



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
Health System



**Date:** August 16, 2016  
**Board Meeting Date:** September 20, 2016  
**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Louise Rogers, Chief, Health System  
Stephen Kaplan, Director, Behavioral Health and Recovery Services

**Subject:** Agreement with Department of Health Care Services for Drug Medi-Cal Organized Delivery System services

**RECOMMENDATION:**

Adopt a resolution authorizing the Chief of the Health System to execute an agreement with the State of California Department of Health Care Services for the Drug Medi-Cal Organized Delivery System services, for the term of October 18, 2016 through June 30, 2019, in an amount not to exceed \$19,269,141.

**BACKGROUND:**

In August, 2015, the California Department of Health Care Services (DHCS) announced the approval of their waiver application to the Center for Medicare and Medicaid Services to implement the Drug Medi-Cal Organized Delivery System (DMC-ODS). The waiver allows any California county to "opt in", providing a full continuum of services currently unavailable to Medi-Cal beneficiaries. Additionally, the waiver will allow for Federal Financial Participation that will offset treatment related costs. Counties opting in are required to submit and receive approval of an Implementation Plan. San Mateo County Behavioral Health and Recovery Services (BHRS) was the first California county to apply and be approved for the waiver.

The DMC-ODS will demonstrate how organized substance use disorder (SUD) care will increase the success of DMC beneficiaries in their journey towards recovery, while decreasing other health care costs. Critical elements of the DMC-ODS include: a continuum of care modeled after the American Society of Addiction Medicine (ASAM) Criteria for substance use disorder treatment services; an increase in local control and accountability; creation of utilization management to improve care and provide efficient use of resources; implementation of evidence-based practices; and coordination with other systems of care. Services range from early intervention to intensive inpatient services.

**DISCUSSION:**

Through this agreement, BHRS will be able to strengthen and expand SUD treatment in San Mateo County. Specifically, the agreement allows BHRS and DMC certified SUD treatment and recovery providers to access federal funding for Medi-Cal beneficiaries who are in need of SUD treatment. The agreement also enables BHRS to continue to develop the full spectrum of treatment levels over the three-year waiver period. In addition, providers will be able to strengthen their organizational infrastructure to access the new funding and that of other third party insurers, as well as increase the quality of treatment to be provided. Finally, the agreement ensures continuous quality improvement in treatment through the development of a quality management program that measures and analyzes both beneficiary and system outcomes and develops strategies for improvements where needed. The expanded continuum of care for SUD services includes: Outpatient, Intensive Outpatient, Residential, Narcotic Replacement Therapy, Perinatal Residential, Withdrawal Management, Recovery Services, Case Management and Physician Consultation, which are outlined in the ASAM criteria.

BHRS requests that your Board authorize the Chief of the Health System to execute this agreement and additional amendments thereto and on behalf of the County. The Resolution contains the County's standard provisions allowing amendment of the County's fiscal obligations by a maximum of \$25,000 (in aggregate).

This agreement and resolution have been reviewed and approved by County Counsel as to form.

The agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by providing expanded DMC services to San Mateo County residents. The State is in the process of developing performance measures for participating counties.

**PERFORMANCE MEASURE(S):**

| Measure                                       | FY 2016-17 Actual | FY 2017-18 Projected |
|---|-------------------|----------------------|
| The State will establish performance measures | TBD               | TBD                  |

BHRS anticipates the State will establish performance measures in FY 17-18.

**FISCAL IMPACT:**

The agreement is for the period of October 18, 2016 through June 30, 2019, for an amount not to exceed \$19,269,141. Of that amount, \$2,550,000 has been included in the BHRS FY 2016-17 Approved Recommended Budget. Similar funding arrangements will be made for future years.

Existing 2011 Realignment and Net County Cost will continue to be used as the required match to draw down federal financial participation revenue for Medi-Cal eligible services.