



NEVADA COUNTY
HEALTH & HUMAN SERVICES
AGENCY

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NEVADA COUNTY BOARD OF SUPERVISORS
Board Agenda Memo

MEETING DATE: October 24, 2023

TO: Board of Supervisors

FROM: **Phebe Bell**

SUBJECT: Resolution approving execution of Standard Agreement Number 23-30116 with the Department of Health Care Services for the purpose of identifying and providing Drug Medi-Cal Organized Delivery System (DMC-ODS) services for substance use disorder (SUD) treatment in Nevada County in the maximum amount of \$30,049,500 for the term of July 1, 2023 through June 30, 2027.

RECOMMENDATION: Approve the attached Resolution.

FUNDING: This agreement provides for anticipated Federal Drug Medi-Cal and/or State General Fund reimbursement for substance use disorder services provided in the Drug Medi-Cal Organized Delivery System up to the maximum amount of \$30,049,500 (\$7,512,375 for FY 2023/24; \$7,512,375 for FY 2024/25; \$7,512,375 for FY 2025/26 and \$7,512,375 for FY 2026/27). There are no County general fund dollars required in this agreement.

The amounts above are maximum amounts of revenue/expenditures for DMC-ODS. The FY 2023/24 budget as presented to the Budget Subcommittee includes \$6,538,311 of revenue and related expenditures based on current plans. As need arises, the Department will be working on additional plans for 2023/24 services and revenue/expenditures and will bring forward a budget amendment as needed.

BACKGROUND:

Substance abuse is a significant issue in California and in Nevada County specifically. Abuse of alcohol and other drugs impacts not only the user, but also their children, family and community. Local data indicates that our county has rates of use and abuse higher than state average. The 2014 Nevada County Health Status Report indicated that adults in our county engage in binge drinking at 5-7% higher rates than state average. Opioid abuse is also a significant challenge for our community, with the rate of opioid prescriptions as well as opioid overdose emergency department visits exceeding the state rate significantly.

On August 13, 2015 the Center for Medicare and Medicaid Services (CMS) approved a request to amend California's section 1115 Demonstration Project, entitled California Bridge to Reform Demonstration. This amendment authorizes the state to test a new organized delivery system of health care services for Medicaid eligible individuals with a substance use disorder (SUD). The Drug Medi-Cal Organized Delivery System (DMC-ODS) provides a continuum of care modeled after the American Society of Addiction Medicine Criteria for substance use disorder treatment services. This new system of care will enable more local control and accountability, provide greater administrative oversight, create utilization controls to improve care and efficient use of resources, and implement evidenced based practices in substance abuse treatment. Most critically, for counties that choose to participate in the DMC-ODS, their Medi-Cal beneficiaries will be eligible for a wide array of new treatment services including residential treatment, case management and post-treatment recovery services. For Nevada County, we estimate that under the DMC-ODS we will increase the number of residents who engage in treatment services significantly, as well as provide more comprehensive services for everyone in treatment, thereby leading to better recovery outcomes.

Under the DMC-ODS system, in addition to an expanded array of services eligible for Medi-Cal billing and federal reimbursement, the state covers the complete costs of specific services to reduce the impact of this expansion on counties. Renewal of this standard agreement will allow the County to ensure that all of our Medi-Cal beneficiaries have access to a complete array of Substance Use Disorder services to support recovery. Participation in the DMC-ODS also will allow Nevada County to fully utilize the capacity of the recently re-opened Bost House.

The FY 2023/24 budget currently includes \$6,538,311 of revenue from this funding source. The \$7,512,375 per year is a maximum amount set higher than anticipated utilization by the State to reduce the likelihood of a fiscal amendment being needed.

Item Initiated and Approved by: Phebe Bell, MSW, Director of Behavioral Health