



Several California counties expand Medi-Cal program to combat substance abuse

By Daniel R. Eliav

Eight counties in California, including Orange County and San Diego County, launched a program funded by Medi-Cal to combat substance abuse on July 1, 2018.¹ These eight counties represent approximately 25% of the state's nearly 40 million residents. Prior to this, since the beginning of 2017 when the program was originally launched, another 11 counties, including Los Angeles, San Francisco, Contra Costa and Riverside had already implemented the program.² Altogether, these 19 counties represent nearly 75% of the Medi-Cal population statewide.³

The program is referred to as the Drug Medi-Cal Organized Delivery System (“DMC-ODS”) Pilot and it seeks to restructure Substance Use Disorder (“SUD”) services in participating counties into an organized delivery system that:

- Provides a continuum of SUD care modeled after the American Society of Addiction Medicine's Treatment Criteria for Addictive, Substance-Related, and CoOccurring Conditions (“ASAM Criteria”);
- Increases local control and accountability;
- Creates mechanisms for greater administrative oversight;
- Establishes utilization controls to improve care and promote efficient use of resources;
- Facilitates the utilization of evidence-based practices (“EBPs”) in SUD treatment; and
- increases the coordination of SUD treatment with other systems of care (e.g., medical and mental health).

¹ The counties that start on July 1, 2018, are Alameda, Imperial, Monterey, Nevada, Orange, San Diego, San Joaquin and Yolo.

² The counties with existing programs (and their start dates) are: Los Angeles (7/1/17), San Francisco (7/1/17), Contra Costa (6/30/17), Marin (4/1/17), Napa (12/15/17), Riverside (2/1/17), San Bernardino (3/1/18), San Luis Obispo (1/1/18), San Mateo (2/1/17), Santa Clara (6/15/17), and Santa Cruz (1/1/18).

³ <https://www.chcf.org/project/drug-medi-cal-organized-delivery-system/>

Services provided under the DMC-ODS Pilot include:

- Outpatient Services
- Intensive Outpatient Services
- Naltrexone Treatment (oral for opioid dependence or with TAR for other)
- Narcotic Treatment Program (methadone + additional medications)
- Residential Services (not restricted by IMD exclusion or limited to perinatal)
- Withdrawal Management (at least one level)
- Recovery Services
- Case Management
- Physician Consultation
- Partial Hospitalization (optional)
- Additional Medication Assisted Treatment (optional)

Under the program, counties receive an increase of about \$125 million in federal Medicaid funds per county over the next three years. However, during the pilot program, counties must first develop a Quality Improvement Plan that ensures the county is monitoring service deliveries and is keeping track of the geographic distributions of substance use disorder services. Additionally, counties must complete requirements such as establishing a toll free 24/7 call line for individuals to access DMC-ODS services in order to prove accessibility. Data from the program will then be reviewed on a quarterly basis by University of California, Los Angeles' Integrated Substance Abuse Program and the county's own Quality Improvement Committee for evaluation. While it may still be early to draw conclusions based on the existing data, if the DMC-ODS Pilot is successful between now and 2020, the program may become permanent.

For more information on the content of this alert, please contact your Nixon Peabody attorney or:

- Daniel R. Eliav, 213-629-6051, deliav@nixonpeabody.com
- Peter Armstrong Egan, 516-832-7633, pegan@nixonpeabody.com
- Jena M. Grady, 212-940-3114, jgrady@nixonpeabody.com
- Alexandra Busto, 213-629-6146, abusto@nixonpeabody.com