



Fiscal Year (FY) 2024-2025

Payment Reform: Incentive Metrics Package

March 2025 | Version 4.0



PAYMENT REFORM: INCENTIVE METRICS PACKAGE

Behavioral health payment reform implemented in July 2023 serves as the first step away from a volume-based and towards a value-based reimbursement structure for specialty substance use disorder (SUD) systems. This will require defining performance metrics that are designed to validate whether provider agencies deliver, and patients receive, outcome-focused services that translate to value-based care.

With these aims in mind, the Los Angeles County Department of Public Health's Division of Substance Abuse Prevention and Control (DPH-SAPC) designed an incentive metrics package to begin to move the SUD system towards this new model. While these metrics are still under development, the five (5) categories below are the key categories of focus under DPH-SAPC's incentive structure:

1. Workforce Development: Recruitment, Retention and Training
2. Access to Care: Reaching the 95%
3. Medications for Addiction Treatment (MAT)
4. Optimizing Care Coordination
5. Enhancing Data Reporting

Revisions are highlighted

Agencies can choose to participate in any or all of the following efforts.

DPH-SAPC strongly encourages agencies to also participate in the capacity building package to obtain additional financial resources to meet these metrics.

What is capacity building?

- Funds that DPH-SAPC pays a treatment provider either in advance to ensure start-up funds to do something or after the fact to compensate a treatment provider for completing something. Capacity building is designed to help prepare providers to meet select metrics and maximize a supplemental incentive payment. Providers need to verify expenditures or submit a deliverable for full payment.

What are incentives?

- Funds that DPH-SAPC pays a treatment provider after achieving a performance metric associated with the incentive payment. Providers need to verify completion and submit relevant data for full payment. Providers keep all funds if the metric is met and do not submit expenditure verification. The funds can be used to reinvest in the program as needed, including to support activities associated with the metric.

Note: Incentive payments will be distributed through your DMC-ODS Contract, therefore, notify SAPC Contracts and Compliance if a contract augmentation is needed to support participation. DPH-SAPC will follow its pre-established contract augmentation process and provider agencies will need to provide information on what efforts you plan to participate in to determine the augmentation amount.



PAYMENT REFORM: INCENTIVE METRICS PACKAGE

Table 1: Incentive Metrics – The following is a description of available incentive metrics efforts.

Incentive Category	Quality Incentive Metric	Measure	Funding
1. Workforce Development	<p>1a</p> <p>The percent of certified SUD counselors is at least 50% among all SUD counselors employed within an agency. Submit the applicable section of the April DQR from HODA with an invoice by 4/20/25.</p>	<p>Numerator is # of certified SUD counselors and denominator is # of all SUD counselors delivering direct services according to Sage/NACT</p>	<p>Tier 1- \$30,000 Tier 2- \$45,000 Tier 3- \$60,000</p>
	<p>1b</p> <p>The agency-wide ratio for LPHA-to-SUD counselor is at least 1:12 (i.e., 1 LPHA for every 12 SUD counselors). Submit the applicable section of the April DQR from HODA with an invoice by 4/20/25.</p>	<p>To determine the number of LPHA needed, divide the number of SUD counselors by 12. Round up the calculated number to determine the number of LPHAs required to maintain a 1:12 LPHA-to-SUD counselor to receive the incentive.</p> <p><i>Example 1: 38 SUD counselors and 2 LPHAS (38/12=3.17), this means that the minimum number of LPHAs needed to receive incentive (4) IS NOT MET, since there are only 2 LPHAs.</i></p> <p><i>Example 2: 56 counselors and 5 LPHAs (56/12=4.67), this means the minimum number of LPHAs needed to receive the incentive IS MET since there are 5 LPHAs.</i></p>	<p>Tier 1- \$30,000 Tier 2- \$45,000 Tier 3- \$60,000</p>



PAYMENT REFORM: INCENTIVE METRICS PACKAGE



		1c	All registered SUD Counselors employed by agency are paid a minimum of \$23/hr. by 3/31/25	The agency must demonstrate that it offers a minimum wage of \$23 per hour for all Registered SUD Counselors employed by agency, across all programs and funding streams.	If met, the agency will receive \$5,000 per Registered Counselor employed under a DMC-ODS contract.
2.	Access to Care	2a	Meet specified “R95 Champion” criteria by 3/31/25.	To qualify as an R95 Champion, implement the following: <ul style="list-style-type: none"> • R95 Admission Policy (2-A) AND • R95 Discharge Policy (2-B) AND • At least one other full R95 component specified in the capacity building document. 	Tier 1- \$30,000 Tier 2- \$45,000 Tier 3- \$60,000
3.	Medications for Addiction Treatment (MAT)	3a	At least 25% of patients with opioid use disorder (OUD) served in an agency’s non-OTP setting either receive MAT education and/or Medication Services that include MAT. Submit the applicable section of the April DQR from HODA with an invoice by 4/20/25.	Numerator is the applicable MAT / Medication Service Code ¹ and/or H2010M (MAT Education). Denominator is patients with OUD (F11.*) diagnosis (per HODA Division’s analyses available in the April Data Quality Report (DQR)).	Tier 1- \$30,000 Tier 2- \$45,000 Tier 3- \$60,000

¹ Agencies with only OTP levels of care are ineligible to receive this incentive. Applicable MAT / Medication Service Codes are, for non-OTP levels of care: 90792, 99202 through 99205, 99212 through 99215, 99441 through 99443, and H0033, H0034, and H2010M.



PAYMENT REFORM: INCENTIVE METRICS PACKAGE



		3b	<p>At least 15% of patients with alcohol (AUD) use disorder agency-wide either receive MAT education and/or Medication Services that include MAT. Submit the applicable section of the April DQR from HODA with an invoice by 4/20/25.</p> <p>*NOTE: Claims from OTP settings must ensure that at least 15% of patients with AUD either receive MAT for AUD education and/or Medication Services that include MAT for AUD in order to meet this incentive benchmark.</p>	<p>Numerator is the applicable MAT / Medication Service Code² and/or H2010M (MAT Education). Denominator is patients with AUD (F10.*) diagnosis (per HODA Division’s analyses available in the April Data Quality Report (DQR)).</p>	<p>Tier 1: \$30,000 Tier 2: \$45,000 Tier 3: \$60,000</p>
		3c	<p>At least 50% of patients served agency-wide receive naloxone. Submit the applicable section of the April DQR from HODA with an invoice by 4/20/25.</p>	<p>Numerator is # of patients that received naloxone³ (by prescription or via distribution documented in the record) at a given agency and denominator is total # of patients served (per HODA Division’s analyses available in the April Data Quality Report (DQR)).</p>	<p>Tier 1- \$30,000 Tier 2- \$45,000 Tier 3- \$60,000</p>

² Applicable MAT / Medication Service Codes are, for non-OTP settings: 90792, 99202 through 99205, 99212 through 99215, 99441 through 99443, H0034, H0033, and H2010M. Applicable codes for OTP settings are S5001AB, S5001C, 90792, and H0034 specific to AUD medications.

³ For non-OTP levels of care, when naloxone is provided to a patient, providers register that the patient received naloxone by submitting a claim that includes the H2010N service code associated with documentation that naloxone was prescribed and/or distributed on the date of service of that claim. Within OTPs, the service codes that count towards the numerator of this metric are S5000D and S5001D.



PAYMENT REFORM: INCENTIVE METRICS PACKAGE



4.	Optimizing Care Coordination	4a	At least 75% of patients served agency-wide have a signed Release of Information (ROI) form to share information with internal (other SUD) or external entities (e.g., physical or mental health entities) by 3/31/25.	Numerator is # of patients with a signed ROI form completed or uploaded and denominator is total # of patients served based on the site-specific admission form.	Tier 1- \$30,000 Tier 2- \$45,000 Tier 3- \$60,000
		4b	At least 30% of patients within a given agency are referred and admitted to another level of SUD care within 30 days of discharge. Submit the applicable section of the April DQR from HODA with an invoice by 4/20/25.	Numerator is the # of patients referred and admitted to other level of care within 30 days of discharge and denominator is # of patients discharged (per HODA Division’s analyses available in the April Data Quality Report (DQR)).	Tier 1- \$30,000 Tier 2- \$45,000 Tier 3- \$60,000
5.	Enhancing Data Reporting	5a	At least 45% of CalOMS admission and discharge records agency-wide are submitted timely and are 100% complete. Submit the applicable section of the April DQR from HODA with an invoice by 4/20/25.	Numerator is the # of CalOMS admission and discharge records completed 100% and submitted timely (per HODA Division’s analyses available in the April Data Quality Report (DQR)). Denominator is the # of all CalOMS admission and discharge records submitted	Tier 1- \$30,000 Tier 2- \$45,000 Tier 3- \$60,000

PAYMENT REFORM: INCENTIVE METRICS PACKAGE



		5b	Agencies provide early interim fiscal reports on a quarterly basis with final submission by 7/15/25	Agencies will use the current Fiscal Reporting Tool, as shared on the Payment Reform website.	Tier 1 - \$2,500 per quarterly report Tier 2 - \$5,000 per quarterly report Tier 3 - \$7,500 per quarterly report
--	--	-----------	--	---	---

INVOICE PROCESS

Once an agency has sufficient documentation that the above metric(s) are met in accordance with the above requirements, and any subsequent guidance, submit *Invoice – Incentive Metrics Completion Verification* and provide relevant justification and substantiating documents for SAPC review, approval, and payment.

