



BARBARA FERRER, Ph.D., M.P.H., M.Ed.
Director

JEFFREY D. GUNZENHAUSER, M.D., M.P.H.
Interim Health Officer

CYNTHIA A. HARDING, M.P.H.
Chief Deputy Director

WESLEY L. FORD, M.A., M.P.H.
Director, Substance Abuse Prevention and Control
1000 South Fremont Avenue, Building A-9 East, 3rd Floor
Alhambra, CA 91803
TEL (626) 299-4101 • FAX (626) 458-7637

www.publichealth.lacounty.gov

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SAPC BULLETIN NO. 17-01-START

May 15, 2017

TO: Executive Directors
FROM: Wesley L. Ford, M.A., M.P.H., Director
Substance Abuse Prevention and Control

WLF

SUBJECT: **CLIENT TRANSITION PLAN TO PREPARE FOR THE JULY 1, 2017 LAUNCH OF THE NEW TREATMENT SYSTEM OF CARE**

Effective July 1, 2017, the Los Angeles County Department of Public Health, Substance Abuse Prevention and Control (SAPC) is operationalizing the Drug Medi-Cal (DMC) Organized Delivery System Waiver, known locally as the System Transformation to Advance Recovery and Treatment, Los Angeles County’s Substance Use Disorder Organized Delivery System (START-ODS), all youth and adults who are Medi-Cal eligible must be served by a DMC certified facility. Therefore, the following substance use disorder (SUD) treatment contracts will expire as of June 30, 2017:

- General Program Services
- General Relief
- CalWORKS
- Title IV
- Drug Court
- Female Offender Treatment Program
- Perinatal
- Department of Children and Family Services
- Adolescent Intervention Treatment and Recovery Program
- Medication Assisted Program
- Assembly Bill 109

SAPC will only extend or issue new contracts to agencies and sites with active DMC certification; the non-DMC funds previously allocated to the above listed SUD contracts will be used to fund non-DMC reimbursable or other supplemental services for eligible participants and within the DMC contracts.

Changes in how clients can be served with the launch of START-ODS are outlined below. To ensure compliance with the new requirements and prepare for this transition, all SAPC network providers should implement the following procedures to support continued patient care:

Agencies and/or Sites with Required DMC Certification:

This section applies to SAPC contractors with agency-operated sites that are already appropriately DMC certified or licensed, including outpatient, intensive outpatient, residential, withdrawal management, and opioid/narcotic treatment program (OTP) levels of care.

1. Review current client list and assist clients who are eligible for Medi-Cal or My Health LA to enroll in those programs prior to July 1, 2017 if their benefits are not currently active.
2. Review current client list and identify individuals who do not meet Medi-Cal and My Health LA residency requirements. As of July 1, 2017, only individuals whose Medi-Cal benefits are assigned to Los Angeles County, or My Health LA participants, can be served under SAPC contracts. Therefore, non-County residents will need to take one of the following steps: complete treatment with the Los Angeles County contractor by July 1, 2017; reassign their county of residence to Los Angeles County if they are a Los Angeles County resident; or transition care to a provider in their county of residence. Non-Los Angeles County residents may continue treatment with a SAPC contractor if the contractor will accept sliding scale payment, as DMC services for non-residents will no longer be reimbursable through SAPC. Opioid Treatment Program providers will have a one-year transition period.
3. Ensure case management policies and procedures include processes to check Medi-Cal or My Health LA eligibility upon intake and throughout the duration of treatment to establish and maintain the ability to serve the client, obtain reimbursement for care and avoid disallowances. Patients who are eligible for Medi-Cal and My Health LA must be enrolled.
4. All residential treatment clients receiving services as of July 1, 2017 will automatically receive either a 30-day authorization (youth 12-17) or 60-day authorization (young adults 18-20, and adults 21+) at the American Society of Addiction Medicine (ASAM) Level 3.1 at the rate of \$145.71 per day. To receive payment at ASAM level 3.3 or 3.5, providers must submit and seek approval for residential pre-authorizations from SAPC to ensure medical necessity for these services are established.
5. Longer lengths of residential stay beyond the automatic authorization periods above will require reauthorization by the SAPC Utilization Management Unit, per standard authorization protocols.

Agency and/or Sites without Required DMC Certification:

This section applies to SAPC contractors with agency-operated sites that are not already appropriately DMC certified, including (1) those whose DMC application is currently being processed by the California Department of Health Care Services (DHCS) but where it is unlikely to be approved by July 1, 2017 and (2) those who have not submitted the DMC application to

DHCS. This includes outpatient, intensive outpatient, residential, withdrawal management, and opioid/narcotic treatment program (OTP) levels of care.

1. Contact your SAPC contract program auditor to provide a DMC application status update for all agency-operated sites and levels of care.
2. Make immediate and appropriate plans, as approved by SAPC, to transfer or refer all clients served under contracts or at agency-operated sites that are not DMC-certified to DMC-certified sites for continuing service in accordance with the client's needs (see attached Agency Responsibility after Contract Termination).
3. Eliminate all new costs and expenses under your current contract(s) or for the site. New costs and expenses include, but are not limited to, those associated with new participant admissions.
4. Notify SAPC when DMC certification is obtained so a new contract can be initiated and to resume serving clients who are Medi-Cal/DMC eligible.

SAPC will continue to actively monitor the transition to START-ODS, and the impact on clients and providers. In the meantime, if you have any questions or require additional information, please contact Contract Services Division at (626) 299-4532.

WLF:dd

Attachment

c:	John M. Connolly	Babatunde Yates
	Michelle Gibson	David Hoang
	Gary Tsai	Daniel Deniz

**AGENCY RESPONSIBILITIES DURING AND FOLLOWING CONTRACT
TERMINATION**

Paragraph 66 of the Substance Use Disorder (SUD) Services Contract reads in part:

In the event of any termination or suspension of this Contract, Contractor shall:

After receipt of a Notice of Termination and except as otherwise directed by County, Contractor shall:

A. Stop services under this Contract on the date and to the extent specified in such Notice of Termination; and

B. Complete performance of such part of the services as shall not have been terminated by such Notice of Termination.

Further, after receipt of a Notice of Termination, Contractor shall submit to County, in the form and with the certifications as may be prescribed by County, its termination claim and invoice. Such claim and invoice shall be submitted promptly, but not later than sixty (60) calendar days from the effective date of termination. Upon failure of Contractor to submit its termination claim and invoice within the time allowed, County may determine on the basis of information available to County, the amount, if any, due to Contractor in respect to the termination, and such determination shall be final. After such determination is made, County shall pay Contractor the amount so determined.

Contractor for a period of five (5) years after final settlement under this Contract, in accordance with Paragraph 15, RECORD RETENTION AND AUDITS, shall retain and make available all its books, documents, records, or other evidence, bearing on the costs and expenses of Contractor under this Contract in respect to the termination of services hereunder. All such books, records, documents, or other evidence shall be retained by Contractor at a location in Los Angeles County and shall be made available within ten (10) calendar days of prior written notice during County's normal business hours to representatives of County for purposes of inspection or audit.

Our Financial Division will further advise you under separate cover of the cost report requirement.

In addition, the agency, as stated in the SUD Services Contract, is responsible for the following:

- A. Service Records: Contractor shall maintain all service records related to this Contract for a minimum period of five (5) years following the expiration or prior termination of this Contract. Contractor shall provide upon request by County, accurate and complete

records of its activities and operations as they relate to the provision of services, hereunder. Records shall be accessible as detailed in the subsequent sub-paragraphs. (Paragraph 15A of the SUD Services Contract)

- B. Preservation of Records: If following termination of this Contract Contractor's facility is closed or if ownership of Contractor changes, within forty-eight (48) hours thereafter, the Director is to be notified thereof by Contractor in writing and arrangements are to be made by Contractor for preservation of the client/patient and financial records referred to hereinabove. (Paragraph 15D of the SUD Services Contract)

Rev. April 2017