

# 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

Current DMC Benefits
Outpatient Group Counseling
Outpatient Individual Session for Assessment
Outpatient Individual Crisis Sessions
Outpatient Treatment Plan Review Session
Outpatient Discharge Planning Individual Session
Expanded ODS DMC Benefits
Non Perinatal Residential Treatment Services
Case management Sessions
Recovery Support Groups and or Individual Sessions (Aftercare)
Withdrawal Management
Regular individual Sessions (in addition to currently covered sessions)



# 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



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# County Fiscal Plan Requirements



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# 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



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## 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



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## County “X” Interim Rate Strategy

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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



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**ODS Residential**

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

	Estimated Average cost per bed	Beds	TOTAL	Non-Allowable Board and Care Costs per bed	Potential Medi-Cal Allowable Costs	Medi-Cal	Non-Medi-Cal	
Total Costs CBO run facility	\$67,100	32	\$2,147,200	\$536,800	\$1,610,400	\$1,288,320	\$322,080	
Projected Occupancy Rate			97.7%			80%	20%	
Average Beds occupied per day			31.26			25.01	6.25	
Estimated Actual Bed Days provided			11,410			9,128	2,282	
								Estimated services Claimed to & Approved by DMC
								Estimated Services Unclaimed/Denied
				Funding Sources / Categories of funding needed	\$901,824	\$0	\$901,824	70% Estimated average FFP for approved svcs
					\$386,496	\$0	\$386,496	Realignment Match to FFP
					\$536,800	\$536,800	\$536,800	SAPT/Realignment for Non-Medi-Cal costs
					\$322,080	\$322,080	\$322,080	SAPT/Realignment for Non-Medi-Cal costs
					\$1,288,320	\$858,880	\$2,147,200	

\$536,800 TOTAL SAPT Discretionary needed for B&C  
 Realignment needed for Unclaimed/Denied services  
 Realignment required for match to FFP

Gross Bed Days available @ 100% occupancy (per above Model)	Beds	32
	Days/yr	365
	Total Bed Days	11,680

Avg Non-DMC Cost/bed \$38,918  
 Avg cost covered by FFP \$28,182  
 58% \$1,245,376 Non FFP funding required for Residential  
 42% \$901,824 Estimate of Medi-Cal FFP revenue

bed rate at 100% occupancy \$183.84

\$188.19	Gross Bed day rate (@above projected 85% occupancy)
25% \$47.05	B&C rate
75% \$141.14	DMC Rate

	Beds	Total Available bed days	Occupancy Rate	discounted (occupied) bed days	Avg length of stay	Number of Clients	Bed Days associated	Cost from FY 1516 Cost Reports inflation factors applied	Gross Bed Day Rate (B&C + DMC services)	DMC Cost	Non DMC Cost	
Withdrawl Mgt (Detox)	6	365	2,190	98.0%	2,146	5	429	2,146	\$394,502	\$183.81	\$137.86	\$45.95
Peri Residential	6	365	2,190	98.0%	2,146	180	12	2,146	\$429,240			
Non-Peri Residential	20	365	7,300	97.5%	7,118	60	119	7,118	\$1,323,458			
COMBINED TOTAL	32	11,680		11,410	97.7%		560	11,410	\$2,147,200			

	Beds	Total Available bed days	Occupancy Rate	discounted (occupied) bed days	avg length of stay	Number of Clients	Bed Days associated	Cost from FY 1516 Cost Reports inflation factors applied	Gross Bed Day Rate (B&C + DMC services)	DMC Cost	Non DMC Cost	
Perinatal	6	365	2,190	98.0%	2,146	180	12	2,146	\$429,240	\$200.00	\$150.00	\$50.00
Non Perinatal	20	365	7,300	97.5%	7,118	60	119	7,118	\$1,323,458	\$185.94	\$139.46	\$46.49
Residential TOTALS	26	9,490		9,264			131	9,264	\$1,752,698	\$189.20	\$141.90	\$47.30
71 Residential Average length of stay												

Detox Cost Report FY1516	DMC Add'l Cost 8%	DMC Adjusted Detox cost	CPI Growth by 4.5% (FY2016/17)	CPI Growth by 4.5% (FY17/18)	CPI Growth by 4.5% (FY18/19)	TOTAL Bed Days provided
\$890,392	\$71,231	\$961,623	\$1,004,896	\$1,050,117	\$1,097,372	5,970

Avg. Adjusted Cost per Bed Day	Avg No. of Beds occupied/day	Average Cost Per Bed Occupied
\$183.81	16.36	\$67,092