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In memoriam  
Dale Shimizu

DATE: February 23, 2011

TO: Hon. Bob Blumenfield, Budget Conference Committee  
Hon. Mark Leno, Vice Chair, Budget Conference Committee

FROM: California Association of Alcohol and Drug Program Executives  
(CAADPE)

RE: SB 69: Item 4200 Department of Alcohol and Drug Programs –  
Governor's Realignment Proposal. **Oppose**

The California Association of Alcohol and Drug Program Executives (CAADPE) opposes the Governor's proposal to realign substance use treatment services Drug MediCal and perinatal services to counties and requests the Committee reject the proposal as it lacks any detail.

CAADPE further recommends an alternative proposal to designate Substance Use Disorder Treatment (SUDT) as a mandated service under the state's 1115 Medicaid waiver in preparation for the implementation of the Affordable Care Act (ACA-health care reform) in 2014.

It should be noted, as much as 1/3 of the dollars identified as savings should Drug MediCal realignment take place are state general fund dollars not currently used for any federal match. The CDCR, SUD services program funds also fall into this category. This should be taken into account when considering the 1115 waiver options.

#### Background

1. Substance Use Disorder Treatment (SUDT) is a mandated service under ACA. It is estimated that approximately 300,000 individuals (including some 100,000 currently in custody in the state prison system) who are currently in need of SUDT will become eligible for Medi-Cal in July 2013, the estimated date the state will begin Medi-Cal enrollment for the January 1, 2014 implementation date of ACA.

2. The state's recently approved federal Medicaid waiver "1115 Waiver" is intended to be the "Bridge to Health Care Reform". However, California omitted SUDT services as a mandate and instead designated it as a county optional benefit. Many individuals who are currently substance use disorder patients qualify under the new "1115 waiver" eligibility requirements. This excludes 1/3 of the state's health care system from the waiver.

The eligibility requirements under the waiver are broader than under the state's Medi-Cal program and the SUD benefit can be different than the state Drug Medi-Cal.

3. The amount of funds estimated for savings through the realignment proposal could be applied as the state match under the "1115 Waiver", thereby bringing individuals into enrollment. They could receive needed services and the state would be able to draw down federal matching funds for the services.

A draft benefit is attached.

However, should the Legislature proceed with realignment CAADPE recommends the following be included for those parts that affect Substance Use Disorder Treatment:

- Realigned SUD services must be realigned to, and be administered by the county alcohol and drug program administrator.
- Realigned services must continue to meet federal block grant MOE requirements.
- Counties shall maintain the current set of services now in place with this funding, as minimum services under the realignment.
- Counties shall have the flexibility to enhance and expand services beyond the minimum set of services now in place.
- Counties shall not be permitted to cap or control caseload growth for entitlement programs, and must maintain access and availability to all state approved SUD entitlement services.
- Counties shall be capped at no more than a 10% county administrative fee, consistent with current Drug Medi-Cal practices.
- The state shall provide for adequate funding in future years. There must be a provision for increased funding to meet caseload growth and cost of living. The taxes designated to fund these services will grow in out years as the economy rebounds, and some portion of this growth must be dedicated to this purpose.
- The State shall avoid cuts to treatment services for inmates and parolees in CDCR which are proven to save costs and reduce recidivism. If the state shifts low level offenders to counties, which we know are largely SUD offenders, the state shall insure adequate funding and provide direction to counties for SUD services, to insure continued reductions in recidivism rates to state prisons.

At the very least CAADPE recommends the Committee conduct a review to determine which proposals will best maximize the use of state funds.

CAADPE is a statewide association of community-based nonprofit substance use disorder agency executives who provide services at over 300 sites in California for approximately 250,000 clients each year. Collectively, CAADPE member agencies employ approximately 7,000 professionals. CAADPE is the only statewide association representing the full continuum of care. Its members comprise the major component of the state's delivery system for publicly funded substance use disorder treatment services.

CAADPE continues to make its expertise available as a resource for the Committee.

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cc: Members, California Budget Conference Committee

Attachments:  
Draft SUD benefit under 1115 Waiver/ACA

## ***Substance Use Disorder Benefit for California***

CAADPE recommends the following principles be used as guidance for determining benefits under the “1115 waiver”/ACA implementation and the services to be provided:

### Principles

- *Least Restrictive Setting/Patient Choice (Provider)*
- *ASAM Driven, placement criteria and continued stay*
- *Utilization Review/Care Review*
- *Staff Credentialing*
- *Facility Accreditation/Certification*
- *All care will be managed*
- *All care will be confidential*
- *Care will be coordinated across Health Care System*
- *Embrace Healthcare Homes/Cross Integration and the 4 quadrant model*
- *Reimburse by or under the supervision of licensed practitioner of healing parts*

### Recommended SUD Benefit:

- *Screening*
- *Assessment*
- *Brief Intervention*
- *Consultation*
- *Acute Stabilization*
- *Detoxification*
- *Residential/Rehabilitation*
- *Medication Assistant Treatments including Addiction & Psych Medication and Behavioral Therapy*
- *Outpatient Service - Full Range*
- *Traditional, Structured, Intensive, Partial Hospitalization/Day Rehabilitation Treatment*
- *Disease Management/Care Manager*
- *Telemedicine*