

January 23, 2015

Angela Garner
Deputy Director
Division of State Demonstrations and Waivers
Center for Medicaid and CHIP Services, CMS
7500 Security Boulevard, Mail Stop S2-01-16
Baltimore, MD 21244-1850

**Re: Proposed California Amendment to Bridge to Health Reform
Demonstration (No. 11-W-00193/9), Drug Medi-Cal Organized
Delivery System Waiver**

Dear Ms. Garner:

I write on behalf of the 432 patients who receive substance use disorder treatment services at our opiate treatment program located at 7020 Friars Road, San Diego, CA 92108. We are strongly opposed to sections of the California Bridge to Reform Demonstration (No. 11-W-00193/9) Amendment for Drug Medi-Cal Organized Delivery System Waiver, submitted by the California Department of Health Care Services. Our concern, based on 20 years of program operation, is that waiving federal access protections and granting San Diego county authority to establish reimbursement rates will result in decreased access to critical, life-saving treatment services.

Specifically, the current proposal will waive beneficiary freedom of choice, equality in amount, duration and scope, state wideness and reasonable promptness, some of which form the basis of a lawsuit 20 years ago called Sobky vs. Smoley. Before that lawsuit, San Diego County limited access to our services by limiting funding. After the lawsuit, the county the state entered into direct contracts with providers. As a result, significantly more people have entered treatment and

beneficiaries can access medically-necessary treatment on demand, without the waiting lists that were standard practice before the lawsuit. This waiver is likely to overturn that lawsuit and cause the state of California and San Diego County to regress back more than 20 years. We ask that CMS **NOT** do anything that may undermine the permanent injunction that was based on overwhelming evidence of county efforts to limit access. Instead, we suggest CMS require California to carve-out opiate treatment providers from this waiver. Such carve-out will not preclude San Diego County from contracting with our program and offering OTP services to residents of San Diego County.

- Health care reform (the Affordable Care Act) has significantly increased access to OTP services. This waiver will undermine the intent of the ACA. Our clinic has provided services to the residents of San Diego County for over 20 years. We currently serve 430 patients, an increase of almost 100 patients since this time last year due to the ACA. We serve a very diverse population and a common thread among the majority of our patients is their need to access public benefits to continue to receive services that allow them to maintain their sobriety and to continue to be healthy and productive members of society. In the past, services and funding have been limited to the individuals that we serve due to the stigma that is frequently attached to those needing opiate treatment services. The Bridge to Reform Demonstration (No. 11-W-00193/9) Amendment for Drug Medi-Cal Organized Delivery System Waiver has the potential to limit access and not expand access, the opposite of the intent of the Affordable Care Act. Additionally, the provisions for state oversight do not provide strong nor swift state intervention when a county fails to provide adequate access.
- The proposed appeals process for providers whose contract are terminated is superficial and extremely limited, only allowing appeals when a county determines they have an adequate network, but not in the case of a county

that simply wants to limit funding or a county that simply wants to use a pretext to reduce access. Moreover, there are no metrics for determining network adequacy.

- Thus, in this recent example of a county-managed “organized delivery system,” referral to methadone maintenance was extremely limited. As a result, opioid-dependent participants had poor outcomes due to the services allowed by the county. All this despite the repeated recommendations of the evaluation team recommending stronger oversight and use of methadone treatment.
- Section 7. Financing of the Special terms and Conditions says counties will propose county-specific rates and the State will approve the rates. This will affect access and result in denial, delay, and limitation of services when rates are insufficient to attract sufficient providers to meet beneficiary needs and demands. This provision will also result in unequal treatment of beneficiaries based on the rates paid in different counties. Furthermore, the counties have proposed reverting from the current fee-for-service system to an antiquated cost-reimbursement system. The current system provides incentives for efficiency and aligns payment for services with evidence-based services, ensuring the best possible patient outcomes. Cost reimbursement, on the other hand, rewards inefficiency and greater costs with no connection to outcomes. That is why Congress and most every other payer has moved away from cost reimbursement systems.

In summary, CRC Health Group Fashion Valley Comprehensive Treatment Center requests that narcotic treatment programs be exempted from the Organized Delivery System waiver for the above stated reasons.

If you would like more information, please do not hesitate to contact me. Thank you

Angela Garner
January 21, 2015
Page 4

for your consideration.

Sincerely,



Deborah S. Hamilton, BSBM, MBA
Clinic Director
CRC Health Group
Fashion Valley Comprehensive Treatment Center
7020 Friars Road
San Diego, CA 92108
Ph: 619-718-9890
Fax: 619-718-9897
dhamilton@crchealth.com
www.crchealth.com