

Transformation of the Los Angeles County Substance Use Disorder System of Care

The Need for an Improved Service Delivery System

People suffering from addiction often do not receive treatment for their conditions, which results in substantial consequences for community health and quality of life. While approximately 2.3 million Californians need substance use disorder treatment every year, only about 10% receive it. (SAMHSA, Center for Behavioral Health Statistics and Quality, National Survey on Drug Use and Health, 2009-2013). Meanwhile, the number of people who need access to addiction treatment through Medi-Cal is increasing. The Medi-Cal expansion will give treatment access to the approximately 1.2 million Medi-Cal beneficiaries with substance use disorders, and criminal justice policy changes are simultaneously increasing the number of people referred to treatment. Moreover, California's safety net substance use disorder treatment system has been struggling as an underfunded and under-resourced system of care in relation to the needs of the population. Persons with untreated substance use disorders are among the highest users of publicly funded health services, and billions of dollars are lost every year due to direct and indirect costs of addiction. The profound financial and human cost of addiction demonstrates that the current rates of treatment are unacceptably low, and the need for comprehensive evidence-based treatment services is urgent and vital.

While addiction treatment is not new, it historically targeted the most severely addicted individuals, and treatment options have been inadequate to address the full spectrum of substance use disorders. Treatment mainly involved forms of counseling and self-help, with little specialized or personalized treatment options. Addiction was considered by many to be a moral issue, with little acknowledgement of the biological, psychological, and social elements that make recovery more complex than a simple decision to "say no to drugs."

More recently, there has been growing recognition that we must treat addiction as a chronic health condition using a combination of psychosocial treatment, appropriate medication, long-term services to complement a chronic disease model, and case management to maintain recovery. Concurrent advances in evidence-based practices have fostered the field's maturity into an integral component of the health care system. Accordingly, we need an up-to-date and improved system of care that incorporates these advances in science, health care, and social policies. To achieve this will require nothing short of a new paradigm for the organized delivery of treatment services.

Los Angeles County's Transformation

The Los Angeles County Department of Public Health, Substance Abuse Prevention and Control (SAPC) is poised to undertake one of the greatest transformations of substance use disorder treatment systems in recent history. The Federal Center for Medicare and Medicaid Services recently approved the California Department of Health Care Services' Drug Medi-Cal Organized Delivery System Waiver, which will allow pilot programs designed to innovate SAPC's system of care. The County will leverage this opportunity, along with the 1115 Medicaid waiver renewal, "Medi-Cal 2020," and the Medi-Cal expansion, to pave the way for a redesigned system of care.

Our implementation and operation plans for this system transformation will include the following critical elements:

- Increased access to treatment services for adolescents and adults;
- Substance use treatment benefits based on medical necessity and the American Society of Addiction Medicine (ASAM) Criteria;
- A patient-centered continuum of care centered on the unique needs of the whole person;
- Increased local control and accountability;
- Greater administrative oversight;
- Utilization controls to improve care and ensure efficient use of resources;
- Use of evidence-based practices in substance use treatment; and,
- Coordination with other systems of care, such as physical and mental health.

Key Changes for Substance Use Disorder Network Providers

To enact this transformation to our service delivery systems, L.A. County and its network of providers will need to make significant changes, including, but not limited to, redesigning program services and standards, building clinical and business capacity, and investing in new technology and infrastructure. The transformation will start with the State's approval of the County's Implementation Plan, and the L.A. County Board of Supervisors executing a contract with the State. Thereafter, the system transformation will continue to be phased in over the next several years. Some key changes for providers will include the following:

- Medi-Cal-eligible individuals must receive Drug Medi-Cal (DMC) reimbursable services at providers that are DMC-certified by the State;
- Agencies must obtain DMC certification from the State for all contracted levels of care (formerly modalities) by July 2017 to remain eligible for County contracts;
- All County residential contractors must submit DMC applications to the State by July 31, 2016;
- All County non-residential contractors must submit DMC applications to the State by July 1, 2016;
- All County contractors must have a Master Agreement with the County by July 1, 2017;
- All clinical/counselor staff must be capable of effectively implementing and consistently using Motivational Interviewing and Cognitive Behavioral Therapy;
- The ASAM Criteria and medical necessity will determine initial and ongoing patient placement;
- Medication-assisted treatment will be explored as an option for patients with alcohol and opioid use disorders;
- Care coordination and case-management will include referrals to appropriate physical and mental health services and follow-up to ensure referrals are completed;
- New fee-for-service DMC rates will be negotiated with the State for an anticipated two-year period, and then transition to an alternate reimbursement structure (e.g. performance-based or capitation);
- Quality assurance and utilization management will be a central component to ensuring effective care, including appropriate patient placement and transitions between levels of care; and,
- Focus will be on improving access to services, health outcomes and quality of life, as well as cost savings across the health care delivery system.

While the Affordable Care Act and Medi-Cal expansion increases federal funds and the availability of addiction treatment benefits, additional financial investment will be required to move towards a more

accountable and professional treatment system. Research consistently shows that investing in effective treatment produces exponential returns in cost savings. Various cost-benefit analyses have shown that on average, every \$1 spent on treatment services results in \$7 in benefits of lower addiction-related costs, and school-based prevention programs yield \$18 in savings per \$1 invested. Furthermore, substance abuse treatment services in criminal justice systems have shown considerable reductions in recidivism, crime, and hospitalization. Such investments are critical for L.A. County, where untreated substance use disorders cost an estimated \$40 billion annually in lost workforce and wages, medical costs, public services, property damage, motor vehicle accidents, and quality of life. (Pacific Institute for Research and Evaluation, 2012). Upstream investments in improved and sustainable treatment systems will yield greater downstream benefits and savings, and effective policies and programs are crucial to increase funding support for substance use disorder treatment services.

Collaboration and Education

SAPC understands that the success of this transformation will depend on collaboration and collective efforts to design, build, and implement the new system of care. Over the course of the year, we will offer educational seminars, webinars, publications, and other training opportunities to assist our network providers to prepare and adjust to these changes.

Patients must also be educated and informed to become partners in sustainable recovery. The patient will play an active and integral decision-making role in their treatment plan and recovery process. The County will work with providers and patient groups to ensure that accurate and timely information is being disseminated in a culturally and linguistically competent manner, and that patients are treated with dignity and respect in a confidential and ethical manner.

The transformation of L.A. County's substance use disorder system of care will require major changes spanning several years and will involve the collaboration of our network providers, multiple public agencies, patients, and the public. If successful, this transformation would demonstrate that innovations, coupled with investments in evidence-based practices and a full continuum of care, can improve care and outcomes, decrease costs, and enhance the health and quality of life for millions of people with substance use disorders.

SAPC is a division of the Los Angeles County Department of Public Health. In contract with 150 community-based programs, SAPC operates and manages an array of publicly-funded prevention and treatment services, including a residential facility, the Antelope Valley Rehabilitation Center.