START-ODS
SYSTEM TRANSFORMATION TO ADVANCE RECOVERY AND TREATMENT

Los Angeles County's Substance Use Disorder Organized Delivery

Finance Division Fact Sheet

Background

In August 2015, the Department of Health Care Services (DHCS) received approval for an amendment to the 1115 Bridge to Reform demonstration waiver for Substance Use Disorder (SUD) services. The Drug Medi-Cal Organized Delivery System (DMC-ODS) is a pilot program to test a new paradigm for the organized delivery of health care services for Medicaid eligible individuals with a substance use disorder.

FISCAL

Rates

At this time, the maximum reimbursement rates for each type of DMC service are set annually by DHCS and disseminated in DHCS MHSUDS Information Notices.

The Statewide Maximum Allowance (SMA) for non-NTP services and the Uniform Statewide Daily Rate (USDR) for NTP services are developed in accordance with California Welfare and Institutions code Sect. 14021.6 and Health and Safety Code Sect. 11758.42.

Subcontracted fee-for-service providers and managed care plans will be reimbursed based on actual expenditures.

Counties will develop proposed county-specific interim rates for each covered service (except for NTP). The State will negotiate the proposed rates with the counties and will have final approval. DHCS will continue to set the rate for NTP services.

RECOVERY AND CASE MANAGEMENT SERVICES

Proposed interim rates for recovery services and case management should be calculated to reflect the level of staffing requires to meet the service requirements outlined in the terms and conditions of the waiver. It is anticipated that these proposed interim rates would be similar or lower than the rate for outpatient and intensive outpatient services.

RESIDENTIAL SERVICES

The residential interim rates should only include treatment costs and not room and board expenses. Further guidance on what constitutes room and board expenditures is outlined on the DMC-ODS webpage.

Cost Report

Currently, each provider must submit an annual cost report that reflects the provider's cost of serving Medi-Cal beneficiaries consistent with the authorities specified in the approved terms and conditions of the pilot. All client fees collected by Provider and reported on the cost report will be fully offset against provider's gross cost.

These actual costs and expenditures will be reconciled to the interim payments made throughout the year to determine if a federal overpayments or under payments was made to the county.

Types of Cost Report Forms

Drug Medi-Cal (Non-NTP)

- ODF Group
- ODF Individual
- IOT
- RES

Narcotic Treatment Program (NTP)

- Worksheet 7990NTP-Np is required for ALL Narcotic Treatment Programs
- Worksheet 7895NTP-NP is required ONLY when the program has both Non-DMC and DMC funding sources

The requirements for cost settlement will be outlined in the CMS approved Certified Public Expenditure (CPE) protocol which is an addendum to the waiver terms and conditions.

DHCS is currently in the process of implementing changes as required by CMS to the cost report forms with the approval of State Plan Amendment #09-022. The changes will be implemented starting with Fiscal Year 2015-16.

Claims

An original claim must be received by DHCS not later than 30 days after the end of the month in which the service was provided unless the provider has a good cause for late claim submission.
The current DMC Short Doyle 2 claims submission timeframes remain in effect unless waived by DHCS for good cause.

The following services are currently reimbursed from DMC funds:

- Narcotic Treatment Program (NTP) Services
- Outpatient Drug Free (ODF) Services
- ODF Group Counseling
- ODF Individual Counseling
- Intensive Outpatient Treatment
- Perinatal Residential Services
- Naltrexone Treatment Services

Short Doyle 2 Claims & Coding Requirements

DMC-ODS claims will be processed by Short Doyle 2 in the same manner as regular DMC claims using the 837P Transaction.

Generally, only one unit of service (except Narcotic Treatment Program services) may be provided to a Medi-Cal-eligible recipient per treatment date.

Multiple service billings are not permitted for:

- Any DMC service other than ODF, Naltrexone, or IO services
- Services provided by different providers on the same day; and
- Services provided from different DMC service types in the same day.

When a multiple billing is submitted, the provider must prepare and retain in the beneficiary's patient record, a Multiple Billing Override (MBO) Certification (DHCS 6700) documenting the circumstances justifying the multiple service billing.

In an attempt to ensure correct placement for beneficiaries in counties opting into the DMC-ODS 1115 Demonstration Waiver, the State will permit a beneficiary to receive more than one service per calendar day by various providers. Additionally, there will be no requirement to use the MBO code for DMC-ODS claims for multiple services on the same date.

Claims can be submitted to DMC for NTP-related services whether or not the provider has determined the client has Other Health Coverage (OHC) benefits available for the services rendered. The effective date will be the service date of April 1, 2015 and forward.

NTP services include Methadone Dosing, Group Counseling, and Individual Counseling.

There will be several new procedure codes and modifiers (to be published in the ODS Billing Manual).
New procedures codes will be for the added ODS services:

- Non-perinatal Residential
- Withdrawal Management
- Case Management
- Physician Consultation
- Recovery Services

New modifiers will be needed to differentiate between the new services as they are delivered in the various modalities.
New modifiers will be needed to differentiate between the different ASAM Levels of Care.

Levels 3.7 and 4.0 for Residential and Levels 3.7 and 4 for Withdrawal Management are paid for through the Fee-for-Service System. Counties will not fund these services through the DMC-ODS system. However, DHCS would like projected client counts for these modalities.

New modifiers will be needed to differentiate between adult and youth services.

The National Drug Code will be needed to differentiate between the various additional medications that will be offered.