AEGIS
TREATMENT CENTERS, LLC

January 28, 2015

Monica Tanner
Acting Clinic Manager
Aegis Treatment Centers, LLC
115 E. Fesler Street
Santa Maria, 93454

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 332 patients who receive substance use disorder treatment services at our opiate treatment program located at 115 E. Fesler Street, Santa Maria. 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 Santa Barbara 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 Santa Barbara 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 Santa Barbara County from contracting with our program and offering OTP services to residents of Santa Barbara 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.

As recently as January 2015 a Placer County official told Aegis that the county had made the decision to "opt-in" to a new system that requires all new patients to be screened by the county prior to entering a methadone clinic. Thus, medicaid beneficiaries who make the difficult and often tentative decision to end dependence on opioids would need to travel to a county clinic, potentially wait several days, and be screened before they could enter treatment. The likelihood is that potential new patients would never make it to a methadone clinic due to the delay.

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.

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.

As of July 2010, 18 of 58 California counties refused or were unable to

administer contracts with some or all Drug Medi-Cal providers operating in their counties. Many counties that do administer the program, regularly impose barriers to access such as efforts to reduce funding, limit slots or oppose new locations. County resistance is related to several factors. Some county governing bodies (Boards of Supervisors) and behavioral health administrators are philosophically opposed to treating opioid addiction with methadone.

In summary, Aegis Treatment Centers' clinic in Santa Maria 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,

Monica Tanner
Acting Clinic Manager