



January 28, 2015

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Aegis Treatment Centers, LLC
11041 E. Valley Blvd
El Monte, 91731

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 97 patients who receive substance use disorder treatment services at our opiate treatment program located at 11041 E. Valley Blvd, El Monte. 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 Los Angeles 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 Los Angeles 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 Los Angeles County from contracting with our program and offering OTP services to residents of Los Angeles County.

Despite the acknowledgment as the best treatment for opioid dependence, very few Prop 36 opiate users receive placement in NTP. In fact, as has been reported in the previous Prop 36 evaluation reports, NTPs have been used infrequently in Prop 36. Very few Prop 36 opiate users receive placement in NTP. Prop 36 opiate users who received NTP maintenance had the greatest reductions in their opiate use from treatment intake to discharge when compared to opiate users who received outpatient drug-free or non-NTP detoxification treatment. In contrast, across the same years, individuals seeking treatment for opioid use disorders outside of the criminal justice system received NTP between 75% and 85% of the time.

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.

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.

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.

In summary, Aegis Treatment Centers' clinic in El Monte 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,



Stacy Choi
Clinic Manager