AEGIS
TREATMENT CENTERS, LLC

January 28, 2015

Natalie Ebrahim
Clinic Manager
Aegis Treatment Centers, LLC
625 E. Main Street
Santa Paula, 93060

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 198 patients who receive substance use disorder treatment services at our opiate treatment program located at 625 E. Main Street, Santa Paula. 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 Ventura 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 Ventura 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 Ventura County from contracting with our program and offering OTP services to residents of Ventura County.

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.

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 payor has moved away from cost reimbursement systems.

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.

Substance use disorders, especially drug addiction, carry a stigma. There is an uninformed belief that drug addicts are not deserving of scarce government resources and that methadone treatment simply substitutes one drug for another. The reality is that stereotypes, fear, and speculation will affect county control of narcotic treatment programs and administration of the Drug Medi-Cal system.

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 Santa Paula 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,

Natalie Ebrahim
Clinic Manager