



News Release

FOR IMMEDIATE RELEASE
NUMBER: 15-02
DATE: August 14, 2015

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FEDERAL GOVERNMENT APPROVES NEW MODEL OF TREATMENT FOR DRUG MEDI-CAL PROGRAM

SACRAMENTO, CA – The California Department of Health Care Services (DHCS) today announced that the federal government has approved California’s Drug Medi-Cal Organized Delivery System (DMC-ODS) waiver. By better organizing the comprehensive array of treatment services available under Medi-Cal, the waiver will help improve the success rate of individuals seeking substance use disorder treatment.

The waiver gives the state flexibility to establish a continuum of care to help ensure that services and treatment are delivered in the right place at the right time in the right setting for the individual’s needs. Delivering services through a continuum of care and an integrated system of treatment also helps guide and track the progress of patients.

“This waiver gives Medi-Cal members who need help with substance use disorders a much better opportunity to get successful treatment for their individual needs,” said DHCS Director Jennifer Kent. “Importantly, organizing how we deliver services to increase the success of treatment can help reduce other health care costs associated with substance use disorders.”

The treatment services span all levels of intensity, including outpatient, intensive outpatient, Narcotic Treatment Programs, residential services, withdrawal management, additional Medication Assisted Treatment, recovery services, case management and physician consultation. DMC delivers many of these services to Medi-Cal members now, but the new organized approach will help improve the chances of recovery. The DMC-ODS, modeled after the American Society of Addiction Medicine criteria, improves the state’s alcohol and/or drug treatment system by implementing evidence-based practices in treatment; giving more control and accountability to counties; providing more administrative oversight; creating utilization controls to improve care and the efficient use of resources; and coordinating with other systems of care.

The waiver also allows the state to expand DMC residential treatment coverage, an integral piece of the continuum of care. Historically, DMC residential treatment was only available to pregnant or postpartum women in facilities with 16 or less beds. The DMC-ODS waiver includes residential treatment service for all DMC beneficiaries in facilities with no bed limit.

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California is the first state in the nation to receive federal approval of an ODS waiver. Initially, counties will have the choice of opting into the waiver in a phased regional approach. Fifty-three of California's 58 counties have indicated an interest in participating. The counties that opt in will administer the DMC-ODS waiver program locally, providing and arranging for substance use disorder treatment for Medi-Cal beneficiaries. The DMC-ODS demonstration waiver is effective for five years.

Since January 1, 2014, when the Medi-Cal expansion began under the Affordable Care Act (ACA), Medi-Cal has enrolled more than 3.9 million individuals, bringing the total number of beneficiaries to 12.5 million. According to the National Survey on Drug Use and Health, nearly 12 percent of Medicaid beneficiaries over age 18 have a substance use disorder.

"The waiver provides an exciting opportunity for California to demonstrate how an organized delivery system for substance use disorder services can improve client services and outcomes," said Kent.

The University of California Los Angeles' Integrated Substance Abuse Programs will evaluate and monitor the outcomes from the DMC-ODS waiver, focusing on four key areas – access, quality, cost and integration and coordination of care.

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