



## Legislation Text

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**File #:** 22-1351, **Version:** 1

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Health and Human Services Agency (HHS) recommending the Board:

- 1) Award a proposal received in response to Request for Proposal 22-952-009, to Recover Medical Group P.C., a California Professional Corporation (Recover), to provide Drug Medi-Cal Organized Delivery System (DMC-ODS) Levels of Care 1.0 Outpatient and 2.1 Intensive Outpatient virtual telehealth services to adults and youth residents in El Dorado County; and
- 2) Authorize HHS to negotiate a three (3) year Agreement for Services with Recover, for an estimated budget not to exceed \$2,044,176 for Fiscal Years 2022-23, 2023-24, and 2024-25, and return to the Board for approval of the Agreement upon completion of the negotiations.

**FUNDING:** 73% Federal Medicaid, 3% Federal Substance Abuse Prevention and Treatment Block Grant, 11% 2011 Behavioral Health Realignment, 10% State General Fund, and 3% Public Safety Realignment (AB109) funding, available pursuant to Title XIX of the Social Security Act and Medicaid State Plan.

### **DISCUSSION / BACKGROUND:**

The Drug Medi-Cal Organized Delivery System (DMC-ODS) provides a continuum of care modeled after the American Society of Addiction Medicine Criteria for substance use disorder treatment services. DMC-ODS enables more local control and accountability, provides greater administrative oversight, and it creates utilization controls to improve care and efficient use of resources. Counties that participate in DMC-ODS implement evidenced based practices in substance abuse treatment and coordinate across other systems of care, contracting with local services providers to support residents' needs. This approach is intended to provide the beneficiary with access to the care and system interaction needed in order to achieve sustainable recovery. DHCS initially received approval in August 2015 from the Centers for Medicare & Medicaid Services (CMS) to implement the DMC-ODS through the State's prior Section 1115 demonstration.

Prior to the DMC-ODS, Drug Medi-Cal benefits included:

- 1) Outpatient services;
- 2) Intensive outpatient services;
- 3) Narcotic Treatment Program services; and
- 4) Residential treatment services for perinatal population.

Now, as a result of the DMC-ODS Waiver, additional services include:

- 1) Residential Treatment services for eligible Medi-Cal beneficiaries of all ages with multiple levels of care;
- 2) Withdrawal Management services through DMC-ODS; and
- 3) Recovery Services, Case Management, Physician Consultation, Additional Medication-Assisted Treatment, and Partial Hospitalization benefits.

In accordance with the requirements of the DMC-ODS Funding Agreements, counties that have

"opted in" to the Federal 1115 Waiver for DMC-ODS must comply with 42 Code of Federal Regulations (CFR) Section 438.207 and maintain a network of providers that is sufficient in number, mix, and geographic distribution to meet the needs of the anticipated number of beneficiaries in the service area.

On May 23, 2017, the Board authorized the Health and Human Services Agency (HHSa) to opt in to the Federal 1115 Waiver for a DMC-ODS (File ID: 17-0525). Since that time HHSa has developed service agreements with providers to provide substance use disorder (SUD) services for County clients in accordance with the terms and conditions of the DMC-ODS agreement between the Department of Health Care Services (DHCS) and County of El Dorado (County).

The County's DMC-ODS is a managed care plan defined under 42 Code of Federal Regulations (CFR) Section 438.2 as a Prepaid Inpatient Health Plan (PIHP). As a PIHP delivering Medicaid services, the County and its network of contracted providers must adhere to Medi-Cal Managed Care laws and regulations governed by the Center for Medicare & Medicaid Services. These regulations include many requirements designed to ensure that Drug Medi-Cal (DMC) eligible adults and adolescents residing in the County receive high quality services without barriers to access.

In adherence with the DMC-ODS Agreement, the County is required to develop and maintain a network of providers that is sufficient in number, mix, and geographic distribution to meet the needs of the anticipated number of beneficiaries in the service area. One area of these services is Outpatient treatment services, which are intended to treat clients experiencing alcohol and/or drug use disorders by helping them:

- a) Reduce substance abuse usage and/or achieve a substance-free life;
- b) Maximize multiple aspects of life functioning;
- c) Prevent or reduce the frequency and severity of drug and alcohol relapse; and
- d) Improve their overall quality of life.

In order to solicit multiple DMC-certified outpatient service providers for youth and adult clients located across El Dorado County, the Chief Administrative Office (CAO) Procurement and Contracts Division, released Request for Proposal (RFP) 22-952-009 on October 29, 2021. Due to HHSa's Behavioral Health Division's (BHD) need to contract for multiple ASAM Levels of Care (LOC), locations, and targeted client populations for services, this RFP was posted to run continuously until closed. This continuous deadline allows HHSa BHD to solicit additional qualified DMC-certified outpatient providers until the network adequacy requirements for these services are met, or upon HHSa SUD Program's determination to close the RFP.

Substance Use Disorder (SUD) outpatient treatment providers must have and maintain an active DMC certification for the facility where services are provided, issued by the DHCS of a substance abuse treatment program for the contracted American Society of Addiction Medicine (ASAM) Level of Care. A proposal was received by Recover Medical Group P.C., a California Professional Corporation (Recover) on May 31, 2022, that met the eligibility requirements to provide adult and youth 1.0 and 2.1 LOC outpatient services. This proposal was evaluated by a panel of three evaluators with knowledge of HHSa's DMC-ODS outpatient treatment needs, in which all evaluators determined that Recover was qualified to perform these services. This is the second proposal received that HHSa's BHD sought Board approval to award. The first proposal was approved by the Board in April 2022 (File ID 22-0553) for adults only with service provision offered in Placerville only. Upon Board approval of this second proposal to Recover, HHSa BHD can establish telehealth outpatient service

provision to youth and adult clients across the County.

As a result of the proposal evaluative process, HHSA recommends entering into an Agreement for Services for a 3-year term and is requesting the Board approve a proposal award to Recover, in order to provide DMC-certified outpatient LOC 1.0 and 2.1 treatment services via a virtual telehealth platform to adults and youth residents of the county. Recover is a DMC-certified outpatient treatment provider established in California, specializing in clinic/center rehabilitation and substance use disorder treatment via telehealth service delivery. Recover also provides outpatient treatment services in Placer and Nevada Counties.

With the Board's authorization, HHSA would enter negotiations and return to the Board with the final Agreement for Services for approval.

**ALTERNATIVES:**

Should the Board decline to award this proposal in response to RFP 22-952-009, HHSA would continue to provide services through existing contracts; however, it could result in difficulty meeting the needs of the community and could result in HHSA being out-of-compliance with the DMC-ODS Waiver Plan.

**PRIOR BOARD ACTION:**

- 1) 4/19/22, Item No. 22-0553, Approval to award a proposal received in response to RFP 22-952-009 for specific adult client 1.0 and 2.1 outpatient services to be provided on-site in Placerville.
- 2) 5/23/17, Item No. 17-0525, Approved participation in the DMC-ODS Waiver plan.

**OTHER DEPARTMENT / AGENCY INVOLVEMENT:**

Chief Administrative Office, Procurement and Contracts Division.

**CAO RECOMMENDATION:**

Approve as recommended.

**FINANCIAL IMPACT:**

Services provided under the DMC-ODS program will be funded by Medicaid Federal Financial Participation (FFP) funds that will be matched with Behavioral Health Realignment and Public Safety Realignment (AB109) funding. For the agreement to be negotiated, sufficient appropriations for Federal Medicaid, Behavioral Health Realignment, and State General Funds are included in the current Fiscal Year (FY) 2022-23 Budget and will be included in subsequent FY budgets, upon approval of the final Agreement.

**CLERK OF THE BOARD FOLLOW UP ACTIONS:**

N/A

**STRATEGIC PLAN COMPONENT:**

County Strategic Goal: "Healthy Communities, Improved Health, Well-being, and Self-sufficiency of El Dorado County communities, residents, and visitors."

**CONTACT**

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