



# Drug Medi-Cal Organized Delivery System

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Department of Health and Social Services

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# Purpose of Drug Medi-Cal ODS Implementation

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Organized Delivery System (ODS) is a federal waiver program which brings federal reimbursement for several additional services currently not covered in the original Drug Medi-Cal State Plan (County's existing plan).

- **Creates a managed care framework that emphasizes integration with other healthcare services**
  - Health outcomes improve and healthcare costs decrease with substance use disorder treatment
- **Residential and Detox treatment are covered benefits (federal funding)**
  - Currently residential treatment is only covered for perinatal women – other populations are funded through Substance Abuse Block Grant
- **More covered benefits** – currently not offered or not Medi-Cal funded
  - Early intervention
  - Case management and Linkage to related services
  - Individual counseling and Recovery counseling



# Benefits of Participating in the Drug Medi-Cal ODS

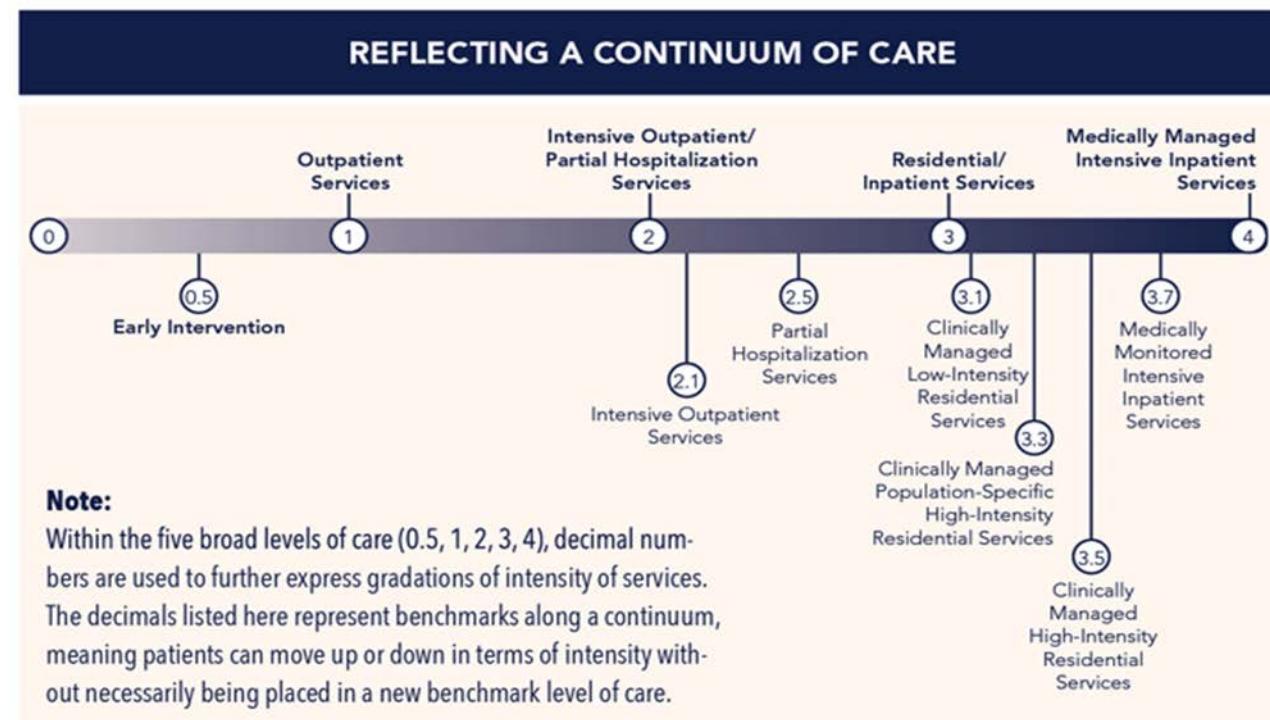
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- **More services are reimbursed through Medi-Cal = More federal funds that strengthen the system's local agencies**
  - Historically underfunded system of services will not otherwise survive and have been "holding on" for the ODS
- **A comprehensive system of care requiring evidence based services**
- **Solano County's current rates are not locally competitive**
  - All nearby counties have implemented the ODS resulting in increased rates with shared contract agencies
  - Solano's residential rate: \$100-120/day; Bay Area residential rates: \$200-250.
  - Before ODS was implemented in the Bay Area, Solano was paying \$60/day.
- **Clients can access services throughout the "regional plan" and PHP will manage network adequacy across each County**



# Services are identified based upon client needs

- Beacon clinicians will conduct an American Society for Addiction Medicine (ASAM) assessment to determine medical necessity and level of care needed
- Designated County clinicians will be authorized to assess and directly refer to programs to avoid duplication of effort





# Managed Care Brings Federal Requirements

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- **The Federal 2016 Medicaid Managed Care Final Rule defines requirements for managed care plans**
  - 24-hour access line
  - Quality assurance
  - Utilization management
  - Network adequacy requirements
  - Beneficiary protections
  - Performance improvement projects
- **Final Rule requirements would require significant increases in County staffing to directly implement ODS**
  - Partnership Health Plan as a subcontractor to directly oversee the implementation



# About Partnership Health Plan



## **Mission:**

*To help our members, and the communities we serve, be healthy.*

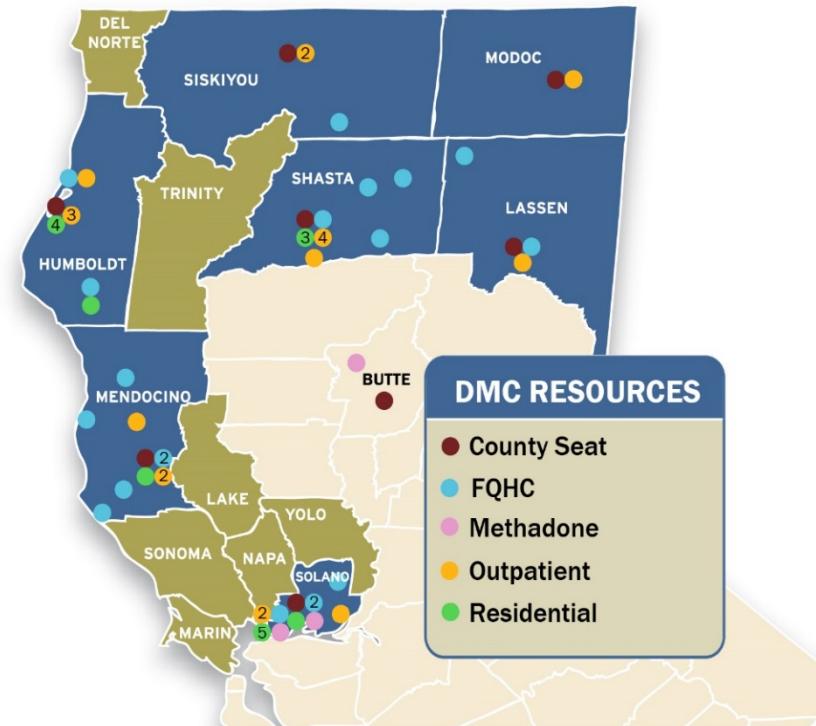
## **Vision:**

*To be the most highly regarded managed care plan in California.*



# The Partnership Regional Model

- Multi-County Planning began with PHP and DHCS in 2016 – a novel plan in CA
- The model required negotiations and multiple levels of approvals between the State & Federal Center for Medicare and Medicaid (CMS)
- CMS final approval received in April 2020
- Seven counties will subcontract operational implementation to Partnership Health Plan
- Partnership's contract with the Beacon Access Line will refer across the system of providers mild/moderate MH services
- Solano County BH Access Line will screen for needs and connect callers to Beacon





# How the Regional Model Will Work

## Members

### Qualifications

- Medi-Cal coverage (county covers costs of indigent care)
- Meet ASAM medical necessity criteria

### How members receive services

- Self referral; no prior approval needed for most services
- Provider Referral
- Designated agencies (e.g., County MH, criminal justice, Child Welfare)

## Providers

### Two types

- Substance use specific: certified as "Drug Medi-Cal" qualified by the State
- Current PHC network (e.g., medical clinics providing medication)

## Service Locations

- Goal of serving clients in their communities as much as possible
- Residential and some other services may be out of county





# How the Finances Work

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- Partnership has executed contracts with all Solano County providers certified for Drug Medi-Cal starting July 1, 2020
- Indigent clients will be served through this system and funded by Substance Abuse Block Grant; no duplicate contracts or systems
- Solano County will pay PHP an interim rate of \$1,143.68 "per utilizer per month" for each Medi-Cal client served
  - Projected total costs \$6,587,592
  - Projected County costs \$1,211,254 for 960 annual clients @ 6 months services average
  - \$441,369 administrative and quality assurance costs
- PHP bills DHCS Short Doyle Medi-Cal for the federal revenue and the County will receive federal/State reimbursement from DHCS
- The County, PHP and DHCS will reconcile costs and payments after the first year



## Next Steps

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- **Repurpose staff that did contract provider monitoring to oversight of Partnership contractual performance**
- **Develop and maintain a collaborative plan for adherence to contractual obligations for County audits**
- **County's current Drug Medi-Cal contracts sunset but remain in place for 90 days as a safety net to assure no gaps in client service**
- **Monitor patterns of service utilization**



# Request of the Board

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- **Approve participation in Organized Delivery System to expand Drug Medi-Cal services;**
- **Delegate authority to CAO to sign Intergovernmental Agreement and any necessary documents with DHCS required for implementation; and**
- **Delegate authority to CAO to sign Master Agreement with Partnership Health Plan.**