



January 28, 2015

Allissa Pederson  
Acting Clinic Manager  
Aegis Treatment Centers, LLC  
1018 21st Street  
Bakersfield, 93301

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 648 patients who receive substance use disorder treatment services at our opiate treatment program located at 1018 21st Street, Bakersfield. 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 sixteen years in operation, is that waiving federal access protections and granting Kern 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. 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 California and Kern 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 Kern County from contracting with our program and offering OTP services to residents of Kern County.

Aegis has encountered differing database systems in many counties and found that many county billing systems were not HIPAA compliant. Contracting with those counties would expose Aegis' patients to privacy risks and Aegis to liability for data breaches. In 2007, Aegis ran into problems with Santa Barbara County. In that instance, the county imposed its own billing codes and erroneously declined to reimburse the provider for services it had provided to Drug Medi-Cal beneficiaries. The county also imposed its own billing requirements that impacted clinical treatment issues and operated a data system that was not HIPAA compliant.

Aegis had an experience starting in 2009 with San Bernardino County where the county was arbitrarily denying reimbursements due to the use of an idiosyncratic database system, which was not HIPAA compliant that required manual upload of data and reimbursement requests. The county also frequently challenged patient eligibility. Further, San Bernardino delayed in processing a fiscal year 2008-09 contract amendment.

The proposed waiver would turn back the clock more than twenty years if CMS agrees to waive 42 U.S.C. §§ 1396a(a)(1)(statewideness), 1396a(8)(reasonable promptness), and 1396a(a)(10)(B)(comparability), for medication assisted treatment. These statutes provide the legal underpinnings of the Sobky injunction and remedial Plan. CMS should not take any action that will overturn or undermine a federal court injunction that is based on proof of systemic violations of law and severe, life threatening, hardship to medicaid beneficiaries.

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.

The history with county administration and funding control has not been a good one for methadone treatment providers or for Drug Medi-Cal beneficiaries desperately in need of methadone maintenance treatment. Any further delegation of power to the 58 counties of California will result in more problems, and many

patients will simply fall through the cracks as counties attempt to construct and administer their own programs, resulting in overdose, disease, incarceration and the death of some patients from the denial or delay of treatment and the effects of opioid addiction.

In summary, Aegis Treatment Centers' clinic in Bakersfield 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 for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Allissa', followed by a long horizontal line extending to the right.

Allissa Pederson  
Acting Clinic Manager