



Department of  
**Health Care Services**



*a presentation to the*  
**Council on Mentally Ill Offenders**  
*on*  
**California's Public Mental Health  
and Substance Use Disorder Services**

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# Agenda Overview

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## I. Presentation and Discussion

- DHCS Mission and Role in the Delivery of Mental Health and Substance Use Disorder (MHSUD) Services
- Public MHSUD Services
  - California's Expanded Optional Mental Health Benefit
  - 1915 (b) Specialty Mental Health Services (SMHS) Freedom of Choice Waiver
  - Substance Abuse Prevention and Treatment Block Grant
  - Drug Medi-Cal Organized Delivery System Waiver

## II. Questions

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# Department of Health Care Services

*Preserving and Improving the Physical  
and Mental Health of all Californians*

# Department of Health Care Services

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- DHCS is California's (CA) Single State Agency (SSA) for Medi-Cal, CA's Medicaid Program Administers \$90 billion annually in public funds that support the health of more than 13.3 Million Californians (and growing)
- Two DHCS areas responsible for public behavioral health care services:
  - Health Care Delivery Systems
  - Mental Health and Substance Use Disorder Services







# Managed Care Plan Mental Health Services

## Managed Care Plan Mental Health Services

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- The Affordable Care Act (ACA) provided the opportunity for millions of individuals and families to access affordable health care.
- Prior to ACA, mental health services in CA were primarily “carved-out” and provided through county Mental Health Plans (MHPs) under the CA 1915 (b) Specialty Mental Health Services (SMHS) Freedom of Choice Waiver
- In 2013, CA elected to adopt an optional benefit expansion, which expanded services available to beneficiaries in their local Managed Care Plan (MCP) for mild to moderate



# Medi-Cal Managed Care

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Effective January 1, 2014, eligible Medi-Cal beneficiaries may receive mental health benefits through Medi-Cal Managed Care Plans (MCPs). These services will continue to be offered as fee-for-service (FFS) benefits for eligible beneficiaries that are not enrolled in an MCP.

- MCP/FFS Mental Health Services:
  - Individual and group mental health evaluation and treatment (psychotherapy)
  - Psychological testing when clinically indicated to evaluate a mental health condition
  - Outpatient services for the purposes of monitoring medication treatment
  - Outpatient laboratory, medications, supplies and supplements
  - Psychiatric consultation





Medi-Cal  
Specialty Mental Health Services  
1915(b) Waiver

# 1915(b) SMHS Waiver

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- 1915 (b) SMHS Waiver is California's agreement between Centers for Medicare and Medicaid Services (CMS) and DHCS, as the SSA, for the administration of the federal SMHS Medicaid program.
- 1915(b) SMHS Waiver is provided by CMS to states in order to deliver SMHS through a managed care system.
- Through CAs 1915(b) Specialty Mental Health Services (SMHS) Freedom of Choice Waiver, 56 local county mental health plans (MHPs) are responsible for the local administration and provision of SMHS
  - MHPs contract with organizational contract providers to provide SMHS
- Locally MHPs and MCPs use memorandums of understanding to ensure the coordination of mental health services to meet the needs of beneficiaries.



# Section 1915(b) SMHS Waiver

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## Federal Requirements Waived:

- **Freedom of Choice:** Each beneficiary must have a choice of providers
- **Statewideness:** Benefits must be available throughout the state
- **Comparability of Services:** Services must be comparable for individuals (i.e., equal in amount, scope, duration for all beneficiaries in a covered group)



# Section 1915(b) SMHS Waiver

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## Section 1915(b) Waiver Authority:

- Allows states to implement managed care delivery systems, or otherwise limit individuals' choice of provider
- May not be used to expand eligibility to individuals not eligible under the approved Medicaid state plan
- Cannot negatively impact beneficiary access, quality of care of services, and must be cost effective



# Mental Health Plan Contract

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- Contract required pursuant to state and federal law.
- Delineates the MHP's and DHCS' responsibilities and requirements in the provision and administration of Specialty Mental Health Services.
- Conforms with federal requirements for Prepaid Inpatient Health Plans (PIHPs). MHPs are considered PIHPs and must comply with federal managed care requirements (Title 42, CFR, Part 438).
- Current MHP contract term: May 1, 2013-June 30, 2018.

<http://www.dhcs.ca.gov/services/MH/Pages/POCB-MentalHealth-Overview.aspx>



## Mental Health Services Responsibilities

Dimension	Medi-Cal MCP	MHP Outpatient	MHP Inpatient
<p><b>Services</b></p>	<p>Mental health services when provided by licensed mental health care professionals (as defined in the Medi-Cal provider bulletin) acting within the scope of their license:</p> <ul style="list-style-type: none"> <li>• Individual and group mental health evaluation and treatment (psychotherapy)</li> <li>• Psychological testing when clinically indicated to evaluate a mental health condition</li> <li>• Outpatient services for the purposes of monitoring medication therapy</li> <li>• Outpatient laboratory, medications, supplies, and supplements</li> <li>• Psychiatric consultation</li> </ul>	<p>Medi-Cal Specialty Mental Health Services:</p> <ul style="list-style-type: none"> <li>• Mental Health Services               <ul style="list-style-type: none"> <li>o Assessment</li> <li>o Plan development</li> <li>o Therapy</li> <li>o Rehabilitation</li> <li>o Collateral</li> </ul> </li> <li>• Medication Support Services</li> <li>• Day Treatment Intensive</li> <li>• Day Rehabilitation</li> <li>• Crisis Residential</li> <li>• Adult Crisis Residential</li> <li>• Crisis Intervention</li> <li>• Crisis Stabilization</li> <li>• Targeted Case Management</li> </ul>	<ul style="list-style-type: none"> <li>• Acute psychiatric inpatient hospital services</li> <li>• Psychiatric Health Facility Services</li> <li>• Psychiatric Inpatient Hospital Professional Services if the beneficiary is in fee-for-service hospital</li> </ul>

# Memorandum of Understanding (MOU)

## Objectives:

- Ensure coordination between the managed care plans and specialty mental health plans
- Promote local flexibility that exist at the county level

## Core elements:

- Basic Requirements
- Covered Services and Populations
- Oversight Responsibilities of the MCP and MHP
- Screening, Assessment, and Referral
- Care Coordination
- Information Exchange
- Reporting and Quality Improvement Requirements
- Dispute Resolution
- After-Hours Policies and Procedures
- Member and Provider Education



# Revenue Sources

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## Property Taxes and Vehicle License Fees

- Referred to as “*Realignment.*” A portion of the state’s sales tax and vehicle license fees is revenue source directed to CA 58 counties for funding the local administration of SMHS

## Federal Funding For Public Mental Health

- California receives federal funding for mental health services. Federal payments to California match state spending based upon the federal Medicaid assistance percentage, which is set at 50%.

## Mental Health Services Act (Proposition 63)

- 1% surtax on personal income over 1\$ million dollars. Provides additional revenue to counties for community-based mental health services with an emphasis on wellness and recovery.



# Revenue Sources (cont'd.)

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## Substance Abuse and Mental Health Services (SAMHSA) Community Mental Health Block Grant (Block Grant)

- SAMHSA Block Grant is an additional flexible source of federal mental health funding for services for adult who are ineligible for Medi-Cal and wo have no other course of health care.

## Local Dollars

- Revenue from local property taxes, patient fees, and some payments from private insurance companies. Of this local money, a portion goes towards maintenance of effort level of spending.



# Statutes and Regulations

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- Title 42, Code of Federal Regulations  
<http://www.gpo.gov/fdsys/browse/collectionCfr.action?collectionCode=CFR>
- California Welfare and Institutions Code commencing with 14700 et seq.  
<http://www.leginfo.ca.gov/cgi-bin/calawquery?codesection=wic>
- Title 9, California Code of Regulations, chapter 11, Medi-Cal Specialty Mental Health Services, commencing with 1810.100 et seq.  
<http://www.oal.ca.gov/CCR.htm>





# Substance Use Disorders Services

# Substance Use Disorder Benefits

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All eligible Medi-Cal beneficiaries may receive the following SUD services through current county-administered [Drug Medi-Cal (DMC)] substance use disorder services:

- **Outpatient Drug Free Treatment**
- **Narcotic Treatment Services**
- **Intensive Outpatient Treatment** (this benefit was previously limited to pregnant and postpartum women, children, and youth under the age of 21)
- **Residential Substance Use Disorder Services** (this benefit was previously limited to pregnant and postpartum women)
- **Voluntary Inpatient Detoxification**
- **Screening and Brief Intervention** (this service is available to the general adult population for alcohol misuse, and if threshold levels indicate, a brief intervention is covered. This service would occur in primary care settings.)



# Substance Use Disorder Benefits

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- The following services are provided through the SAMHSA Substance Abuse Prevention and Treatment Block Grant (20% of the grant must be for prevention services):
  - Primary prevention activities, including over \$1 million for Friday Night Live/Club Live
  - HIV/Early Intervention Services
  - Women-specific services for treatment and recovery from SUD
  - Discretionary funds were allocated to be spent on planning, carrying out, and evaluating activities to prevent and treat SUD; and
  - Adolescent and Youth Treatment funds to provide comprehensive, age-appropriate SUD services to youth.



# Substance Use Disorder Funding

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- Local Revenue Fund 2011 (2011 Realignment)
- Substance Abuse Prevention and Treatment (SAPT) Block Grant
  - For State Fiscal Year 2014-15, DHCS allocated to the counties a total of approximately **\$226 million** in SAPT funds to the 57 counties (Sutter and Yuba Counties administer these funds jointly).



# Substance Use Disorder Funding (cont'd.)

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- SAPT Funding is specified for the following purposes:
  - Primary prevention activities, including over \$1 million for Friday Night Live/Club Live
  - HIV/Early Intervention Services
  - Women-specific services for treatment and recovery from SUD
  - Discretionary funds were allocated to be spent on planning, carrying out, and evaluating activities to prevent and treat SUD; and
  - Adolescent and Youth Treatment funds to provide comprehensive, age-appropriate SUD services to youth.



# DMC Organized Delivery System Waiver

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- The goal is to improve the quality and availability of SUD services for California's beneficiaries.
- The Waiver gives state and county officials more authority to select quality providers.
- The Waiver is consumer-focused; uses evidence-based practices and improves program quality outcomes.
- The waiver supports coordination and integration across systems.



# DMC Organized Delivery System Waiver

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- A goal is more appropriate use of health care, such as reduced emergency rooms and hospital inpatient visits.
- The waiver will ensure access to SUD services while also increasing program oversight and integrity at the county and state level.
- The waiver provides availability of all SUD services including residential services without the restrictions of the IMD exclusion.



# DMC Organized Delivery System Waiver

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## Key Elements in the Waiver:

- Counties Opt In
- Continuum of Care
- Residential Services
- The ASAM Criteria
- Utilization Controls
- Selective Provider Contracting
- Recovery Services
- Expanding Medication Assisted Treatment



# DMC Organized Delivery System Waiver

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- Quality Assurance Activities
- Telehealth
- Case Management
- Licensed Practitioners of the Healing Arts
- Interface with Primary Care and Health Plans
- Evidence-Based Practices
- Intersection with the Criminal Justice System



# DMC Organized Delivery System Waiver

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## Residential Services

- Currently restricted due to the IMD exclusion.
- 90% of CA's residential bed capacity is considered an IMD.
- The waiver allows CA to provide residential services.
- In order to provide residential services, a county must provide all services outlined.



# DMC Organized Delivery System Waiver

## DMC Services With and Without Waiver

DMC Services	SPA 13-038 (Non-Waiver)	Opt-In Waiver
Outpatient/Intensive Outpatient	X	X
Narcotic Treatment Programs	X	X
Additional MAT		X*
Residential		X (one level)
Withdrawal Management		X (one level)
Recovery Services		X
Case Management		X
Recovery Residence		X (optional)
Physician Consultation		X

\*Counties opting into the Waiver will be required to provide NTP and/or other MAT services.



# DMC Organized Delivery System Waiver

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## Realignment

- Counties receive realignment funds derived from sales tax revenues deposited into their BH Subaccount to pay for a portion of DMC treatment services.
- Federal Financial Participation (FFP) is available for waiver counties, including for residential services.



# DMC Organized Delivery System Waiver

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## Next Steps

- After receiving approval from the Centers for Medicaid and Medicare Services (CMS) on August 13, 2015, the DMC-ODS implementation effort began.
- DHCS will review county implementation plans through a regional approach with five phases.
  - Phase I: 13 counties in the San Francisco Bay area
  - Phase II: 10 Southern California counties
  - Phase III: 16 Central Valley counties
  - Phase IV: 15 Northern California counties
  - Phase V: California's tribal partners



# DMC Organized Delivery System Waiver

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- CMS requires all residential providers to meet the ASAM requirements and obtain a DHCS issued ASAM designation. As of January 11, 2016 DHCS has designated 109 residential alcohol and/or other drug treatment facilities with the appropriate ASAM level of care.
- DHCS hosts twice-monthly technical assistance conference calls for county questions regarding implementation of the DMC-ODS.
- More information pertaining to the DMC-ODS Waiver is available at: <http://www.dhcs.ca.gov/provgovpart/Pages/Drug-Medi-Cal-Organized-Delivery-System.aspx>





Putting it all together:  
Behavioral Health Continuum of Care

***Clear and concise communication and coordination between the County MH/SUD programs and the Medi-Cal Managed Care and FFS programs is key***

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**Medi-Cal Managed Care Plans  
(MCP)**

**Target Population:** All beneficiaries in Managed Care Plans who meet medical necessity criteria

**County Mental Health Plan  
(MHP)**

**Target Population:** Children and adults who meet medical necessity or EPSDT criteria for Medi-Cal Specialty Mental health Services

**County Alcohol and Other Drug  
Programs (AOD)**

**Target Population:** Children and adults who meet medical necessity or EPSDT criteria for Drug Medi-Cal Substance Use Disorder Services

Screening → Assessments → Referrals → Care Coordination → Case Management



**QUESTIONS?**

