

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
 DF-46 (REV 02/15)

Fiscal Year FY 2016-17	Business Unit 4260	Department Health Care Services	Priority No.
Budget Request Name 4260-305-SFL-DP-2016-A1		Program 3960010	Subprogram

Budget Request Description

DMC-ODS Waiver Program Resources

Budget Request Summary

The DHCS, Substance Use Disorder Program, Policy, and Fiscal Division (SUD PPF), requests position and expenditure authority to support fiscal oversight and programmatic monitoring requirements of the 1115 Demonstration Waiver Amendment for the Drug Medi-Cal Organized Delivery System (DMC-ODS).

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed
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Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date
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For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance.

FSR SPR Project No. Date:

If proposal affects another department, does other department concur with proposal? Yes No
 Attach comments of affected department, signed and dated by the department director or designee.

Prepared By <i>Karen Baylorn</i>	Date <i>3/28/16</i>	Reviewed By <i>[Signature]</i>	Date <i>3/29/16</i>
Department Director <i>Jan Kent</i>	Date <i>3/29/16</i>	Agency Secretary <i>Bea Duesy</i>	Date <i>3/29/16</i>

Department of Finance Use Only

Additional Review: Capital Outlay ITCU FSCU OSAE CALSTARS Dept. of Technology

BCP Type: Policy Workload Budget per Government Code 13308.05

PPBA *Carla Astudillo* Date submitted to the Legislature **APR 01 2016**
APR 1 2016

BCP Fiscal Detail Sheet

BCP Title: DMC-ODS Waiver Oversight and Monitoring

DP Name: 4260-305-BCP-DP-2016-A1

Budget Request Summary

	FY16					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Positions - Permanent	0.0	5.0	8.0	8.0	8.0	8.0
Total Positions	0.0	5.0	8.0	8.0	8.0	8.0
Salaries and Wages						
Earnings - Permanent	0	303	485	485	485	485
Total Salaries and Wages	\$0	\$303	\$485	\$485	\$485	\$485
Total Staff Benefits	0	146	234	234	234	234
Total Personal Services	\$0	\$449	\$719	\$719	\$719	\$719
Operating Expenses and Equipment						
5301 - General Expense	0	30	38	32	32	32
5302 - Printing	0	10	16	16	16	16
5304 - Communications	0	10	16	16	16	16
5320 - Travel: In-State	0	35	48	48	48	48
5322 - Training	0	5	8	8	8	8
5324 - Facilities Operation	0	45	72	72	72	72
5344 - Consolidated Data Centers	0	5	8	8	8	8
539X - Other	0	35	21	0	0	0
Total Operating Expenses and Equipment	\$0	\$175	\$227	\$200	\$200	\$200
Total Budget Request	\$0	\$624	\$946	\$919	\$919	\$919

Fund Summary

Fund Source - State Operations						
0001 - General Fund	0	312	473	459	459	459
0890 - Federal Trust Fund	0	312	473	460	460	460
Total State Operations Expenditures	\$0	\$624	\$946	\$919	\$919	\$919
Total All Funds	\$0	\$624	\$946	\$919	\$919	\$919

Program Summary

Program Funding						
3960010 - Medical Care Services (Medi-Cal)	0	624	946	919	919	919
Total All Programs	\$0	\$624	\$946	\$919	\$919	\$919

Personal Services Details

Positions	Salary Information			CY	BY	BY+1	BY+2	BY+3	BY+4
	Min	Mid	Max						
5393 - Assoc Govtl Program Analyst (Eff. 07-01-2016)				0.0	5.0	5.0	5.0	5.0	5.0
5393 - Assoc Govtl Program Analyst (Eff. 07-01-2017)				0.0	0.0	3.0	3.0	3.0	3.0
Total Positions				0.0	5.0	8.0	8.0	8.0	8.0
Salaries and Wages	CY	BY	BY+1	BY+2	BY+3	BY+4			
5393 - Assoc Govtl Program Analyst (Eff. 07-01-2016)	0	303	304	304	304	304			
5393 - Assoc Govtl Program Analyst (Eff. 07-01-2017)	0	0	181	181	181	181			
Total Salaries and Wages	\$0	\$303	\$485	\$485	\$485	\$485			
Staff Benefits									
5150350 - Health Insurance	0	72	116	116	116	116			
5150600 - Retirement - General	0	74	118	118	118	118			
Total Staff Benefits	\$0	\$146	\$234	\$234	\$234	\$234			
Total Personal Services	\$0	\$449	\$719	\$719	\$719	\$719			

Analysis of Problem

A. Budget Request Summary

The Department of Health Care Services (DHCS), Substance Use Disorder Program, Policy, and Fiscal Division (SUD PPF), requests 8.0 permanent, full-time positions and \$946,000 (\$473,000 General Fund (GF)/\$473,000 Federal Fund (FF)) .

The resources will be phased in over two fiscal years:

- FY 2016-17 5.0 positions at \$624,000 (\$312,000 GF/\$312,000 FF)
- FY 2017-18 3.0 positions at \$322,000 (\$161,000 GF/\$161,000 FF)

The resources are needed to support fiscal oversight and programmatic monitoring requirements of the 1115 Demonstration Waiver Amendment for the Drug Medi-Cal Organized Delivery System (DMC-ODS).

The DMC-ODS will demonstrate how organized substance use disorder care increases treatment benefits to DMC beneficiaries while decreasing other system health care costs. With the Centers for Medicare and Medicaid Services (CMS) approval, DHCS is required to implement all of the provisions outlined in the Special Terms and Conditions (STCs), federal managed care requirements and the State and County contracts.

B. Background/History

The purpose of the DMC-ODS waiver is to create a continuum of care model that will provide an Organized Delivery System of SUD services modeled after the American Society of Addiction Medicine (ASAM) Criteria for substance use disorder treatment services. The continuum of care model enables more local control and accountability, provides greater administrative oversight, creates utilization controls to improve care and efficient use of resources, implements evidenced based practices in substance use disorder treatment, and coordinates with other systems of health care. The DMC-ODS waiver, an amendment to DHCS' Bridge to Reform Waiver, was approved by CMS on August 13, 2015 for five and a half years. Currently, the services under DMC include outpatient, intensive outpatient, perinatal residential and methadone treatment. Counties must contract with any willing DMC certified service provider; otherwise the state must enter into a direct contract with the treatment provider. Currently DMC is a fragmented system without a true continuum of care for Medi-Cal beneficiaries with substance use disorders.

At the beginning of 2014, DHCS began the stakeholder engagement process to solicit input to improve the DMC system. Stakeholders emphasized the need to broaden the services offered, address program integrity issues, and expand the benefit package of SUD treatment services given the federal restrictions on residential treatment services. An Expression of Interest survey was sent to all counties to gauge how many planned to opt-in during their regional phase of implementation. Fifty-three of the 58 counties expressed an interest to opt-in to the DMC-ODS waiver once approved by CMS.

The implementation of the DMC-ODS is occurring in regional phases modeled after the California Behavioral Health Director's Association boundaries for each region. Additionally, this approach gives DHCS and counties the opportunity to learn from each implementation phase and improve their submission for the next. (See Attachment B)

Analysis of Problem

As of March 2016, seven counties have submitted their implementation plans (IPs) for DHCS and CMS review and approval. DHCS anticipates the experience gained from the initial IP reviews will improve subsequent phase implementations.

Counties must submit to DHCS a plan on their implementation of the DMC-ODS. DHCS and CMS are reviewing IPs concurrently with a target of 60 days to approve or send back for adjustments. County IPs will ensure providers are appropriately certified for the contracted services, implementing at least two evidenced based practices, trained in ASAM Criteria, and participating in efforts to promote culturally competent service delivery. Counties are not eligible for reimbursement of services without approval of the IP, state contract, and reimbursement rates by CMS and DHCS. Currently for non-waiver counties, the standard statewide DMC service rates are developed by DHCS in accordance with the Welfare and Institutions Code, Sections 14021.51, 14021.6 and 14021.9. Once established, the statewide DMC reimbursement rates are coded into the DMC billing and payment systems (Short-Doyle and SMART) so that services provided to beneficiaries in all counties are reimbursed at the same rate. However, participating waiver counties will propose their own county-specific rates, with subsequent DHCS and CMS approval.

The Waiver's STCs include many quality assurance, monitoring, and reporting requirements for participating providers, counties and the State. These activities are to ensure accountability to CMS, as well as, continued program integrity monitoring efforts to prevent waste, abuse and fraud within the DMC services. Quality assurance activities are modeled after Specialty Mental Health requirements and ensure the federal and state provisions of the Waiver are properly implemented and oversight is maintained by DHCS. For example, it will remain the State's responsibility to monitor DMC treatment providers and county adherence to the State-County Contract through fiscal and cost reporting, collecting beneficiary treatment data, and on-site compliance reviews and licensure renewal.

Two divisions within DHCS are responsible for the implementation and ongoing business requirements of the waiver; Substance Use Disorders Compliance Division (CD) and Substance Use Disorders Program, Policy and Fiscal Division (PPFD). Both divisions have been working on planning and development activities similar in nature to existing responsibilities that must be in place prior to the approval of the first County IP. CD is the entry point for county outreach and training; ASAM designation of residential treatment programs; technical assistance on, and DHCS review of, county IPs; and liaison with CMS on county IPs. Concurrently, PPFD has been working on, and will be responsible for, drafting policy for new waiver services; waiver contract language and execution activities; business requirements, testing and training for changes to the fiscal reimbursement systems; monitoring and program integrity training for counties; and review protocols for External Quality Review Organization (EQRO) annual reports.

Existing staff in PPFD have initiated the following activities in preparation for the waiver implementation:

- Participating in weekly workgroups related to new and expanded waiver services, rate setting, IT requirements, cost report requirements, and provider database requirements;
- Conducting preliminary research and work with the Office of Legal Services on waiver contract requirements and developing draft contract documents;
- Identifying global claim adjudication rules which need to be established for the development into the Short Doyle Medi-Cal (SDMC) system to clearly identify waiver claims and differentiate from current regular DMC claims;

Analysis of Problem

- Identifying system changes needed to capture the requirement that every county participating in the waiver will be reimbursed at individually-approved interim rates;
- Developing preliminary modalities, program codes, and service codes for cost reporting purposes;
- Analyzing and developing the different processes needed for cost settlement of waiver counties using an interim rate methodology as opposed to the established methodology of settling at the lower of the provider's allowable cost of rendering the services, the provider's usual and customary charge to the general public for similar services, or the state maximum allowance for the services provided;
- Developing policy documents for new waiver services and additional treatment modalities;
- Developing county monitoring instrument for waiver contracts and annual review protocols;
- Developing program integrity training for county personnel; and
- Reviewing protocols for quality assurance reports from counties and EQRO reports.

Many additional tasks must be accomplished prior to implementation of waiver services and then there will be ongoing functions required to maintain the waiver program and services, separate from non-waiver program activities.

Resource History
(Dollars in thousands)

Substance Use Disorder Service – Program, Policy and Fiscal Division					
Program Budget	2010-11	2011-12	2012-13	2013-14	2014-15
Authorized Expenditures	N/A	N/A	N/A	10,517	13,136
Actual Expenditures	N/A	N/A	N/A	10,517	10,684
Revenues	N/A	N/A	N/A	N/A	N/A
Authorized Positions	N/A	N/A	N/A	111.3	110.0
Filled Positions	N/A	N/A	N/A	66.5	86.5
Vacancies	N/A	N/A	N/A	44.8	23.5
<i>Effective FY 2013-14, DADP transitioned to DHCS</i>					

Analysis of Problem

Workload History

Workload Measure	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Formal trainings to DMC providers	Not available	2	1	3	3	4
Process and analyze DMC claims	6.2 million	6.5 million	6.7 million	6.3 million	6.8 million	NA
DMC claims remediation, developing business requirements for system changes, user acceptance testing, ad hoc reports	55% of FMAB staff time	55% of FMAB staff time	65% of FMAB staff time	65% of FMAB staff time	70% of FMAB staff time	NA
Cost report forms/instructions/application sent to counties in time for them to meet legislative mandate for submission	On time	On time	*1 month late	*8 months late	*6 months late (estimate)	NA

* The cost report delays in FYs 2012-13 through 2014-15 were due to multiple changes as a result of the implementation of the Affordable Care Act.

C. State Level Considerations

This proposal supports the goal of improving services for DMC beneficiaries through the Affordable Care Act, which was enacted to ensure that beneficiaries receive the medical treatment needed including substance use disorders services. Further, this proposal supports DHCS' 2013 – 2017 Strategic Plan commitments 2.1.2 and 4.1.3 that encourage coordinated and integrated delivery of health services and implement new models of care for substance use treatment services. The proposal requests resources necessary for DHCS to implement the fiscal oversight and programmatic monitoring provisions outlined in the STC's of the Waiver. Existing resources do not have the capacity to address the new activities associated with implementation of the waiver.

D. Justification

This proposal will provide DHCS the necessary staffing to effectively implement the waiver and demonstrate how organized substance use disorder care increases the success of DMC beneficiaries while decreasing other system health care costs. Additionally, this proposal provides resources for DHCS to provide prompt and accurate payment for DMC services at varying rates of reimbursement, process end of the year cost reports timely, continue DMC program integrity efforts, and ensure the success of implementing the waiver.

PPFD will have a significant increase in workload to assist with the implementation of the provisions outlined in the DMC-ODS Waiver. A total of 8.0 Associate Governmental Program Analysts (AGPA) are needed in two of PPFD's branches to manage the increased workload.

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Five of the requested AGPA positions are needed in the Performance Management Branch (PMB) to implement new waiver activities related to technical assistance, quality assurance and reporting requirements including:

- Program integrity monitoring technical assistance and training to waiver counties;
- Waiver policy language and communication for Information Notices to the field;
- Provider complaint and appeal referrals and tracking;
- Review of annual county utilization reviews of contracted treatment providers for completeness and monitoring adequacy. Ensuring counties are following up on corrective action plans addressing non-compliance;
- Review of annual reports submitted by the EQRO on each waiver-participating county; and
- Development of the triennial review process, reporting results to counties and CMS, and technical assistance materials and training to waiver counties.

Three of the requested AGPA positions are needed in the Fiscal Management and Accountability Branch (FMAB) to develop and implement the necessary changes to DMC systems and processes required by the waiver. Although FMAB staff have conducted preliminary work in preparation for waiver implementation, DHCS must still complete the following:

- Develop and execute waiver-specific contracts with the opt-in counties;
- Add the new waiver services and expanded services to the SDMC system as reimbursable DMC services for waiver counties only;
- Finalize global claim adjudication rules in the SDMC system to differentiate waiver claims from non-waiver claims;
- Finalize SDMC changes to enable each participating county to be reimbursed at individually-approved interim rates;
- Finalize changes to the web-based cost report to accommodate separate cost settlement processes for waiver and non-waiver counties;
- Participate in user acceptance testing for all changes to multiple systems (SDMC, SMART, web-based cost report, and SMART 6i);
- Develop and finalize processes for interim and final reconciliation of DMC payments to waiver counties;
- Revise and finalize the cost report forms to accommodate the more complex settlement process for waiver counties;
- Provide ongoing technical assistance and training to the opt-in counties on the new requirements, processes, and systems related to billing and cost reporting; and
- Review waiver requirements for further automation needs and make recommendations for current and new fiscal and provider data base systems.

Without sufficient staff resources to address these issues, DHCS will be unable to effectively implement this waiver that will improve the state's alcohol and drug abuse treatment system. Lack of resources could lead to critical delays in executing the required county contracts and developing business requirements necessary for the SDMC and SMART system changes that will allow counties to participate in the waiver and reimburse them for waiver services. In addition, if the cost report system changes for the waiver are not completed in a timely manner, counties will not meet the legislatively-mandated cost report submission date, leading to delays that could impact DHCS' access to county and provider data that is needed as a source of identifying potential Medicaid fraud and abuse.

While current AGPAs in FMAB are responsible for tasks that are similar to waiver activities (such as contract development and approval, review and remediation of DMC claims, and

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review and settlement of cost reports), the number and volume of tasks will increase as new counties enter the waiver program. In addition, new waiver-specific policies and processes must be implemented while maintaining existing policies and processes for non-waiver counties.

Because there is some uncertainty related to how many counties will be ready to file implementation plans and how many will be approved by CMS in FY 2016-17, it is recommended the requested positions be phased in over two fiscal years: 5.0 AGPA positions to be established in FY 2016-17 (3.0 in PMB and 2.0 in FMAB) and 3.0 AGPA positions in FY 2017-18 (2.0 in PMB and 1.0 in FMAB).

E. Outcomes and Accountability

Approving this proposal to establish 8.0 permanent positions will assist DHCS in accomplishing the following deliverables:

- Develop the State-County Contract for all counties, amend State-County contracts for waiver opt-in counties, and execute all contracts in a timely manner.
- Timely adjudicate and process waiver and non-waiver DMC claims.
- Provide annual cost report forms and/or applications in a timely manner.
- Maintain the DMC adjudication, billing, and provider applications.
- Identify contractual deficiencies and remediate through technical assistance and/or begin the corrective action process.
- Review of annual EQRO reports.

Projected Outcomes

Workload Measure	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Develop, review, approve new State/County Contracts ¹	0 – mid-year of 3 yr contract	0 – last year of 3 yr contract	4	0 – mid-year of 3 yr contract	0 – last year of 3 yr contract	4
State/County contract amendments	138	61	12	12	12	8
Develop, review, and approve new State/Direct Provider contracts ^{1,2}	4	2	0	0	0	0
State/Direct Provider contract amendments ²	45	30	0	0	0	0
Develop, review and approve new waiver contracts	2 – 3 year contract	20 – 3 year contract	31 for known counties but could include Tribal Partners	2 – multi-year contract	20 – multi-year contract	31

Analysis of Problem

Workload Measure	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Develop claim/cost report policies and business requirements for systems changes, testing, claims remediation, cost settlement, technical assistance, formal training, adhoc reports	80% of FMAB staff time	80% of FMAB staff time	80% of FMAB staff time	75% of FMAB staff time	75% of FMAB staff time	75% of FMAB staff time
Provide ongoing technical assistance to counties on the waiver requirements	N/A	Daily	Daily	As needed	As needed	As needed
Annual EQRO county reports review for compliance and areas to provide technical support	N/A	7 (22 counties)	22	53 (plus Tribal Partners)	53	53
Provider appeals to DHCS due to waiver county denial of DMC contract ³	N/A	20	20	20	10	5

¹ Substance use disorder contracts with counties and direct providers are for three-year terms with approximately two amendments for each annually to add/reduce funds or address policy changes.

² There should be a reduction in direct provider multi-year contracts in waiver counties as providers can no longer have a direct contract with the State for opt-in counties.

³ Waiver counties will be able to selectively contract with DMC providers resulting in the potential for providers appealing the decision to DHCS. The estimated reduction of appeals after 2018 is based on the assumption that appeals will occur shortly after a county contracts with providers and decrease over time.

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F. Analysis of All Feasible Alternatives

Alternative 1: Approve the position and expenditure authority request for a total of 8.0 permanent positions to address the increased workload resulting from the DMC-ODS Waiver. The positions would be phased in over two fiscal years: 5.0 AGPA positions in FY 2016-17 and 3.0 AGPA positions in FY 2017-18. Total cost: \$946,000 (\$473,000 GF/\$473,000 FF).

Pros:

- DHCS will have the necessary resources to carry out the increased workload and be able to provide for effective and timely implementation of the organized delivery system in California.
- Beneficiaries will receive consumer-focused services at the assessed level of need, and benefit from the use of evidence based practices to improve program quality outcomes.
- Improve beneficiaries' access to necessary care in order to achieve sustainable recovery while decreasing other system health care costs.
- Provides resources to appropriately monitor service delivery, capacity, types and geographic distribution of SUD services.
- Increases DHCS' ability to execute annual ODS county contracts; modify provider and fiscal data systems to promptly reimburse waiver counties for services; and complete the cost settlement process as federally required.

Cons:

- Increased staff and GF costs.
- Time and resources for training would be increased.

Alternative 2: Status quo (redirect existing staff resources).

Pros:

- No increased cost to the state.
- Time and resources for staff training would be unnecessary.

Cons:

- Inability to meet both additional waiver workload and current workload demands.
- Delays implementation of the waiver.
- Limits ability to demonstrate how residential services are an integral component of the continuum of care.
- Limits opportunities to improve client health and safety.
- Decreases ability to maintain DMC program integrity efforts and monitor county compliance with the federal block grant requirements.

G. Implementation Plan

In order to implement the DMC-ODS, DHCS identified the need for 8.0 AGPAs to carry out the anticipated workload (see Attachment B: DHCS Draft State Implementation Plan).

- It is anticipated that two of the Phase One waiver counties will enter a contract with DHCS and begin delivering services as early as May 2016;
- Phase Two counties in January 2017;

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- Phase Three counties in July 2017;
- Phase Four counties in January 2018; and
- Finally Tribal Partners (Phase Five) early in 2018.

Once DHCS receives the approval for the positions, duty statements will be developed and the recruitment process will begin. DHCS anticipates a three-month timeframe, from August 1, 2016, to fill the first five AGPA positions.

New staff will begin with the waiver duties required for counties that will be delivering expanded waiver services as part of Phases One, Two, and Three.

The recruitment process will begin in July 2016 and DHCS expects those positions will be filled by November 2017. Those new staff will assist with waiver duties required for all counties (estimated at 53) and tribal partners participating in the waiver.

H. Supplemental Information

FY 2016-17: Cubicle build-outs including cabling for five new positions \$35,000 (one-time). In-State Travel expenditure authority of \$35,000 (permanent).

FY 2017-18: Cubicle build-outs including cabling for three new positions \$21,000 (one-time). In-State Travel expenditure authority of \$13,000 (permanent).

I. Recommendation

Alternative 1 - to approve funding for the 8.0 permanent positions to allow DHCS to implement the provisions outlined in the DMC-ODS Waiver.

WORKLOAD STANDARDS
Substance Use Disorder Program, Policy and Fiscal Division
Performance Management Branch
5.0 Associate Governmental Program Analysts, (808-960-5393-xxx)
Permanent

Activities	Number of Items	Hours per Item	Total Hours
Review EQRO reports on waiver counties, identify and provide technical assistance to address deficiencies, and utilize CAP process if necessary.	53 Annually	80	4,240
Independently review and analyze submitted county monitoring reports on waiver contracted providers; provide documentation to counties of results of analysis and provide technical assistance.	53 Annually	40	2,120
Prepare written correspondence related to the waiver for CMS, the Legislature, counties, providers and other stakeholder engagement; prepare Legal Services Requests on DMC-ODS related issues as needed.	Weekly	10	450
Prepare denied treatment provider and county selective contracting appeal documents for management and Legal.	20 annually aver	10	200
Provide technical assistance to waiver counties on developing service policies, procedures, corrective action plans, provider monitoring protocols, data collection and program integrity improvements.	Weekly	4	180
Develop and provide DMC training and materials for counties and providers.	Quarterly	40	160
Post and make ADA compliant the annual EQRO reports and county CAPs on DHCS website. ¹	Annually	3	318
Triennial Reviews: review status of the county Quality Improvement Plans county's adherence to regulatory and contractual requirements of the waiver, and beneficiary records. Create report from results of review; review, approve and follow-up on county corrective action plans addressing deficiencies.	18	120	2,160 ²
Create monitoring protocol, report template and information notices to counties for the Triennial Reviews	1	200	200
Total hours worked			10,028
1,800 hours = 1 Position			
Actual number of Positions requested			5.0

¹Two documents (EQRO report & CAP) for 53 counties.

²This activity will only occur once for 53 counties after providing waiver services for three years.

WORKLOAD STANDARDS
SUD Program, Policy, and Fiscal Division
Fiscal Management and Accountability Branch
3.0 Associate Government Program Analysts, (808-960-5393-XXX)
Permanent

Activities	Number of Items	Hours per Item	Total Hours
Independently review and prepare waiver and non-waiver contracts. Work with county alcohol and drug program administrators and direct contract providers to resolve issues/budget problems and potential audit areas. Identify unresolved issues and recommend solutions. Prepare contract requests, notice of allocation revisions, correspondence, and budget worksheets.	3	425	1,275
Develop new billing and claims adjudication policies in accordance with waiver requirements. Independently process and conduct analysis of county and direct provider claims. Analyze claims for compliance with federal and state law. Independently release claim information for late submissions and/or certification of services for adjudication. Monitor DMC claim processing and payment status, remediate claims issues and prepare ad hoc reports.	3	400	1,200
Develop business requirements and assist in the development, testing, and production of all new fiscal and provider data systems changes required by the waiver. Review waiver requirements for further automation needs and make recommendations for current and new fiscal and provider data base systems.	3	225	750
Develop new cost report policies and procedures to accommodate new waiver cost report methodology. Conduct in-depth analyses of county and direct provider cost reports. Reconcile the final allocation figures. Prepare DMC settlement worksheets, update data systems, and prepare settlement letters.	3	350	1,050
Provide technical assistance and training on new waiver requirements.	3	200	600
Represent the Department, Division, and Branch in various meetings and workshops regarding fiscal and program issues.	3	100	300
Research and collect data to write issue, policy, briefing papers, and correspondence related to general inquiries and requests for information; prepare legislative bill reviews, and analysis.	3	40	120
Maintain system files for managing and reporting activities of the DMC program. Handle special assignments and projects related to cost reports, contracts, and DMC billing.	3	35	105
Total hours worked			5,400
1,800 hours = 1 Position			
Actual number of Positions requested			3.0

**DRUG MEDICAL (DMC) ORGANIZED DELIVERY SYSTEM WAIVER
DEPARTMENT OF HEALTH CARE SERVICES (DHCS) DRAFT STATE IMPLEMENTATION PLAN**

Proposed Implementation Phase Timeline

Description	Phase One	Phase Two	Phase Three	Phase Four	Phase Five
Counties will implement Waiver services based on five phases. The time frame for service implementation is projected and may shift during the course of implementation.	July 2016	January 2017	July 2017	January 2018	2018

Participating Counties

Description	Phase One (21.3% of population)		Phase Two (60.8% of population)		Phase Three (13.8% of population)		Phase Four (2.7% of population)		Phase Five
Counties completed an Expression of Interest Survey regarding their interest to opt-in to the four phases of implementation. County participation in the Waiver is voluntary. Fifty-three counties expressed interest in participating in the Waiver.	Alameda	San Francisco*	Kern	Los Angeles*	Calaveras	Placer	Butte	Modoc	Tribal Partners
	Contra Costa	San Mateo*	Ventura	San Diego	El Dorado	Sacramento	Colusa Del Norte	Nevada	
	Marin*	Santa Clara*	Orange	Santa Barbara	Fresno	Stanislaus	Glenn	Plumas	
	Monterey	Santa Cruz*	Riverside*	San Bernardino	Inyo	Yolo San Joaquin	Humboldt	Shasta	
	Napa	Santa Cruz*			Kings	Sutter	Lake	Siskiyou	
	San Benito	Solano			Madera	Tuolumne	Lassen	Tehama	
		Sonoma			Merced	Yuba	Mendocino	Trinity	
					Mono				

County Implementation Plans

- Opt-in counties are required to submit a county implementation plan. Plans will be reviewed by CMS and DHCS and rates will be approved by the state in phases one through five.
 - DHCS will establish a county liaison of each participating county for implementation plan review, technical assistance questions and ongoing support throughout the Waiver.
 - CMS approved State/county contracts will be executed by the county Board of Supervisors in order to begin service delivery throughout the Waiver.
- *Denotes receipt of county implementation plan as of March 2016. San Francisco and Santa Mateo could be providing services as early as May 2016.