated providers, the reimbursement methodology for non-NTP Levels of Care or Expanded Substance Use Disorder Treatment Services Reimbursed Outside a Level of Care is equal to the allowable costs incurred by the county-operated provider.

2. For non-county-operated providers, the reimbursement methodology for non-NTP Levels of Care or Expanded Substance Use Disorder Treatment Services Reimbursed Outside a Level of Care is equal to the prevailing charges for the same or similar non-NTP Level of Care or Expanded Substance Use Disorder Treatment Services Reimbursed Outside a Level of Care in the county where the provider is located. If prevailing charges are not available, the State will use the best available alternative data, subject to CMS review, that would serve as a reasonable proxy, including the use of trended historical cost data.

3. The reimbursement methodology for the NTP Level of Care provided by non-county operated providers is the lowest of:
    a. The provider's usual and customary charge to the general public for the same or similar level of care, or
    b. The uniform statewide daily reimbursement rate (USDR) established in

Section D.1.b above.

4. Reimbursement for county-operated providers of the NTP Level of Care is the lowest of:
    a. The provider's usual and customary charge to the general public for providing the same or similar level of care;
    b. The provider's allowable costs of providing the level of care as described in Section D above; or
    c. The USDR established in Section D.1.b above.

F. COST DETERMINATION PROTOCOL FOR EXPANDED SUBSTANCE USE DISORDER TREATMENT LEVELS OF CARE PROVIDED BY COUNTY LEGAL ENTITIES – REGIONAL COUNTIES

The following steps will be taken to determine the reasonable and allowable Medicaid costs for Expanded Substance Use Disorder Treatment Levels of Care and Expanded Substance Use Disorder Treatment Services Reimbursed Outside a Level of Care provided by county-operated providers.

1. Interim Payments

    Interim payments for all Expanded Substance Use Disorder Treatment Levels of Care and Expanded Substance Use Disorder Treatment Services Reimbursed Outside a Level of Care provided to Medi-Cal beneficiaries are reimbursed at the lower of the billed amount or the SMA, per D.1.a, or USDR, per D.1.b, as applicable for services rendered by a county Legal Entity.

2. Cost Determination Protocol – County Legal Entity

    The reasonable and allowable cost for a county Legal Entity to provide each Expanded Substance Use Disorder Treatment Level of Care or Expanded Substance Use Disorder Treatment Service Reimbursed Outside a Level of Care will be determined in the State-developed Regional County cost report pursuant to the following methodology. Total allowable costs include direct and indirect costs that are determined in accordance with Medicare cost reimbursement principles in 42 CFR 413, OMB Circular A-87, and CMS Medicaid non-institutional reimbursement policy. Allowable direct costs will be limited to the costs related to direct practitioners, medical equipment, medical supplies, and other costs, such as professional service contracts, that can be directly charged to provide the specific Expanded Substance Use Disorder Treatment Level of Care or Expanded Substance Use Disorder Treatment Service Reimbursed Outside a Level of Care. Indirect costs may be determined by either applying the cognizant agency specific approved indirect cost rate to its net direct costs, or allocated indirect costs based upon the allocation process in

the Legal Entity's approved cost allocation plan. If the Legal Entity does not have a cost allocation plan, the costs and related basis used to determine the allocated indirect costs must be in compliance with OMB Circular A-87, Medicare cost reimbursement principles (42 CFR 413 and Medicare Provider Reimbursement Manual Parts 1 and 2), and Medicaid non-institutional reimbursement policy.

For the Residential Treatment level of care, allowable costs are determined in accordance with Medicare cost reimbursement principles in 42 CFR 413, OMB Circular A-87, and CMS Medicaid non-institutional reimbursement policy. Allowable direct costs will be limited to the costs related to direct practitioners, medical equipment, and medical supplies for providing the service. Indirect costs may be determined by either applying the cognizant agency approved indirect cost rate to its total direct costs, or allocated indirect costs based upon the allocation process in the provider's approved cost allocation plan. When there is not an approved indirect cost rate, the provider may allocate those overhead costs that are not directly attributable to the provision of the medical services using a CMS reviewed cost allocation methodology. Specifically, indirect costs that are directly attributable to the provision of medical services but would generally be incurred at the same level if the medical service did not occur will not be allowable. For those facilities, allowable costs are only those costs that are "directly attributable" to the professional component of providing the medical services and are in compliance with Medicaid non-institutional reimbursement policy. Costs incurred that "benefit" multiple purposes and would be incurred at the same level if the medical services did not occur are not allowed (e.g., room and board, allocated cost from other related organizations).

The total allowable cost for providing the specific Expanded Substance Use Disorder Treatment Levels of Care or Expanded Substance Use Disorder Treatment Services Reimbursed Outside a Level of Care by each county Legal Entity is further reduced by any third parties payments received for the Expanded Substance Use Disorder Treatment Level of Care or Expanded Substance Use Disorder Treatment Service Reimbursed Outside a Level of Care provided. This netted amount is apportioned to the Medi-Cal program using a basis that must be in compliance with OMB A-87 and Medicare cost reimbursement principles, 42 CFR 413. The amount that is apportioned to the Medi-Cal program is further reduced by any provisions specified in the Legal Entity's contractual agreement in providing the Expanded Substance Use Disorder Treatment Levels of Care and Expanded Substance Use Disorder Treatment Services Reimbursed Outside a Level of Care to arrive to the Medi-Cal allowable cost for providing the specific Expanded Substance Use Disorder Level of Care or Expanded Substance Use Disorder Treatment Services Reimbursed Outside a Level of Care.

The Legal Entity specific Expanded Substance Use Disorder Treatment Level of Care and Expanded Substance Use Disorder Treatment Services Reimbursed Outside a Level of Care unit rate is calculated by dividing the Medi-Cal allowable cost for providing the specific Expanded Substance Use Disorder Treatment Level of Care by the total number of UOS, as defined in Section C, for the specific Expanded Substance Use Disorder Treatment Level of Care for the applicable State fiscal year.

3. Cost Report Submission

Each Regional County is required to file a State-developed, and CMS-reviewed, cost report by November 1 following the close of the State fiscal year.

4. Interim Settlement

No later than eighteen (18) months after the close of the State fiscal year, DHCS will complete the interim settlement of the Regional County State-developed cost report. The interim settlement will compare interim payments made to each county operated provider with the total reimbursable costs as determined in the Regional County State- developed cost report for the reporting period. Total reimbursable costs for county- operated Legal Entities are specified under Section G.2 for all Expanded Substance Use Disorder Treatment Levels of Care and Expanded Substance Use Disorder Treatment Services Reimbursed Outside a Level of Care. If the total reimbursable costs are greater than the total interim payments, the State will pay the county operated provider the difference. If the total interim payments are greater than the total reimbursable costs, the State will recoup the difference and return the Federal share to the Federal government in accordance with 42 CFR 433.316.

5. Final Settlement Process

The State will complete the final settlement process within three (3) years from the date of the interim settlement. The State will perform a financial compliance audit to determine if the data reported in the Regional County State-developed cost report represent the allowable cost of providing Expanded Substance Use Disorder Treatment Levels of Care in accordance with Medicare cost reimbursement principles (42 CFR 413), OMB A-87, Medicaid non-institutional reimbursement principles, and the statistical data used to determine the unit of service rate reconciled with the State's records. If the total audited reimbursable cost is less than the total interim payment and the interim settlement payments, the State will recoup any overpayments and return the Federal share to the Federal government in accordance with 42 CFR 433.316. If the total reimbursable cost is greater than the total interim and interim settlement

payments, the State will pay the provider the difference.

G. **REGIONAL COUNTIES**

Humboldt
Lassen
Mendocino
Modoc
Shasta
Siskiyou
Solano

I. NON REGIONAL COUNTIES

Alameda
Alpine
Amador
Butte
Calaveras
Colusa
Contra Costa
Del Norte
El Dorado
Fresno
Glenn
Imperial
Inyo
Kern
Kings
Lake
Los Angeles
Madera
Marin
Mariposa
Merced
Mono
Monterey
Napa
Nevada
Orange
Placer
Plumas
Riverside
Sacramento
San Benito
San Bernardino
San Diego
San Francisco
San Joaquin
San Luis Obispo
San Mateo
Santa Barbara
Santa Clara
Santa Cruz
Sierra
Sonoma
Stanislaus
Sutter-Yuba
Tehama
Trinity
Tuolumne
Ventura
Yolo

State/Territory: California

AMOUNT, DURATION, AND SCOPE OF MEDICAL AND REMEDIAL CARE AND SERVICES PROVIDED TO THE CATEGORICALLY NEEDY

LIMITATION ON SERVICES

13.d.6 Expanded Substance Use Disorder Treatment Services

Expanded Substance Use Disorder (SUD) treatment services are provided in accordance with the Code of Federal Regulations (CFR) 440.130(d) to restore the beneficiary to their best possible functional level. All expanded SUD treatment services must be recommended by physicians or other licensed practitioners of the healing arts, within the scope of their practice. Expanded SUD treatment services are provided by Drug Medi-Cal (DMC) certified providers and are based on medical necessity.

COVERED EXPANDED SUD TREATMENT SERVICES

"Assessment" consists of activities to evaluate or monitor the status of a beneficiary's behavioral health and determine the appropriate level of care and course of treatment for that beneficiary. Assessments shall be conducted in accordance with applicable State and Federal laws, and regulations, and standards. Assessment may be initial and periodic, and may include contact with family members or other collaterals if the purpose of the collateral's participation is to focus on the treatment needs of the beneficiary. Assessment services may include one or more of the following components:

- Collection of information for assessment used in the evaluation and analysis of the cause or nature of the substance use disorder.
- Diagnosis of substance use disorders utilizing the current DSM and assessment of treatment needs for medically necessary treatment services. This may include a physical examination and laboratory testing (e.g., body specimen screening) necessary for treatment and evaluation conducted by staff lawfully authorized to provide such services and/or order laboratory testing.
- Treatment planning, a service activity that consists of development and updates to documentation needed to plan and address the beneficiary's needs, planned interventions and to address and monitor a beneficiary's progress and restoration of a beneficiary to their best possible functional level.

"Care Coordination" consists of activities to provide coordination of SUD care, mental health care, and primary care, and to support the beneficiary with linkages to services and supports designed to restore the beneficiary to their best possible functional level. Care Coordination can be provided in clinical or non-clinical settings and includes one or more of the following components:

- Coordinating with primary care and mental health care providers to monitor and support comorbid health conditions.
- Discharge planning, including coordinating with SUD treatment providers to support transitions between levels of care and to recovery resources, referrals to mental health providers, and referrals to primary/ specialty medical providers.
- Ancillary services, including individualized connection, referral, and linkages to community-based services and supports including but not limited to educational, social, prevocational, vocational, housing, nutritional, criminal justice, transportation, child care, child development, family/marriage education, and mutual aid support groups.

"Family Therapy" is a rehabilitative service that includes family members in the treatment process, providing education about factors that are important to the beneficiary's recovery as well as the holistic recovery of the family system. Family members can provide social support to the beneficiary and help motivate their loved one to remain in treatment. There may be times when, based on clinical judgment, the beneficiary is not present during the delivery of this service, but the service is for the direct benefit of the beneficiary.

"Group Counseling" consists of contacts with multiple beneficiaries at the same time. Group Counseling shall focus on the needs of the participants.

"Individual Counseling" consists of contacts with a beneficiary. Individual counseling can include contact with family members or other collaterals if the purpose of the collateral's participation is to focus on the treatment needs of the beneficiary by supporting the achievement of the beneficiary's treatment goals.

"Medical Psychotherapy" is a counseling service conducted by the medical director of a Narcotic Treatment Program on a one-to-one basis with the beneficiary.

"Medication Services" includes prescription or administration of medication related to substance use disorder services, or the assessment of the side effects or results of the medication.

"Medications for Addiction Treatment (also known as medication assisted treatment (MAT)) for Opioid Use Disorders (OUD)" includes all medications approved under section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355) and all biological products licensed under section 351 of the Public Health Service Act (42 U.S.C. 262) to treat opioid use disorders as authorized by the Social Security Act Section 1905(a)(29) and described in Supplement__ to Attachment 3.1-A.

"Medications for Addiction Treatment (also known as medication assisted treatment (MAT)) for Alcohol Use Disorders (AUD) and Non-Opioid Substance Use Disorders" includes all FDA-approved drugs and services to treat AUD and other non-opioid SUDs. MAT for AUD and non-opioid SUDs may be provided in clinical or non-clinical settings and can be delivered as a standalone service or as a service delivered as part of a level of care listed below in the "Levels of Care" section. This service includes:

- Assessment (as defined above)
- Care Coordination (as defined above)
- Counseling (individual and group counseling as defined above)
- Family Therapy (as defined above)
- Medication Services (as defined above)
- Patient Education (as defined below)

"Patient Education" is education for the beneficiary on addiction, treatment, recovery and associated health risks.

"Peer Support Services" are culturally competent individual and group services that promote recovery, resiliency, engagement, socialization, self-sufficiency, self-advocacy, development of natural supports, and identification of strengths through structured activities such as group and individual coaching to set recovery goals and identify steps to reach the goals. Services aim to prevent relapse, empower beneficiaries through strength-based coaching, support linkages to community resources, and to educate beneficiaries and their families about their conditions and the process of recovery. Peer support services may be provided with the beneficiary or significant support person(s) and may be provided in a clinical or non-clinical setting. Peer support services can include contact with family members or other collaterals if the purpose of the collateral's

participation is to focus on the treatment needs of the beneficiary by supporting the achievement of the beneficiary's treatment goals.

Peer support services are based on an approved plan of care and can be delivered as a standalone service. Peer support services include the following service components:

- Educational Groups means providing a supportive environment in which beneficiaries and their families learn coping mechanisms and problem-solving skills in order to help the beneficiaries achieve desired outcomes. These groups promote skill building for the beneficiaries in the areas of socialization, recovery, self-sufficiency, self-advocacy, development of natural supports, and maintenance of skills learned in other support services.
- Engagement means Peer Support Specialist led activities and coaching to encourage and support beneficiaries to participate in behavioral health treatment. Engagement may include supporting beneficiaries in their transitions between levels of care and supporting beneficiaries in developing their own recovery goals and processes.
- Therapeutic Activity means a structured non-clinical activity provided by a Peer Support Specialist to promote recovery, wellness, self-advocacy, relationship enhancement, development of natural supports, self-awareness and values, and the maintenance of community living skills to support the beneficiary’s treatment to attain and maintain recovery within their communities. These activities may include, but are not limited to, advocacy on behalf of the beneficiary; promotion of self-advocacy; resource navigation; and collaboration with the beneficiaries and others providing care or support to the beneficiary, family members, or significant support persons.

  **Peer Support Services will be implemented and have an effective date of July 1, 2022.*

“Recovery Services” are designed to support recovery and prevent relapse with the objective of restoring the beneficiary to their best possible functional level. Recovery Services emphasize the beneficiary’s central role in managing their health, use effective self-management support strategies, and organize internal and community resources to provide ongoing self-management support to beneficiaries. Beneficiaries may receive Recovery Services based on self-assessment or provider assessment of relapse risk. Beneficiaries do not need to be diagnosed as being in remission to access Recovery Services.

Beneficiaries may receive Recovery Services while receiving MAT services, including NTP services. Beneficiaries may receive Recovery Services immediately after incarceration with a prior diagnosis of SUD. Recovery Services can be delivered as a standalone service, or as a service delivered as part of the levels of care listed below. Recovery Services include the following service components:

- Assessment (as defined above)
- Care Coordination (as defined above)
- Counseling (individual and group counseling as defined above)
- Family Therapy (as defined above)
- Recovery Monitoring, which includes recovery coaching and monitoring designed for the maximum reduction of the beneficiary's SUD.
- Relapse Prevention, which includes interventions designed to teach beneficiaries with SUD how to anticipate and cope with the potential for relapse for the maximum reduction of the beneficiary's SUD.

"SUD Crisis Intervention Services" consists of contacts with a beneficiary in crisis. A crisis means an actual relapse or an unforeseen event or circumstance which presents to the beneficiary an imminent threat of relapse. SUD Crisis Intervention Services shall focus on alleviating the crisis problem, be limited to the stabilization of the beneficiary's immediate situation, and be provided in the least intensive level of care that is medically necessary to treat their condition.

"Withdrawal Management Services" are provided to beneficiaries when medically necessary for maximum reduction of the SUD symptoms and restoration of the beneficiary to their best possible functional level. Withdrawal Management Services include the following service components:

- Assessment (as defined above)
- Care Coordination (as defined above)
- Medication Services (as defined above)
- MAT for OUD (as defined above)
- MAT for AUD and non-opioid SUDs (as defined above)
- Peer Support Services (as defined above)
- Observation, which is the process of monitoring the beneficiary's course of withdrawal. Observation is conducted at the frequency required by applicable state and federal laws, regulations, and standards. This may include but is not limited to observation of the beneficiary's health status.

PROVIDER QUALIFICATIONS

Provider Entities

Expanded SUD Treatment Services are provided by DMC certified providers. DMC certified providers providing Expanded SUD Treatment Services must: 1) be licensed, registered, enrolled, and/or approved in accordance with all applicable state and federal laws and regulations; 2) abide by the definitions, rules, and requirements for stabilization and rehabilitation services established by the Department of Health Care Services; and 3) sign a provider agreement with a county.

PRACTITIONER QUALIFICATIONS

	Expanded SUD Treatment Services										
	Assessment*	Care Coordination **	Crisis Intervention	Family Therapy	Counseling (Individual and Group)	Medical Psychotherapy	Medication Services	Patient Education	Peer Support Services	Observation	Recovery Services
Practitioner Qualifications	C, L*	C, L	C, L	C, L	C, L	M	C, L	C, L	P	C, L***	C, L

C = Counselors

An Alcohol or other drug (AOD) counselor that is 1) either certified or registered by an organization that is recognized by the Department of Health Care Services and accredited with the National Commission for Certifying Agencies (NCCA), and 2) meets all of the applicable California state qualifications.

L = Licensed Practitioner of the Healing Arts
A Licensed Practitioner of the Healing Arts (LPHA) include any of the following: Physician, Nurse Practitioner (NP), Physician Assistant (PA), Registered Nurse, Registered Pharmacist, Licensed Clinical Psychologist (LCP), Licensed Clinical Social Worker (LCSW), Licensed Professional Clinical Counselor (LPCC), and Licensed Marriage and Family Therapist (LMFT), and licensed-eligible practitioner working under the supervision of a licensed clinician.

M = Medical director of a Narcotic Treatment Program

P = Peer Support Specialist
A Peer Support Specialist is an individual in recovery with a current State-approved Medi-Cal Peer Support Specialist Certification Program certification and must meet all other applicable California state requirements, including ongoing education requirements. Peer Support Specialists provides services under the direction of a Behavioral Health Professional. Behavioral Health Professionals must be licensed, waivered, or registered in accordance with applicable

State of California licensure requirements and have professional activities that address a client's mental health and/or substance use disorders; including psychiatrists, psychologists, social workers, psychiatric nurse practitioners, marriage and family therapists, and professional clinical counselors. Peer Support Specialists may also be supervised by a Peer Support Specialist Supervisor who must meet applicable California state requirements.

Notes

* The physical examination and laboratory testing (e.g., body specimen screening) necessary for treatment and evaluation conducted by staff lawfully authorized to provide such services and/or order laboratory. An SUD diagnosis may only be made by an LPHA.

** Certified counselors may assist with some aspects of this service, however, a licensed provider is responsible for supervising this service component.

*** All personnel performing observations must comply with applicable California State withdrawal management training requirements.

EXPANDED SUD TREATMENT LEVELS OF CARE

1. Outpatient Treatment Services (also known as Outpatient Drug Free or ODF services) (ASAM Level 1) are provided to beneficiaries when medically necessary.

   Outpatient Services include the following service components:
   - Assessment (as defined above)
   - Care Coordination (as defined above)
   - Counseling (individual and group as defined above)
   - Family Therapy (as defined above)
   - Medication Services (as defined above)
   - MAT for OUD (as defined in Supplement__ to Attachment 3.1-A)
   - MAT for AUD and non-opioid SUDs (as defined above)
   - Patient Education (as defined above)
   - Recovery Services (as defined above)
   - SUD Crisis Intervention Services (as defined above)

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2. Intensive Outpatient Treatment Services (ASAM Level 2.1) are provided to beneficiaries when medically necessary in a structured programming environment.

   Intensive Outpatient Services include the following services:
   - Assessment (as defined above)
   - Care Coordination (as defined above)
   - Counseling (individual and group as defined above)
   - Family Therapy (as defined above)
   - Medication Services (as defined above)
   - MAT for OUD (as defined in Supplement__ to Attachment 3.1-A)
   - MAT for AUD and non-opioid substance use disorders (as defined above)
   - Patient Education (as defined above)
   - Recovery Services (as defined above)
   - SUD Crisis Intervention Services (as defined above)

3. Partial Hospitalization Services (ASAM Level 2.5) are delivered to beneficiaries when medically necessary in a clinically intensive programming environment.

   Partial Hospitalization Services include the following services:
   - Assessment (as defined above)
   - Care Coordination (as defined above)
   - Counseling (individual and group as defined above)
   - Family Therapy (as defined above)
   - Medication Services (as defined above)
   - MAT for OUD (as defined in Supplement__ to Attachment 3.1)
   - MAT for AUD and non-opioid SUDs (as defined above)
   - Patient Education (as defined above)
   - Recovery Services (as defined above)
   - SUD Crisis Intervention Services (as defined above)

4. Residential Treatment Services are delivered to beneficiaries when medically necessary in a, short-term treatment program corresponding to at least one of the following levels:

   - Level 3.1 - Clinically Managed Low-Intensity residential Services
   - Level 3.3 - Clinically Managed Population-Specific High Intensity Residential Services
   - Level 3.5 - Clinically Managed High Intensity Residential Services
   - Level 3.7 - Medically Monitored Intensive Inpatient Services
   - Level 4.0 - Medically Managed Intensive Inpatient Services

   Residential Treatment Services include the following services:
   - Assessment (as defined above)
   - Care Coordination (as defined above)
   - Counseling (individual and group as defined above)
   - Family Therapy (as defined above)
   - Medication Services (as defined above)
   - MAT for OUD (as defined in Supplement__ to Attachment 3.1)

- MAT for AUD and non-opioid SUDs (as defined above)
- Patient Education (as defined above)
- Recovery Services (as defined above)
- SUD Crisis Intervention Services (as defined above)

5. Narcotic Treatment Program is an outpatient program that provides FDA-drugs approved to treat SUDs when ordered by a physician as medically necessary. NTPs are required to offer and prescribe medications to patients covered under the DMC-ODS formulary including methadone, buprenorphine, naloxone and disulfiram. A beneficiary must receive at minimum fifty minutes of counseling sessions with a therapist or counselor for up to 200 minutes per calendar month, although additional services may be provided based on medical necessity.

   Narcotic Treatment Program Services include the following services:
   - Assessment (as defined above)
   - Care Coordination (as defined above)
   - Counseling (individual and group as defined above)
   - Family Therapy (as defined above)
   - Medical Psychotherapy (as defined above)
   - Medication Services (as defined above)
   - MAT for OUD (as defined in Supplement__ to Attachment 3.1)
   - MAT for AUD and non-opioid substance use disorders (as defined above)
   - Patient Education (as defined above)
   - Recovery Services (as defined above)
   - SUD Crisis Intervention Services (as defined above)

6. Withdrawal Management Services are provided to beneficiaries experiencing withdrawal in the following outpatient and residential settings:
   - Level 1-WM: Ambulatory withdrawal management without extended on-site monitoring (Mild withdrawal with daily or less than daily outpatient supervision)
   - Level 2-WM: Ambulatory withdrawal management with extended on-site monitoring (Moderate withdrawal with daytime withdrawal management and support and supervision in a non-residential setting)

- Level 3.2-WM: Clinically managed residential withdrawal management (24-hour support for moderate withdrawal symptoms that are not manageable in outpatient setting)
- Level 3.7-WM: Medically Managed Inpatient Withdrawal Management (24-hour care for severe withdrawal symptoms requiring 24-hour nursing care and physician visits)
- Level 4-WM: Medically managed intensive inpatient withdrawal management (Severe, unstable withdrawal requiring 24-hour nursing care and daily physician visits to modify withdrawal management regimen and manage medical instability)

Withdrawal Management Services include the following service components:

- Assessment (as defined above)
- Care Coordination (as defined above)
- Medication Services (as defined above)
- MAT for OUD (as defined in Supplement__ to Attachment 3.1)
- MAT for AUD and non-opioid SUDs (as defined above)
- Observation (as defined above)
- Recovery Services (as defined above)

Assurances

The State assures that all medically necessary services coverable under 1905(a) of the Social Security Act are provided to Medicaid eligible individuals under age 21 in accordance with the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) benefit, described in Social Security Act sections 1902(a)(43), 1905(a)(4)(B) and 1905(r). The State assures that substance use disorder treatment services shall be available to children and youth, as necessary to correct or ameliorate a substance use disorder or condition, as required under the provisions of Social Security Act section 1905(r)(5), regardless of their county of residence.

The State assures that the Single State Agency shall not delegate to any other State Agency the authority and responsibilities described in 42 CFR section 431.10(e).

Expanded SUD treatment services are provided subject to the terms of the State's approved Section 1915(b) Waiver Proposal for California Advancing and Innovating Medi-Cal (CalAIM) or subsequent waiver program, including any approved waiver of statewideness, comparability and/or freedom-of-choice that enables the State to limit Expanded SUD treatment services to the Drug Medi-Cal Organized Delivery System to counties that contract with the State to provide expanded SUD treatment services, except in the case of individuals under age 21 in accordance with the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) benefit and the requirements of the provisions of Social Security Act sections cited above, including 1905(r)(5).

The State assures that all Medicaid program requirements that have not been waived in the Section 1915(b) Waiver Proposal for CalAIM or subsequent waiver program shall be adhered to, including all EPSDT Medicaid requirements.

The state assures that Residential Treatment Services are not covered when provided in facilities that are Institutions for Mental Diseases unless expressly authorized under the State's approved Section 1115 Demonstration Waiver or as otherwise consistent with federal law.

The state assures that all services involving family members or other collateral contacts are for the direct benefit of the beneficiary.

State/Territory: California

AMOUNT, DURATION, AND SCOPE OF MEDICAL AND REMEDIAL CARE AND SERVICES PROVIDED TO THE MEDICALLY NEEDY

LIMITATION ON SERVICES

13.d.6 Expanded Substance Use Disorder Treatment Services

Expanded Substance Use Disorder (SUD) treatment services are provided in accordance with the Code of Federal Regulations (CFR) 440.130(d) to restore the beneficiary to their best possible functional level. All expanded SUD treatment services must be recommended by physicians or other licensed practitioners of the healing arts, within the scope of their practice. Expanded SUD treatment services are provided by Drug Medi-Cal (DMC) certified providers and are based on medical necessity.

COVERED EXPANDED SUD TREATMENT SERVICES

"Assessment" consists of activities to evaluate or monitor the status of a beneficiary's behavioral health and determine the appropriate level of care and course of treatment for that beneficiary. Assessments shall be conducted in accordance with applicable State and Federal laws, and regulations, and standards. Assessment may be initial and periodic, and may include contact with family members or other collaterals if the purpose of the collateral's participation is to focus on the treatment needs of the beneficiary. Assessment services may include one or more of the following components:

- Collection of information for assessment used in the evaluation and analysis of the cause or nature of the substance use disorder.
- Diagnosis of substance use disorders utilizing the current DSM and assessment of treatment needs for medically necessary treatment services. This may include a physical examination and laboratory testing (e.g., body specimen screening) necessary for treatment and evaluation conducted by staff lawfully authorized to provide such services and/or order laboratory testing.
- Treatment planning, a service activity that consists of development and updates to documentation needed to plan and address the beneficiary's needs, planned interventions and to address and monitor a beneficiary's progress and restoration of a beneficiary to their best possible functional level.

"Care Coordination" consists of activities to provide coordination of SUD care, mental health care, and primary care, and to support the beneficiary with linkages to services and supports designed to restore the beneficiary to their best possible functional level. Care Coordination can be provided in clinical or non-clinical settings and includes one or more of the following components:

- Coordinating with primary care and mental health care providers to monitor and support comorbid health conditions.
- Discharge planning, including coordinating with SUD treatment providers to support transitions between levels of care and to recovery resources, referrals to mental health providers, and referrals to primary/ specialty medical providers.
- Ancillary services, including individualized connection, referral, and linkages to community-based services and supports including but not limited to educational, social, prevocational, vocational, housing, nutritional, criminal justice, transportation, child care, child development, family/marriage education, and mutual aid support groups.

"Family Therapy" is a rehabilitative service that includes family members in the treatment process, providing education about factors that are important to the beneficiary's recovery as well as the holistic recovery of the family system. Family members can provide social support to the beneficiary and help motivate their loved one to remain in treatment. There may be times when, based on clinical judgment, the beneficiary is not present during the delivery of this service, but the service is for the direct benefit of the beneficiary.

"Group Counseling" consists of contacts with multiple beneficiaries at the same time. Group Counseling shall focus on the needs of the participants.

"Individual Counseling" consists of contacts with a beneficiary. Individual counseling can include contact with family members or other collaterals if the purpose of the collateral's participation is to focus on the treatment needs of the beneficiary by supporting the achievement of the beneficiary's treatment goals.

"Medical Psychotherapy" is a counseling service conducted by the medical director of a Narcotic Treatment Program on a one-to-one basis with the beneficiary.

"Medication Services" includes prescription or administration of medication related to substance use disorder services, or the assessment of the side effects or results of the medication.

"Medications for Addiction Treatment (also known as medication assisted treatment (MAT)) for Opioid Use Disorders (OUD)" includes all medications approved under section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355) and all biological products licensed under section 351 of the Public Health Service Act (42 U.S.C. 262) to treat opioid use disorders as authorized by the Social Security Act Section 1905(a)(29) and described in Supplement__ to Attachment 3.1-A.

"Medications for Addiction Treatment (also known as medication assisted treatment (MAT)) for Alcohol Use Disorders (AUD) and Non-Opioid Substance Use Disorders" includes all FDA-approved drugs and services to treat AUD and other non-opioid SUDs. MAT for AUD and non-opioid SUDs may be provided in clinical or non-clinical settings and can be delivered as a standalone service or as a service delivered as part of a level of care listed below in the "Levels of Care" section. This service includes:

- Assessment (as defined above)
- Care Coordination (as defined above)
- Counseling (individual and group counseling as defined above)
- Family Therapy (as defined above)
- Medication Services (as defined above)
- Patient Education (as defined below)

"Patient Education" is education for the beneficiary on addiction, treatment, recovery and associated health risks.

"Peer Support Services" are culturally competent individual and group services that promote recovery, resiliency, engagement, socialization, self-sufficiency, self-advocacy, development of natural supports, and identification of strengths through structured activities such as group and individual coaching to set recovery goals and identify steps to reach the goals. Services aim to prevent relapse, empower beneficiaries through strength-based coaching, support linkages to community resources, and to educate beneficiaries and their families about their conditions and the process of recovery. Peer support services may be provided with the beneficiary or significant support person(s) and may be provided in a clinical or non-clinical setting. Peer support services can include contact

with family members or other collaterals if the purpose of the collateral's participation is to focus on the treatment needs of the beneficiary by supporting the achievement of the beneficiary's treatment goals.

Peer support services are based on an approved plan of care and can be delivered as a standalone service. Peer support services include the following service components:

- Educational Groups means providing a supportive environment in which beneficiaries and their families learn coping mechanisms and problem-solving skills in order to help the beneficiaries achieve desired outcomes. These groups promote skill building for the beneficiaries in the areas of socialization, recovery, self-sufficiency, self-advocacy, development of natural supports, and maintenance of skills learned in other support services.
- Engagement means Peer Support Specialist led activities and coaching to encourage and support beneficiaries to participate in behavioral health treatment. Engagement may include supporting beneficiaries in their transitions between levels of care and supporting beneficiaries in developing their own recovery goals and processes.
- Therapeutic Activity means a structured non-clinical activity provided by a Peer Support Specialist to promote recovery, wellness, self-advocacy, relationship enhancement, development of natural supports, self-awareness and values, and the maintenance of community living skills to support the beneficiary's treatment to attain and maintain recovery within their communities. These activities may include, but are not limited to, advocacy on behalf of the beneficiary; promotion of self-advocacy; resource navigation; and collaboration with the beneficiaries and others providing care or support to the beneficiary, family members, or significant support persons.

  **Peer Support Services will be implemented and have an effective date of July 1, 2022.*

"Recovery Services" are designed to support recovery and prevent relapse with the objective of restoring the beneficiary to their best possible functional level. Recovery Services emphasize the beneficiary's central role in managing their health, use effective self-management support strategies, and organize internal and community resources to provide ongoing self-management support to beneficiaries. Beneficiaries may

receive Recovery Services based on self-assessment or provider assessment of relapse risk. Beneficiaries do not need to be diagnosed as being in remission to access Recovery Services. Beneficiaries may receive Recovery Services while receiving MAT services, including NTP services. Beneficiaries may receive Recovery Services immediately after incarceration with a prior diagnosis of SUD. Recovery Services can be delivered as a standalone service, or as a service delivered as part of the levels of care listed below. Recovery Services include the following service components:

- Assessment (as defined above)
- Care Coordination (as defined above)
- Counseling (individual and group counseling as defined above)
- Family Therapy (as defined above)
- Recovery Monitoring, which includes recovery coaching and monitoring designed for the maximum reduction of the beneficiary's SUD.
- Relapse Prevention, which includes interventions designed to teach beneficiaries with SUD how to anticipate and cope with the potential for relapse for the maximum reduction of the beneficiary's SUD.

"SUD Crisis Intervention Services" consists of contacts with a beneficiary in crisis. A crisis means an actual relapse or an unforeseen event or circumstance which presents to the beneficiary an imminent threat of relapse. SUD Crisis Intervention Services shall focus on alleviating the crisis problem, be limited to the stabilization of the beneficiary's immediate situation, and be provided in the least intensive level of care that is medically necessary to treat their condition.

"Withdrawal Management Services" are provided to beneficiaries when medically necessary for maximum reduction of the SUD symptoms and restoration of the beneficiary to their best possible functional level. Withdrawal Management Services include the following service components:

- Assessment (as defined above)
- Care Coordination (as defined above)
- Medication Services (as defined above)

- MAT for OUD (as defined above)
- MAT for AUD and non-opioid SUDs (as defined above)
- Peer Support Services (as defined above)
- Observation, which is the process of monitoring the beneficiary's course of withdrawal. Observation is conducted at the frequency required by applicable state and federal laws, regulations, and standards. This may include but is not limited to observation of the beneficiary's health status.

PROVIDER QUALIFICATIONS

Provider Entities

Expanded SUD Treatment Services are provided by DMC certified providers. DMC certified providers providing Expanded SUD Treatment Services must: 1) be licensed, registered, enrolled, and/or approved in accordance with all applicable state and federal laws and regulations; 2) abide by the definitions, rules, and requirements for stabilization and rehabilitation services established by the Department of Health Care Services; and 3) sign a provider agreement with a county.

PRACTITIONER QUALIFICATIONS

	Expanded SUD Treatment Services										
	Assessment*	Care Coordination **	Crisis Intervention	Family Therapy	Counseling (Individual and Group)	Medical Psychotherapy	Medication Services	Patient Education	Peer Support Services	Observation	Recovery Services
Practitioner Qualifications	C, L*	C, L	C, L	C, L	C, L	M	C, L	C, L	P	C, L***	C, L

C = Counselors

An Alcohol or other drug (AOD) counselor that is 1) either certified or registered by an organization that is recognized by the Department of Health Care Services and accredited with the National Commission for Certifying Agencies (NCCA), and 2) meets all of the applicable California state qualifications.

L = Licensed Practitioner of the Healing Arts
A Licensed Practitioner of the Healing Arts (LPHA) include any of the following: Physician, Nurse Practitioner (NP), Physician Assistant (PA), Registered Nurse, Registered Pharmacist, Licensed Clinical Psychologist (LCP), Licensed Clinical Social Worker (LCSW), Licensed Professional Clinical Counselor (LPCC), and Licensed Marriage and Family Therapist (LMFT), and licensed-eligible practitioner working under the supervision of a licensed clinician.

M = Medical director of a Narcotic Treatment Program

P = Peer Support Specialist
A Peer Support Specialist is an individual in recovery with a current State-approved Medi-Cal Peer Support Specialist Certification Program certification and must meet all other applicable California state requirements, including ongoing education requirements. Peer Support Specialists provides services under the direction of a Behavioral Health Professional. Behavioral Health Professionals must be licensed, waivered, or registered in accordance with applicable

State of California licensure requirements and have professional activities that address a client's mental health and/or substance use disorders; including psychiatrists, psychologists, social workers, psychiatric nurse practitioners, marriage and family therapists, and professional clinical counselors. Peer Support Specialists may also be supervised by a Peer Support Specialist Supervisor who must meet applicable California state requirements.

Notes

* The physical examination and laboratory testing (e.g., body specimen screening) necessary for treatment and evaluation conducted by staff lawfully authorized to provide such services and/or order laboratory. An SUD diagnosis may only be made by an LPHA.

** Certified counselors may assist with some aspects of this service, however, a licensed provider is responsible for supervising this service component.

*** All personnel performing observations must comply with applicable California State withdrawal management training requirements.

EXPANDED SUD TREATMENT LEVELS OF CARE

1. Outpatient Treatment Services (also known as Outpatient Drug Free or ODF services) (ASAM Level 1) are provided to beneficiaries when medically necessary.

   Outpatient Services include the following service components:
   - Assessment (as defined above)
   - Care Coordination (as defined above)
   - Counseling (individual and group as defined above)
   - Family Therapy (as defined above)
   - Medication Services (as defined above)
   - MAT for OUD (as defined in Supplement__ to Attachment 3.1-A)
   - MAT for AUD and non-opioid SUDs (as defined above)
   - Patient Education (as defined above)
   - Recovery Services (as defined above)
   - SUD Crisis Intervention Services (as defined above)

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2. Intensive Outpatient Treatment Services (ASAM Level 2.1) are provided to beneficiaries when medically necessary in a structured programming environment.

   Intensive Outpatient Services include the following services:
   - Assessment (as defined above)
   - Care Coordination (as defined above)
   - Counseling (individual and group as defined above)
   - Family Therapy (as defined above)
   - Medication Services (as defined above)
   - MAT for OUD (as defined in Supplement__ to Attachment 3.1-A)
   - MAT for AUD and non-opioid substance use disorders (as defined above)
   - Patient Education (as defined above)
   - Recovery Services (as defined above)
   - SUD Crisis Intervention Services (as defined above)

3. Partial Hospitalization Services (ASAM Level 2.5) are delivered to beneficiaries when medically necessary in a clinically intensive programming environment.

   Partial Hospitalization Services include the following services:
   - Assessment (as defined above)
   - Care Coordination (as defined above)
   - Counseling (individual and group as defined above)
   - Family Therapy (as defined above)
   - Medication Services (as defined above)
   - MAT for OUD (as defined in Supplement__ to Attachment 3.1)
   - MAT for AUD and non-opioid SUDs (as defined above)
   - Patient Education (as defined above)
   - Recovery Services (as defined above)
   - SUD Crisis Intervention Services (as defined above)

4. Residential Treatment Services are delivered to beneficiaries when medically necessary in a short-term treatment program corresponding to at least one of the following levels:

   - Level 3.1 - Clinically Managed Low-Intensity residential Services
   - Level 3.3 - Clinically Managed Population-Specific High Intensity Residential Services
   - Level 3.5 - Clinically Managed High Intensity Residential Services
   - Level 3.7 - Medically Monitored Intensive Inpatient Services
   - Level 4.0 - Medically Managed Intensive Inpatient Services

   Residential Treatment Services include the following services:
   - Assessment (as defined above)
   - Care Coordination (as defined above)
   - Counseling (individual and group as defined above)
   - Family Therapy (as defined above)
   - Medication Services (as defined above)
   - MAT for OUD (as defined in Supplement__ to Attachment 3.1)

- MAT for AUD and non-opioid SUDs (as defined above)
- Patient Education (as defined above)
- Recovery Services (as defined above)
- SUD Crisis Intervention Services (as defined above)

5. Narcotic Treatment Program is an outpatient program that provides FDA-drugs approved to treat SUDs when ordered by a physician as medically necessary. NTPs are required to offer and prescribe medications to patients covered under the DMC-ODS formulary including methadone, buprenorphine, naloxone and disulfiram. A beneficiary must receive at minimum fifty minutes of counseling sessions with a therapist or counselor for up to 200 minutes per calendar month, although additional services may be provided based on medical necessity.

   Narcotic Treatment Program Services include the following services:
   - Assessment (as defined above)
   - Care Coordination (as defined above)
   - Counseling (individual and group as defined above)
   - Family Therapy (as defined above)
   - Medical Psychotherapy (as defined above)
   - Medication Services (as defined above)
   - MAT for OUD (as defined in Supplement__ to Attachment 3.1)
   - MAT for AUD and non-opioid substance use disorders (as defined above)
   - Patient Education (as defined above)
   - Recovery Services (as defined above)
   - SUD Crisis Intervention Services (as defined above)

6. Withdrawal Management Services are provided to beneficiaries experiencing withdrawal in the following outpatient and residential settings:
   - Level 1-WM: Ambulatory withdrawal management without extended on-site monitoring (Mild withdrawal with daily or less than daily outpatient supervision)
   - Level 2-WM: Ambulatory withdrawal management with extended on-site monitoring (Moderate withdrawal with daytime withdrawal management and support and supervision in a non-residential setting)

- Level 3.2-WM: Clinically managed residential withdrawal management (24-hour support for moderate withdrawal symptoms that are not manageable in outpatient setting)
- Level 3.7-WM: Medically Managed Inpatient Withdrawal Management (24-hour care for severe withdrawal symptoms requiring 24-hour nursing care and physician visits)
- Level 4-WM: Medically managed intensive inpatient withdrawal management (Severe, unstable withdrawal requiring 24-hour nursing care and daily physician visits to modify withdrawal management regimen and manage medical instability)

Withdrawal Management Services include the following service components:

- Assessment (as defined above)
- Care Coordination (as defined above)
- Medication Services (as defined above)
- MAT for OUD (as defined in Supplement__ to Attachment 3.1)
- MAT for AUD and non-opioid SUDs (as defined above)
- Observation (as defined above)
- Recovery Services (as defined above)

Assurances

The State assures that all medically necessary services coverable under 1905(a) of the Social Security Act are provided to Medicaid eligible individuals under age 21 in accordance with the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) benefit, described in Social Security Act sections 1902(a)(43), 1905(a)(4)(B) and 1905(r). The State assures that substance use disorder treatment services shall be available to children and youth, as necessary to correct or ameliorate a substance use disorder or condition, as required under the provisions of Social Security Act section 1905(r)(5), regardless of their county of residence.

The State assures that the Single State Agency shall not delegate to any other State Agency the authority and responsibilities described in 42 CFR section 431.10(e).

Expanded SUD treatment services are provided subject to the terms of the State's approved Section 1915(b) Waiver Proposal for California Advancing and Innovating Medi-Cal (CalAIM) or subsequent waiver program, including any approved waiver of statewideness, comparability and/or freedom-of-choice that enables the State to limit Expanded SUD treatment services to the Drug Medi-Cal Organized Delivery System to counties that contract with the State to provide expanded SUD treatment services, except in the case of individuals under age 21 in accordance with the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) benefit and the requirements of the provisions of Social Security Act sections cited above, including 1905(r)(5).

The State assures that all Medicaid program requirements that have not been waived in the Section 1915(b) Waiver Proposal for CalAIM or subsequent waiver program shall be adhered to, including all EPSDT Medicaid requirements.

The state assures that Residential Treatment Services are not covered when provided in facilities that are Institutions for Mental Diseases unless expressly authorized under the State's approved Section 1115 Demonstration Waiver or as otherwise consistent with federal law.

The state assures that all services involving family members or other collateral contacts are for the direct benefit of the beneficiary.

TYPE OF SERVICE	PROGRAM COVERAGE**	PRIOR AUTHORIZATION OR OTHER REQUIREMENTS*
13.d.6 Expanded Substance Use Disorder Treatment Services	Expanded Substance Use Disorder Treatment Services are provided within the following levels of care (see Supplement 3 to Attachment 3.1-A for additional details):	Prior authorization is required for select Expanded Substance Use Disorder Treatment Services (as indicated below):
	1. Outpatient Services	Prior authorization is not required.
	2. Intensive Outpatient Treatment	Prior authorization is not required.
	3. Partial Hospitalization Services	Prior authorization is not required.
	4. Residential Treatment Services	Prior authorization is required.
	5. Narcotic (Opioid) Treatment Program Services	Prior authorization is not required.
	6. Withdrawal Management Services	Prior authorization is not required.

*Prior Authorization is not required for emergency services.
**Coverage is limited to medically necessary services.

TYPE OF SERVICE	PROGRAM COVERAGE**	PRIOR AUTHORIZATION OR OTHER REQUIREMENTS*
13.d.6 Expanded Substance Use Disorder Treatment Services	Expanded Substance Use Disorder Treatment Services are provided within the following levels of care (see Supplement 3 to Attachment 3.1-A for additional details):	Prior authorization is required for select Expanded Substance Use Disorder Treatment Services (as indicated below):
	1. Outpatient Services	Prior authorization is not required.
	2. Intensive Outpatient Treatment	Prior authorization is not required.
	3. Partial Hospitalization Services	Prior authorization is not required.
	4. Residential Treatment Services	Prior authorization is required.
	5. Narcotic (Opioid) Treatment Program Services	Prior authorization is not required.
	6. Withdrawal Management Services	Prior authorization is not required.

*Prior Authorization is not required for emergency services.
**Coverage is limited to medically necessary services.