AEGIS
TREATMENT CENTERS, LLC

January 28, 2015

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Aegis Treatment Centers, LLC
1133 Coloma Way Suite C
Roseville, 95661

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 408 patients who receive substance use disorder treatment services at our opiate treatment program located at 1133 Coloma Way Suite C, Roseville. 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 Placer 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 Placer 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 Placer County from contracting with our program and offering OTP services to residents of Placer County.

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.

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.

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.

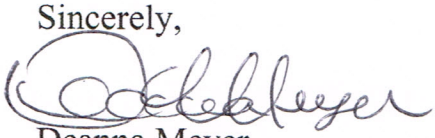
Health care reform (the Affordable Care Act) has significantly increased

access to OTP services. This waiver will undermine the intent of the ACA.

In summary, Aegis Treatment Centers' clinic in Roseville 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,



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