



January 28, 2015

Rebecca Mitchell
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Aegis Treatment Centers, LLC
1235 McHenry Ave., Suite A & B
Modesto, 95350

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 644 patients who receive substance use disorder treatment services at our opiate treatment program located at 1235 McHenry Ave., Suite A & B, Modesto. 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 Stanislaus 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 Stanislaus 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 Stanislaus County from contracting with our program and offering OTP services to residents of Stanislaus County.

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.

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.

Health care reform (the Affordable Care Act) has significantly increased access to OTP services. This waiver will undermine the intent of the ACA.

In 2013 Merced County refused to increase the amount of Aegis's contract so that it could serve more Drug Medi-Cal patients for whom methadone maintenance was medically necessary. This issue was resolved when the California Department of Alcohol and Drug Programs convinced the County to allow the increase. Aegis experienced a similar problem with Stanislaus County in 2010-2011, when the County initially refused to renew Aegis's Drug Medi-Cal contract at all and, instead, put the contract process out to bid by other providers.

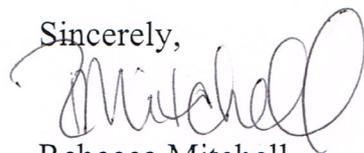
The proposed appeals process for providers whose contract are terminated is superficial and extremely limited, only allowing appeals when a county determines

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.

In summary, Aegis Treatment Centers' clinic in Modesto 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 cursive script that reads "Rebecca Mitchell". The signature is written in black ink and is positioned to the right of the word "Sincerely,".

Rebecca Mitchell
Clinic Manager