Drug Medi-Cal Organized Delivery System Waiver Update

September 2017

SANTA BARBARA COUNTY
DEPARTMENT OF
Behavioral Wellness
A System of Care and Recovery
DMC Organized Delivery System (DMC-ODS) Review

- In May, 2016, Behavioral Wellness introduced the DMC-ODS to the BOS. BeWell was tasked with returning to the BOS with an outline of the DMC-ODS Implementation Plan before submitting the plan to the State Department of Health Care Services for approval.
- The DMC-ODS will:
  - Improve the quality and availability of SUD services for California’s beneficiaries.
  - Expand and enhance DMC covered benefits
  - Give county officials more authority to select quality providers.
  - Create a consumer-focused; evidenced-based system of care
DMC Organized Delivery System

• Critical Elements Include:
  • Continuum of care modeled after ASAM Criteria
  • Increased local control and accountability
  • Greater administrative oversight
  • Utilization controls to improve care and manage resources
  • Evidence-based practices
  • Coordination with other systems of care
  • Expanded benefits
### DMC Organized Delivery System

<table>
<thead>
<tr>
<th>Current DMC Benefits</th>
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</thead>
<tbody>
<tr>
<td>Outpatient Group Counseling</td>
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<tr>
<td>Outpatient Individual Session for Assessment</td>
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<tr>
<td>Outpatient Individual Crisis Sessions</td>
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<tr>
<td>Outpatient Treatment Plan Review Session</td>
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<tr>
<td>Outpatient Discharge Planning Individual Session</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Expanded ODS DMC Benefits</th>
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</thead>
<tbody>
<tr>
<td>Non Perinatal Residential Treatment Services</td>
</tr>
<tr>
<td>Case management Sessions</td>
</tr>
<tr>
<td>Recovery Support Groups and or Individual Sessions (Aftercare)</td>
</tr>
<tr>
<td>Withdrawal Management</td>
</tr>
<tr>
<td>Regular individual Sessions (in addition to currently covered sessions)</td>
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</tbody>
</table>
DMC Organized Delivery System

DMC-ODS Pilot Benefits ~ Required to provide

• Early Intervention
• Outpatient Services~includes Intensive Outpatient Treatment and Naltrexone
• Residential (not limited to Perinatal)
• Narcotic Treatment Program
• Withdrawal Management (at least one level)
• Recovery Services
• Case Management
• Physician Consultation
DMC Organized Delivery System

County Responsibilities:

- Selective Provider Contracting
  - Access
  - Selection Criteria
  - Contract Denial/Appeal Process
  - Provider Requirements
- Authorization for Residential Treatment
- Beneficiary Access Number (24/7 toll free)
- Beneficiary Informing (upon first contact)
- Care Coordination
- Quality Improvement/Utilization Management
- County Implementation Plan/Contract
DMC Organized Delivery System

Highlights of SB Implementation Plan

• Fully collaborative planning process
• Provision of all required service benefits
• Inclusion of expanded, optional Medication Assisted Treatment (MAT) services
• Possible inclusion of Medical Detoxification and Recovery Residence (Sober Living) services if funding allows
• Emphasis on Quality Control and Quality Management
• Extensive Training and Technical Assistance Component
• Competitive RFP process
DMC Organized Delivery System Waiver

Timeline:
- Implementation Plan Submitted to State Department of Healthcare Services (DHCS) (May, 2017)
- Plan Approval CMS and DHCS (June, 2017)
- Negotiation of Rates (August - September, 2017)
- Approval of Plan and beginning of RFP Process (October, 2017)
- Implementation of ODS (FY 18-19)
Fiscal Plan & Rates
County Fiscal Plan Requirements
County Fiscal Plan Requirements

- **Annual Fiscal Plan.** Counties are required to complete and submit an Annual County Fiscal Plan following DHCS guidance.
- **DHCS Review and Approval.** DHCS will review and approve the plan annually.
- **Interim Rates.** Proposed interim rates must be developed for each required and selected optional service specified in the waiver.
- **Supporting Information.** Counties must provide supporting information consistent with state and federal guidance for each proposed rate.
- **Sources.** Appropriate sources of information include filed cost reports, approved medical inflation factors, detailed provider direct and indirect service cost estimates and verified charges made to other third party payers for similar programs.
County Fiscal Plan Requirements (cont.)

- **Residential Rates.** Proposed residential rates must include clear differentiation between treatment and non-treatment room and board costs.

- **Outpatient Rates.** Proposed outpatient treatment rates should include all assessment, treatment planning and treatment provision direct and indirect costs consistent with coverage and program requirements outlined in state and federal guidance.

- **Admin, QI, UR, etc.** County administrative, quality improvement, authorization, and utilization review activities may be claimed separately consistent with state and federal guidance.
County “X” Interim Rate Strategy

Residential Treatment Rate:

15/16 contracted bed day UOS rate (weighted average of contractors)

x Additional cost to operate the program as DMC – 8%

x 16/17 inflation-related UOS rate increase – 4.5%

x % of UOS cost that is treatment (not room & board) – 73%

= DMC-ODS Residential UOS Rate
County “X” Interim Rate Strategy

Projected Units:
14/15 actual bed days provided
x % of clients in 15/16 who are Medi-Cal beneficiaries
x % projected increase in number of residential clients
x % projected increase in residential length of stay
x % fully operational residential services that will be implemented in 16/17

= Residential UOS projected to be delivered in 16/17
County “X” Interim Rate Strategy

Outpatient Treatment Rate:
15/16 contracted OP UOS rate (weighted average of contractor rates)
x Adjustment for how DMC counts billable hours vs. how County currently counts NNA claimable hours (e.g., 15-minute increments vs 50 minutes; FTF vs. non-FTF vs. indirect)
x Additional cost to operate the program as DMC – 8%
x 16/17 inflation-related UOS rate increase – 4.5%
= DMC-ODS Outpatient UOS Rate
County “X” Interim Rate Strategy

Projected Units:
14/15 actual OP UOS provided
x % of clients in 15/16 who are Medi-Cal beneficiaries
x % projected increase in number of OP clients
x % fully operational OP services that will be implemented in 16/17
= Outpatient UOS projected to be delivered in 16/17
### ODS Residential

**Fiscal Model to determine funding needs for systemwide Residential services operations**

<table>
<thead>
<tr>
<th>Estimated Average cost per bed</th>
<th>Beds</th>
<th>Total</th>
<th>Non-Allowable Board and Care Costs per bed</th>
<th>Potential Medi-Cal Allowable Costs</th>
<th>Medi-Cal</th>
<th>Non-Medi-Cal</th>
</tr>
</thead>
<tbody>
<tr>
<td>$16,775</td>
<td>2</td>
<td>$2,147,200</td>
<td>$536,800</td>
<td>$1,288,320</td>
<td>$322,080</td>
<td></td>
</tr>
</tbody>
</table>

**Projected Occupancy Rate**
- Average Beds occupied per day: 31.28
- Average Actual Bed Days provided: 9,140

**Estimated services Claimed to & Approved by DMC**
- Beds: 2
- Total Costs CBO run facility: $16,775

**Total Costs**
- $536,800
- $1,288,320
- $322,080
- $322,080
- $322,080

**Gross Bed Days available @ 100% occupancy (per above Model)**
- 11,420

**Average Non-DMC Cost/bed**
- $38,918
- Avg cost covered by FFP: $28,182

**Funding Sources / Categories of funding needed**
- $901,824
- $386,496
- $356,800
- $322,080
- $356,800
- $322,080
- $322,080

**$356,800 TOTAL SAFTDiscretionary needed for B&C**
- Rearrangement needed for Unclaimed/Unrelated services
- Rearrangement required for match to FFP
- TOTAL Rearrangement needed for Residential

**Bed rates at 100% occupancy**
- $183.84
- $183.84

**Reimbursement rates**
- B&C rate: $47.05
- DMC Rate: $141.34

**Withdrawal Mgmt (Detox)**
- Beds: 6
- Total Available bed days: 385
- Occupancy Rate: 96.0%
- Average length of stay: 2.146

<table>
<thead>
<tr>
<th>Number of Clients</th>
<th>Bed Days associated</th>
<th>Cost from FY 1516 Cost Reports inflation factors applied</th>
<th>Gross Bed Day Rate (B&amp;C + DMC services)</th>
<th>DMC Cost</th>
<th>Non DMC Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Withdrawal Mgmt (Detox)</td>
<td>429</td>
<td>2,146</td>
<td>$394,962</td>
<td>$183.84</td>
<td>$45.05</td>
</tr>
</tbody>
</table>

**Perinatal**
- Beds: 6
- Total Available bed days: 385
- Occupancy Rate: 96.0%

**Numeral residential-related services provided**
- 1,057,372

**Residential Average length of stay**
- 5,970

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### Residential Services

- Detox Cost Report FY1516: $898,302
- DMC Added Cost: $71,231
- DMC Adjusted Detox cost: $561,623
- CPI Growth by 4.5% (FY19-17): $1,046,816
- CPI Growth by 4.5% (FY17-18): $1,950,117
- CPI Growth by 4.5% (FY18-19): $1,057,372
- TOTAL Bed Days provided: 5,970

**Avg. Adjusted Cost per Bed Day**
- $183.81

**Avg No. of Beds occupied per Bed Occupied**
- 16.36

**Average Cost Per Bed**
- $67,002