Medi-Cal Healthier California for All

Drug Medi-Cal Organized Delivery System Program Renewal and Policy Improvements

Drug Medi-Cal Organized Delivery System Overview / Background

- One of the key goals of the Drug Medi-Cal Organized Delivery System (DMC-ODS) was to treat people more effectively by reorganizing the delivery system for substance use disorder (SUD) treatment through Medi-Cal.
- California's DMC-ODS program was the nation's first SUD treatment demonstration project under a Medicaid Section 1115 authority, approved by the Centers for Medicare and Medicaid Services (CMS) in 2015. Since then, more than 20 other states have been approved to implement similar programs.
- DMC-ODS has a continuum of care modeled after the American Society of Addiction Medicine (ASAM) criteria. These criteria are the mostly widely used and comprehensive guidelines for placement, continued stay, and transfer/discharge of patients with addiction.

Drug Medi-Cal Organized Delivery System Overview / Background

- The DMC-ODS benefits include all standard SUD treatment services covered in California's Medicaid State Plan, plus case management, multiple ASAM levels of residential SUD treatment, withdrawal management services, recovery services, physician consultation and, if the county chooses, additional medication assisted treatment (MAT), and partial hospitalization.
- Also included in the current program is the authority to allow federal Medicaid reimbursement for short-term residential SUD treatment stays in an Institution for Mental Disease (IMD).

Drug Medi-Cal Organized Delivery System Overview / Background

- DMC-ODS is not implemented statewide. The program only operates in counties that “opt-in” and are approved to do so by both DHCS and CMS.
- There are currently 30 counties participating, providing access for 93% of the Medi-Cal population. Eight other counties are working with a local managed care organization to implement an alternative model.
- Medi-Cal beneficiaries in the 20 counties not currently participating in the program provide their SUD treatment services through fee-for-service as authorized through the State Plan. The State Plan benefit is more limited than the DMC-ODS benefit in terms of covered services and is not a managed care program.

Drug Medi-Cal Organized Delivery System Proposal for Program Renewal

- DHCS proposes to incorporate the DMC-ODS into a comprehensive Section 1915(b) waiver that would include the Medi-Cal managed care plans, mental health plans, and DMC-ODS.
  - The expenditure authority for residential treatment provided in an IMD will continue to be authorized through a Section 1115 demonstration authority.
- DHCS also intends to provide counties with another opportunity to opt-in to participate in DMC-ODS in hopes of promoting state-wideness.
  - While participation in the DMC-ODS will not be mandatory for counties, DHCS would like to work with counties not currently participating in the DMC-ODS to explore ways to encourage the remaining counties to opt-in.

Drug Medi-Cal Organized Delivery System Proposal for Program Renewal

- DHCS is also exploring opportunities to improve the DMC-ODS program based on experience from the first years of implementation.
- Implementation has yielded lessons learned and opportunities to clarify or change policies to support the goal of improved beneficiary care and administrative efficiency.
- For many counties, the DMC-ODS program is still very new, since implementation was phased in over several years.
- The proposed policy clarifications and changes have been constructed to balance system improvements while minimizing disruptions at the local level.

Drug Medi-Cal Organized Delivery System Proposed Policy Improvements

1. Residential treatment length of stay requirements
2. Residential treatment definition
3. Recovery services
4. Additional medication assisted treatment
5. Physician consultation services
6. Evidence-based practices
7. DHCS provider appeals process
8. Treatment after incarceration
9. Billing for services prior to diagnosis
10. Tribal services

Residential Treatment Length of Stay Requirements

Proposed Policy Change

- Remove the limitation on the number of treatment episodes that can be reimbursed in a one-year period (currently is two non-continuous stays).

- Reimbursement will instead be limited to the maximum number of authorized days in a 365-day period based on medical necessity.
  - CMS' State Medicaid Director letter #17-003 provides guidance directing states to aim for a residential treatment statewide average length of stay of 30-days
  - DHCS will continue to pursue a maximum of 90 days in a 365-day period

- Will not distinguish between adults and adolescents. Instead, services will be based on medical necessity and eligible for federal reimbursement up to a maximum number of days.

Residential Treatment Definition

Proposed Policy Change

- Add mandatory provisions regarding a referral process to medication assisted treatment.

- Revise the DMC-ODS definition of residential treatment services to require 20 hours per week of clinical services and structured activities
  - A minimum of 5 hours must be clinical services
    - Counties may require additional clinical service hours

Recovery Services

Proposed Policy Change

- Clarify the allowable components of recovery services (i.e. group counseling, education sessions, alumni groups, assessment).
- Clarify when and how beneficiaries may access these services including language to allow access to recovery services for justice-involved individuals.
- Clarify the terms to allow beneficiaries receiving ongoing medication assisted treatment to access recovery services.
  - Will make necessary changes to the Short-Doyle claims system to allow providers to effectively claim and be reimbursed for recovery services.

Additional Medication Assisted Treatment

Proposed Policy Change

- Clarify coverage provisions to require that all DMC-ODS providers – at all levels of care – demonstrate that they either directly offer, or have referral mechanisms to, medication assisted treatment.
- Maintain the option for counties to elect to cover additional medication assisted treatment which include ordering, prescribing, administering and monitoring of medication assisted treatment.

Physician Consultation Services & Evidence-Based Practice Requirements

Proposed Policy Change

Physician Consultation Services

- Clarify terms of physician consultation regarding how and who can claim this activity. This includes claiming processes and covered service components.

Evidence-Based Practice Requirements

- Retain the five, current evidence-based practices (motivational interviewing, cognitive behavioral therapy, relapse prevention, trauma- informed treatment and psycho-education) and add contingency management.
- Clarify that counties can accept trainings on these topics from other sources (counties may require proof of training completion) in addition to county-sponsored trainings.

DHCS Provider Appeals Process & Treatment after Incarceration

Proposed Policy Change

DHCS Provider Appeals Process

- Eliminate this process since it is confusing, rarely used, and unnecessary given that the goal of beneficiary access is addressed by network adequacy requirements.

Treatment after Incarceration

- Clarify language for individuals leaving an incarcerated setting that have a SUD but may not have used substances (or are fearful to admit use) in the last 12-months. Individuals under parole/probation supervision are likely hesitant to admit to substance use.
  - DHCS anticipates this issue will be covered in the upcoming ASAM criteria revisions expected in March 2020.

Billing for Services Prior to Diagnosis

Proposed Policy Change

- Clarify terms to allow reimbursement for SUD assessments (even if it takes multiple visits) before a diagnosis is determined.
- This issue is also part of the Medical Necessity workgroup.

Tribal Services

Proposed Policy Change

- Provide clarification regarding policies to increase access to SUD treatment services for American Indians and Alaska Natives.
  - DHCS will release guidance regarding county obligations towards Indian Health Care Providers for Tribal and Urban Health Clinics as established in Title 42, Code of Federal Regulations, Section 438.14.

- DHCS will seek an allowance for specific cultural practices for Tribal 638 and Urban clinics, reimbursement for the workforce of traditional healers and natural helpers, and culturally specific evidence-based practices.

- DHCS will continue its engagement and consultation with tribal representatives to work through and develop these policies.

Discussion Questions

- Are there other opportunities to improve the DMC-ODS program?
- What are the opportunities to incentivize/encourage additional counties to participate?