AEGIS
TREATMENT CENTERS, LLC

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Lital Shvarts
Acting Clinic Manager
Aegis Treatment Centers, LLC
2650 Jones Way Suite 10
Simi Valley, 93065

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 209 patients who receive substance use disorder treatment services at our opiate treatment program located at 2650 Jones Way Suite 10, Simi Valley. 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.

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

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.

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.

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 Simi Valley 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,

Lital Shvarts, PsyD.

Lital Shvarts
Acting Clinic Manager