



## Substance Abuse Prevention and Control (SAPC) Fiscal Year (FY) 2023-2024 Capacity Building Package

The Los Angeles County Department of Public Health's Division of Substance Abuse Prevention and Control (DPH-SAPC) funded capacity building efforts in FY 2016-2017 to prepare the substance use disorder (SUD) treatment system for substantial changes arising out of participation in the Drug Medi-Cal Organized Delivery System (DMC-ODS). With the continued transformation expected under the California Advancing and Innovating Medi-Cal (CalAIM) Initiative and the movement towards value-based care under payment reform, as well as increased training requirements for substance use disorder (SUD) counselors in 2025 with [AB 2473](#), DPH-SAPC is embarking on another round of optional **capacity building** efforts to support its provider network with development in the following areas:

1. Workforce Development: Recruitment, Retention and Training
2. Access to Care: Reaching the 95%
3. Fiscal and Operational Efficiency: Revenue and Expenditure Management

*Agencies can choose to participate in any or all of the following efforts. However, DPH-SAPC strongly encourages full participation since the funding may assist in meeting related Incentive Metrics and drawing down those additional payments as well.*

### What is capacity building?

- Funds that DPH-SAPC pays a treatment provider either in advance to ensure start-up funds to do something or after the fact to compensate a treatment provider for completing something. Capacity building is designed to help prepare providers to meet select metrics and maximize a supplemental incentive payment. Providers need to verify expenditures or submit a deliverable for full payment.

### What are incentives?

- Funds that DPH-SAPC pays a treatment provider after achieving a performance metric associated with the incentive payment. Providers need to verify completion and submit relevant data for full payment. Providers keep all funds if the metric is met and do not submit expenditure verification. The funds can be used to reinvest in the program as needed, including to support activities associated with the metric.

*Note: Capacity building payments will be distributed through your DMC-ODS Contract, therefore, notify DPH-SAPC Contracts and Compliance if a contract augmentation is needed to support participation. DPH-SAPC will follow its pre-established contract augmentation process and provider agencies will need to provide information on what efforts you plan to participate in to determine the augmentation amount.*

*The following is a description of available capacity building efforts.*

## Capacity Building Category: Workforce Development

**Description:** DMC-ODS and CalAIM initiatives transformed the specialty SUD service system for Medi-Cal clients and continue to increase expectations for the workforce in the form of higher clinical, documentation, and outcome standards. DPH-SAPC has prioritized workforce development as a central component to advancing the SUD field and moving towards parity with physical and mental health systems.

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Draft April 26, 2023

- Over 80% of LAC’s SUD workforce are counselors, 50% of them are registered and 30% certified (licensed clinicians comprise the bulk of the remaining workforce).
- California has the lowest educational training hour requirement for SUD counselors in the United States.
- 9 hours (1 – 2 days) of training allows registered counselors to deliver direct services, this increases to the minimum training standard set for peer specialists (80 hours [2 weeks]) in 2025 with the implementation of AB 2473.
- Agencies report counselors cannot afford the cost of tuition or to take time off from work to complete coursework and often do not finish before the 5-year deadline.
- Workforce surveys indicate counselors leave the field for higher paying and/or less stressful jobs in retail and food service, further impacting the workforce shortage.

DPH-SAPC’s capacity building funds are designed to address the above challenges and better ensure that staff are prepared to work with an increasingly complex patient population and a specialty SUD treatment environment where outcomes will be central to future reimbursement models.

**Why Participate in Workforce Capacity Building Efforts? Your agency will get additional funding to support your counselor workforce. Your participation is mutually beneficial:**

- **Counselors:** Receive tuition assistance, paid time-off to complete coursework, and/or obtain expedited certification to increase skills to provide effective treatment.
- **Agencies:** Reduce turnover and associated recruitment and onboarding costs, receive increased outpatient rates when counselors become certified, and/or will be eligible for the additional workforce incentive payment when 40% or more of your counselor workforce is certified.

**In addition, participation in these efforts should improve your ability to meet Incentive 1-a Metric: At least 40% of SUD counselors providing direct services are certified SUD counselors – Tier 1 - \$30,000 \* Tier 2 - \$45,000 \* Tier 3 - \$60,000**

Workforce Development Capacity Building payments and associated deliverables are described in Table 1 below.

**Table 1: Workforce Development Capacity Building Summary**

#	Description	Due Date	Max Units	Payment Per Unit	Total Maximum Revenue Potential	Max SAPC Spend All 87 Contractors
<b>1A – Agency-Level Survey on Workforce</b>						
1A-1	Agency Survey	9/30/2023	1	Tier 1 - \$10,000	<b>Tier 1 - \$10,000</b>	\$1,125,000
				Tier 2 - \$15,000	<b>Tier 2 - \$15,000</b>	
				Tier 3 - \$20,000	<b>Tier 3 - \$20,000</b>	
<b>1B – Staff-Level Survey on Workforce</b>						
1B-1	Staff Survey Summary	12/31/2023	1	Tier 1 - \$5,000	<b>Tier 1 - \$5,000</b>	\$562,500
				Tier 2 - \$7,500	<b>Tier 2 - \$7,500</b>	
				Tier 3 - \$10,000	<b>Tier 3 - \$10,000</b>	
<b>1C – Workforce Development and Retention Plan</b>						
1C-1	Sustainability Plan	6/30/2024	1	Tier 1 - \$20,000	<b>Tier 1 - \$20,000</b>	\$2,250,000
				Tier 2 - \$30,000	<b>Tier 2 - \$30,000</b>	
				Tier 3 - \$40,000	<b>Tier 3 - \$40,000</b>	

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1D – Counselor Expedited Training and Certification						
1D-1	Tuition/Paid Time Off	3/31/2024	# registered counselors*	Tier 1 - \$2,500pp	Varies based on Participation	\$3,500,000 (estimated)
				Tier 2 - \$2,500pp		
				Tier 3 - \$2,500pp		
1D-2	Certification Obtained	6/30/2025	# registered counselors*	Tier 1 - \$2,500pp		
				Tier 2 - \$2,500pp		
				Tier 3 - \$2,500pp		
<b>Minimum Agency Revenue Opportunity with Full Participation</b>				<b>Tier 1</b>	<b>\$35,000 +1D-1 + 1D-2</b>	
*For your agency potential calculate based on total number of SAPC-credentialed Sage-users who are registered counselors delivering direct services				<b>Tier 2</b>	<b>\$52,500 +1D-1 + 1D-2</b>	
				<b>Tier 3</b>	<b>\$70,000 +1D-1 + 1D-2</b>	
<b>Maximum County (SAPC) Contribution with Full Participation</b>						<b>\$7,437,500</b>
*Calculated based on total number of SAPC-credentialed Sage-users who are registered counselors delivering direct services as of 3/22/23						

## Capacity Deliverable 1A Agency-Level Survey on Workforce

**1A – Agency Survey:** Capacity Building 1A is designed to better understand your agency’s strategy for workforce recruitment and retention across all direct service classifications – LPHAs, counselors and peers. This survey<sup>1</sup> will be designed by DPH-SAPC, with input from its provider network.

Once the survey data is collected and summarized (without agency identifiers), DPH-SAPC will conduct optional listening sessions and collaborative opportunities if providers would like to work together to discuss which recruitment and retention strategies have been the most successful and why others may not have been less successful; how capacity and DMC rates revenue can support sustainability of salary, benefits, and other compensation efforts; and how the SUD system can continue to push to be competitive and resist loss of workforce to other sectors (e.g., livable wage).

*Note: Participation in optional sessions are ways for providers to reinvest capacity building payments and defray costs for staff who would otherwise be providing direct services.*

**Why Participate?** Your agency will be provided a summary of your survey results to use as a baseline for developing your sustainability plan. Collectively, the data will provide SAPC with baseline information on the SUD workforce in LAC to design more strategic and needed capacity building efforts, if possible, in the future.

**Capacity Building 1A Payment:** This project is deliverable-based. Providers will be paid after the survey is submitted and deemed complete. Complete and submit the invoice below and attach the deliverable by September 30, 2023 for payment. Expenditure verification is not required.

- 1A-1. Submit complete response to agency-level survey - one per treatment agency  
*Tier 1 - \$10,000, Tier 2 - \$15,000, Tier 3 - \$20,000.*

<sup>1</sup> Agency survey questions may focus on gaining foundational knowledge on the current salary, benefits, and other compensation strategies of network providers; what new strategies are being considered to address workforce shortage and retention issues; and support capacity building of staff to be able to deliver value-based care now and in the future.

Capacity Deliverable 1B

Staff-Level (Practitioner) Survey on Workforce

**1B – Staff Survey:** Capacity Building 1B is designed to learn more from your direct service staff – LPHAs, counselors, peers – to strengthen workforce recruitment and retention. A sample survey<sup>2</sup> will be developed and providers can use this version or adapt it to agency-specific needs.

**Why Participate?** Your agency will learn directly from your staff what is most important to them and what would be helpful to support their long-term career with your organization.

**Capacity Building 1B Payment:** This project is deliverable-based. Providers will be paid after the survey summary is submitted and deemed complete. Complete and submit the invoice below and attach the deliverable by December 31, 2023 for payment. Expenditure verification is not required. As an example, funds could be used to provide gift cards to staff who complete the survey.

1B-1. Submit summary response to staff-level survey - one per treatment agency.  
*Tier 1 - \$5,000, Tier 2 - \$7,500, Tier 3 - \$10,000.*

Capacity Deliverable 1C

Workforce Development and Retention Sustainability Plan

**1C – Plan:** Capacity Building 1C is designed to build a long-term workforce development and retention sustainability plan at your agency-level that incorporates an enhanced compensation package (salary, benefits, training reimbursement, tuition reimbursement, retirement accounts, bilingual bonus, etc.). The plan should be sustainable over multiple years and be informed by current costs to operate compared to revenue from DMC rates, and whether operational costs could be streamlined or reallocated to enable greater investment in direct service staff. It should also consider how upstream investments in the workforce will or will not contribute to increased revenue opportunities downstream through improved patient retention and reduced overhead costs due to staff turnover.<sup>3,4</sup> It should also identify if/how participation in 1D and/or other workforce retention efforts will be sustained after FY 2023-2024.

DPH-SAPC, in partnership with its vendor(s), will conduct optional workshops if providers would like to collaborate with their peers and leverage expertise of organizations who implemented similar efforts already. A template plan will also be developed to ensure key components are addressed.

*Note: Participation in optional sessions are ways for providers to reinvest capacity building payments and defray costs for staff who would otherwise be providing direct services.*

<sup>2</sup> Staff survey questions may include topics such as what support and training staff need to achieve current work expectations and help patients achieve their personal goals, what compensation (salary, benefits, training reimbursement, tuition reimbursement, retirement accounts etc.) options are most valuable and would contribute to longer retention or expedited completion of education/training requirements; what would support completion of counselor certification more quickly and what is needed to support recertification; and other feedback to inform workforce development and improvement.

<sup>3</sup> SAPC structured its outpatient rates to recognize the increased cost and value of the certified counselor workforce (e.g., ASAM 1.0 current rate = \$182.44/hr, new Tier 1 registered counselor rate = \$196.48/hr, new Tier 1 certified counselor rate = \$206.32/hr). Therefore, every certified counselor will bring in approximately \$10,745 more per year than a registered counselor, and that revenue can be used to reinvest into a more robust salary and benefits compensation package that will support retention efforts and reduce turnover.

<sup>4</sup> Revenue potential for a certified counselor is calculated based on the difference between the new registered and certified counselor rates and (\$9.84 per hour) and minimum productivity (60%) for standard work hours per year excluding time off (1,820 hours). This figure will vary at the agency level depending on each certified counselor's productivity and actual time off.

**Why Participate?** Your agency will address key reasons why your registered counselor workforce struggles with becoming certified and/or develop a more competitive salary/benefits package to increase workplace satisfaction and reduce turnover. You will determine how higher DMC rates can be reinvested in workforce retention strategies, especially in outpatient settings as newly certified counselors help you draw down an estimated \$10,745 more in annual revenue.<sup>3,4</sup>

**Capacity Building 1C Payment:** This project is for start-up funds. Providers will be paid before the sustainability plan is developed. To receive advance funds, complete and submit the invoice below attesting to your commitment to participate. Submit the viable sustainability plan by June 30, 2024 to avoid recoupment. Expenditure verification is not required.

1C-1. Submit attestation to complete viable workforce development and retention sustainability plan - one per treatment agency. *Tier 1 - \$20,000, Tier 2 - \$30,000, Tier 3 - \$40,000.*

**Capacity Deliverable 1D**

**Expedited Counselor Training and Certification**

**1D – Counselors:** The counselor profession delivers over 80% of direct services in LA County’s specialty SUD treatment system. They often come to the field with valuable life experiences that enable them to effectively relate to the patients served and which can be enhanced through completion of coursework and training hours earlier in their career. Given their essential role in the SUD service delivery system and increasing competition for them to take positions in other related and unrelated fields, it is critical to demonstrate their value through enhanced compensation. Capacity Building 1D provides an opportunity for agencies to jumpstart their future investment now through this time-limited financial support.

Capacity Building 1D supports registered SUD counselors credentialed by DPH-SAPC and employed by agencies as of April 1, 2023 to expedite completion of certification coursework and training hours as this is a key way to ensure the field has the skills to treat patients with complex health needs and prepare for value-based care. It is also an important step in valuing the professionalism of the SUD field’s primary workforce and demonstrating that LA County believes in raising standards and opportunities for counselors and will continue to take steps to elevate this as a priority in California. This also enables agencies to support registered counselors hired before AB 2473 takes effect to obtain the 80-hours of core competencies<sup>5</sup> and validate the importance of understanding these topics in the delivery of care even when not mandated.

<sup>5</sup> AB 2473 Core Competencies: (A) knowledge of the current Diagnostic and Statistical Manual of Mental Disorders; (B) knowledge of the American Society of Addiction Medicine (ASAM) criteria and continuum of ASAM levels of care, or other similar criteria and standards as approved by the department; (C) cultural competence, including for people with disabilities, and its implication for treatment; (D) case management; (E) utilization of electronic health records systems; (F) knowledge of medications for addiction treatment; (G) clinical documentation; (H) knowledge of cooccurring substance use and mental health conditions; (I) confidentiality; (J) knowledge of relevant law and ethics; (K) understanding and practicing professional boundaries; and (L) delivery of services in the behavioral health delivery system.

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**Why Participate? For a limited time, SAPC will jumpstart your counselor workforce investments by advancing you a significant portion of the tuition costs and/or paid time off to attend classes for all your registered counselors employed as of April 1, 2023. For every registered counselor who becomes certified, you will increase your future outpatient revenue by an estimated \$10,745 annually.<sup>3,4</sup> More certified counselors should also help you meet future value-based care metrics.**

### Capacity Building 1D Payment:

Project 1D-1 is for start-up funds. Providers will be paid before the registered counselor attends classes to enable the agency to pay the employee for tuition/book costs and/or paid time off. To receive advance funds, complete and submit the invoice below attesting to your commitment to participate on behalf of the specified registered counselors and affirming that funds will solely be used to either reimburse for education costs and/or provide paid time off to attend classes. Expenditure verification is required by March 31, 2024 to avoid recoupment.

1D-1. Submit attestation to financially support costs for registered counselors to complete certification coursework – \$2,500 per SAPC-credentialed direct service registered counselor employed as of April 1, 2023. *Tier 1 - \$2,500pp, Tier 2 - \$2,500pp, Tier 3 - \$2,500pp.*

Project 1D-2 is deliverable-based. Providers will be paid after staff certification verification is submitted and deemed complete. Complete and submit the invoice below and attach the deliverable by June 30, 2025 for payment.

1D-2. Verify that registered counselor(s) passed the certification exam between 7/1/23 and 6/30/25 – \$2,500 per SAPC-credentialed direct service registered counselor employed as of April 1, 2023. *Tier 1 - \$2,500pp, Tier 2 - \$2,500pp, Tier 3 - \$2,500pp.*

## Capacity Building Category: Access to Care – Reaching the 95% (R95)

**Description:** SUD systems are serving about 5% of people who need treatment because the other 95% of people who need SUD treatment either don't think they need it or don't want it. The R95 Initiative is designed to:

- Ensure that DPH-SAPC designs a specialty SUD system that is focused not just on the ~5% of people with SUDs who are already receiving and open to treatment, but also the ~95% of people with SUDs who do not receive treatment for any reason; and
- Communicate – through words, policies, and actions – that people with SUD are worthy of our time and attention, no matter where they are in their recovery journey, including if they haven't even started it yet.

Under the R95 Initiative, there are 6 Incentive Options in two Focus Areas that agencies can participate in and seek to draw down by meeting specified benchmarks and activity-related deliverables:

- Focus Area 1: Outreach and engagement
- Focus Area 2: Establishing low barrier care

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**Why Participate in Access to Care – R95 Capacity Building Efforts? Your agency will get additional funding to adapt program services to serve more people and draw-down more revenue.**

**Your participation is mutually beneficial:**

- **Patients:** Obtain needed and desired services before they are ready for abstinence and so they have the opportunity to consider all recovery options from your skilled staff.
- **Agencies:** Provide tailored services that meet individual patient needs and preferences and can draw-down additional revenue for the expanded patient population.

**In addition, participation in these efforts should improve your ability to meet Incentive 2-a Metric: Become a R95 Champion by completing all components of Capacity Building Efforts 2C, 2E, and at least one other effort - Tier 1 - \$30,000 \* Tier 2 - \$45,000 \* Tier 3 - \$60,000**

To participate in the Access to Care – R95 Capacity Building package, agencies must complete 2C-2, 2D-1, and 2D-2 at minimum. This includes updated Admission and Discharge Policies and Procedures (2D-1, 2D-2) which are explicitly inclusive of a plan to engage patients at various stages in their recovery including those who are not yet ready for abstinence and who have not fewer than one UM approved 30- to 60-Day Engagement authorizations (2C-2) for non-residential levels of care where there was a documented need for counseling services to support patient readiness to participate in the full ASAM assessment, and where the ASAM assessment was successfully completed within the engagement authorization period.

Access to Care – R95 Capacity Building payments and associated deliverables are in Table 2 below.

**Table 2: Access to Care – Reaching the 95% (R95) Capacity Building Summary**

#	Description	Due Date	Max Units	Payment Per Unit	Total Maximum Revenue Potential	Max SAPC Spend All 87 Contractors
<b>2A – Preparation and Planning for Outreach and Engagement</b>						
2A-1	Partner Entity Meetings	12/31/23	10	Tier 1 - \$1,000	<b>Tier 1 - \$10,000</b>	<b>\$3,022,500</b>
			15	Tier 2 - \$1,000	<b>Tier 2 - \$15,000</b>	
			20	Tier 3 - \$1,000	<b>Tier 3 - \$20,000</b>	
2A-2	New Partnership Plan	12/31/23	1	Tier 1 - \$3,000	<b>Tier 1 - \$3,000</b>	
				Tier 2 - \$4,500	<b>Tier 2 - \$4,500</b>	
				Tier 3 - \$6,000	<b>Tier 3 - \$6,000</b>	
2A-3	Executed MOU	12/31/23	3	Tier 1 - \$5,000	<b>Tier 1 - \$15,000</b>	
			4	Tier 2 - \$5,000	<b>Tier 2 - \$20,000</b>	
			5	Tier 3 - \$5,000	<b>Tier 3 - \$25,000</b>	
<b>2B – Field-Based Services for Outreach and Engagement</b>						
2B-1	Executed MOU	12/31/23	3	Tier 1 - \$5,000	<b>Tier 1 - \$15,000</b>	<b>\$2,122,500</b>
			4	Tier 2 - \$5,000	<b>Tier 2 - \$20,000</b>	
			5	Tier 3 - \$5,000	<b>Tier 3 - \$25,000</b>	
2B-2	Verified Episodes	6/30/24	10	Tier 1 - \$500	<b>Tier 1 - \$5,000</b>	
			15	Tier 2 - \$500	<b>Tier 2 - \$7,500</b>	
			20	Tier 3 - \$500	<b>Tier 3 - \$10,000</b>	



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2C – 30- and 60-Day Engagement Period for Outreach and Engagement							
2C-1	Engagement Policy	12/31/23	1	Tier 1 - \$5,000	Tier 1 - \$5,000	\$1,125,000	
				Tier 2 - \$7,500	Tier 2 - \$7,500		
				Tier 3 - \$10,000	Tier 3 - \$10,000		
2C-2	*Verified Engagement Auths (*required to participate in the capacity building category)	6/30/24	10	Tier 1 - \$500	Tier 1 - \$5,000		
				15	Tier 2 - \$500		Tier 2 - \$7,500
				20	Tier 3 - \$500		Tier 3 - \$10,000
2D – Update Admission and Discharge Policies							
2D-1	*R95 Admission Policy (*required to participate in the capacity building category)	12/31/23	1	Tier 1 - \$10,000	Tier 1 - \$10,000	\$3,375,000	
				Tier 2 - \$15,000	Tier 2 - \$15,000		
				Tier 3 - \$20,000	Tier 3 - \$20,000		
2D-2	*R95 Discharge Policy (*required to participate in the capacity building category)	12/31/23	1	Tier 1 - \$10,000	Tier 1 - \$10,000		
				Tier 2 - \$15,000	Tier 2 - \$15,000		
				Tier 3 - \$20,000	Tier 3 - \$20,000		
2D-3	R95 Training Presentation	12/31/23	1	Tier 1 - \$10,000	Tier 1 - \$10,000		
				Tier 2 - \$15,000	Tier 2 - \$15,000		
				Tier 3 - \$20,000	Tier 3 - \$20,000		
2E – Service Design for Lower Barrier Care							
2E-1	Service Design	6/30/23	1	Tier 1 - \$1,000	Tier 1 - \$1,000	\$850,000	
				Tier 2 - \$1,500	Tier 2 - \$1,500		
				Tier 3 - \$2,000	Tier 3 - \$2,000		
2E-2	Customer Walk-Through	6/30/23	# sites	Tier 1 - \$200	Varies based on Participation		
				Tier 2 - \$200			
				Tier 3 - \$200			
2E-3	Plan	6/30/23	1	Tier 1 - \$5,000	Tier 1 - \$5,000		
				Tier 2 - \$7,500	Tier 2 - \$7,500		
				Tier 3 - \$10,000	Tier 3 - \$10,000		
2F – Bidirectional Referrals for Lower Barrier Care							
2F-1	Executed MOU	12/31/23	3	Tier 1 - \$5,000	Tier 1 - \$15,000	\$2,122,500	
			4	Tier 2 - \$5,000	Tier 2 - \$20,000		
			5	Tier 3 - \$5,000	Tier 3 - \$25,000		
2F-2	Verified Claims	6/30/24	10	Tier 1 - \$500	Tier 1 - \$5,000		
				Tier 2 - \$750	Tier 2 - \$7,500		
				Tier 3 - \$1,000	Tier 3 - \$10,000		
<b>Minimum Agency Revenue Opportunity with Full Participation</b>				Tier 1	\$114,000 + 2E-2		
*For your agency potential calculate based on total number contracted sites				Tier 2	\$163,500 + 2E-2		
				Tier 3	\$213,000 + 2E-2		
<b>Maximum County (SAPC) Contribution with Full Participation</b>						\$12,618,000	
*Calculated based on total number of contracted sites as of 3/22/23							

**Focus Area 1 – Outreach and Engagement**

These interventions focus on how agencies can connect with new individuals that the provider agency is not engaging or those who did not call or show-up at a service site; and how to bring services to locations to individuals who are unsure if they want SUD treatment services and/or who may not be ready to cease all use of alcohol and/or drugs.



Capacity Deliverable 2A

Outreach and Engagement Plan for Outreach and Engagement

**2A – Preparation and Planning:** Capacity Building 2A is designed to develop and implement an outreach and engagement plan to better reach and enroll the 95% of individuals who need SUD treatment but who are not accessing it. This plan includes the following activities at minimum:

1. Identifying where your agency receives referrals from now and how to cultivate partnerships with these settings that increase the number of referrals;
2. Identifying new community, health and social service providers in your area that serve people who otherwise may not know of your SUD services, specifically including people at different stages of readiness to change their substance use and who would benefit from services;
3. Educating partner agencies how you expanded access to services based on Focus Area 2 and what this means for new referral and service opportunities;
4. Establishing Memorandum of Understandings (MOU) with local health and social service providers to clarify bidirectional referral processes;
5. Determining how outreach is sustainable after the incentive period; and
6. How this links to work under Focus Area 2.

**Why Participate? Your agency will receive new funds to divert staff from delivering direct services and instead cover some salary expenses to find and build new referral partnerships and begin to increase the number of R95 patient admissions who do not have current abstinence goals but want services. This project works best when combined with others in this category.**

**Capacity Building 2A Payment:** This project is for start-up funds. Providers will be paid before meeting with new partners, developing the plan, and executing MOUs. To receive advance funds, submit the invoice below attesting to your commitment to participate. Submit the deliverables by December 31, 2023 to avoid recoupment. Expenditure verification is not required.

- 2A-1. Submit attestation to meet with potential new partner entities - up to 10 per Tier 1 treatment agency; up to 15 per Tier 2 treatment agency; and up to 20 per Tier 3 treatment agency at \$1,000 each. *Maximum Tier 1 - \$10,000, Tier 2 - \$15,000, Tier 3 - \$20,000.*
- 2A-2. Submit attestation to complete a plan on developing / maintaining new partnerships - one per treatment agency. *Tier 1 - \$3,000, Tier 2 - \$4,500, Tier 3 - \$6,000.*
- 2A-3. Submit attestation to executed MOU(s) - up to 3 MOUs different than 2B-1 and 2F-1 per Tier 1 treatment agency; up to 4 per Tier 2 treatment agency; and up to 5 per Tier 3 treatment agency at \$5,000 each. *Maximum Tier 1 - \$15,000, Tier 2 - \$20,000, Tier 3 - \$25,000.*

Capacity Deliverable 2B

Field-Based Services

**2B – Field-Based Services:** Capacity Building 2B can build upon relationships developed under 2A and leverages new community-based locations that already attract the focus population (individuals who need services but are not inclined to receive care at an SUD setting requiring abstinence as a condition of admission, and who may not currently have goals that include abstinence) to deliver SUD treatment services.

**Why Participate?** Your agency will receive new funds to divert staff from delivering direct services and instead cover some salary expenses to establish FBS sites that have a higher probability of serving individuals without current abstinence goals but who are interested in services. This project works best when combined with others in this category.

Capacity Building 2B Payment:

Project 2B-1 is for start-up funds. Providers will be paid before meeting with new partners and executing MOUs. To receive advance funds, complete and the invoice below attesting to your commitment to participate. Submit the MOUs by December 31, 2023 to avoid recoupment. Expenditure verification is not required.

2B-1. Submit attestation to complete an executed MOU and add FBS site to contract (different than 2A-3 and 2F-1) up to 3 MOUs per Tier 1 treatment agency; up to 4 per Tier 2 treatment agency; and up to 5 per Tier 3 treatment agency at \$5,000 each. *Maximum Tier 1 - \$15,000, Tier 2 - \$20,000, Tier 3 - \$25,000.*

Project 2B-2 is for deliverable-based. Providers will be paid after verification of delivery of appropriate services via claims. Complete and submit the invoice below and attach applicable claims by June 30, 2024 for payment. Expenditure verification is not required.

2B-2. After at least 6 months after signed MOU, verify claims for new admissions at FBS site up to 10 admissions per Tier 1 treatment agency; 15 admissions per Tier 2 treatment agency; and 20 admissions per Tier 3 treatment agency at \$500 each and patient cannot receive any participation incentive. *Maximum Tier 1 - \$5,000, Tier 2 - \$7,500, Tier 3 - \$10,000.*

Capacity Deliverable 2C  
(Mandatory 2C-1)

30- to 60-Day Engagement Period (Non-Residential)

**2C – 30 to 60 Day Engagement Period:** Capacity Building 2C leverages new State allowances to establish medical necessity and complete the ASAM assessment within 30-days for adults (21+), and 60-days for youth (12-20) and adults experiencing homelessness in non-residential facilities (early intervention, outpatient, intensive outpatient, outpatient withdrawal management) in order to engage individuals who need SUD services but who may be ambivalent or not ready to receive care in a more traditional treatment setting. Not only can this be used for individuals who need more time to complete the assessment process given their individualized circumstances, but it also enables agencies to go outside of their treatment programs to engage individuals in the community and perform limited services (e.g.,

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individual sessions, care coordination) while the individual decides whether to engage more fully at a certified or Field-Based Service site.

**Why Participate?** Your agency will receive new funds to determine how best to implement the 30- to 60-day engagement flexibilities and reach more R95 patients using these new tools. You will also be able to develop and conduct trainings for staff to ensure understanding of changes throughout your organization.

### Capacity Building 2C Payment:

Project 2C-1 is for start-up funds. Providers will be paid before developing the engagement policy and completing staff training. To receive advance funds, submit the invoice below attesting to your commitment to participate. Submit the deliverables by December 31, 2023 to avoid recoupment. Expenditure verification is not required.

2C-1. Submit attestation to complete compliant engagement policy and attestation of staff notification and training - one per treatment agency. *Tier 1 - \$5,000, Tier 2 - \$7,500, Tier 3 - \$10,000.*

Project 2C-2 is for deliverable-based. Providers will be paid after verification of delivery of appropriate services via claims. Complete and submit the invoice below and attach applicable claims by June 30, 2024 for payment. Expenditure verification is not required.

**NOTE: 2C-2 is required to participate in R95 capacity building.**

2C-2. After 6 months after policy approval, verify claims for services provided under an approved 30- to 60-day authorization up to 10 admissions per Tier 1 treatment agency; 15 admissions per Tier 2 treatment agency; and 20 admissions per Tier 3 treatment agency at \$500 each and patient cannot receive any participation incentive. *Maximum Tier 1 - \$5,000, Tier 2 - \$7,500, Tier 3 - \$10,000.*

### **Focus Area 2 – Establishing Lower Barrier Care Across the SUD System**

These interventions focus on how agencies can more meaningfully attract and engage individuals who are not interested in or ready for complete abstinence into services by addressing barriers to care across the specialty SUD treatment system.

**Capacity Deliverable 2D  
(Mandatory 2D-1, 2D-2)**

**Update Admission and Discharge Policies to be More Inclusive of Patients at Different Points in Recovery or Who Are Not Yet Ready for Abstinence**

**2D – Admission/Discharge Policies:** Capacity Building 2D ensures that DPH-SAPC network providers establish more flexible admission policies that allow for enrollment of individuals at different points of their recovery, including those who are not yet ready for complete abstinence (since someone can both be interested in treatment but not yet able to maintain abstinence); establish discharge policies that do not result in an automatic discharge if clients use substances during a treatment episode and facilitate a culture of treating SUDs as chronic conditions by allowing for clients who use substances during

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treatment an opportunity to continue with treatment; and that direct service staff and managers are trained and adopt changes.

DPH-SAPC will conduct optional listening sessions and collaborative opportunities if providers would like to work together to get ideas on how to expand access to treatment and develop the updated admission policy. DPH-SAPC will also request admission policies from providers who are leaders in this area to share as samples with other interested agencies and in collaboration with providers conduct research and share information related to system enhancements in this area of focus, including recommendations on policy format and components.

*Note: 2D-1 and 2D-2 are required to participate in R95 capacity building. Additionally, participation in optional sessions are ways for providers to reinvest capacity building payments and defray costs for staff who would otherwise be providing direct services.*

**Why Participate? Updating your policies and procedures, and training staff on the changes, are critical first steps to ensure that admissions are truly broadened to include the R95 populations and staff at the site level have clear expectations on who can and should be admitted to care.**

Capacity Building 2D Payment: This project is deliverable-based. Providers will be paid after the admission and discharge policy and training presentation are complete and DPH-SAPC has approved content. Complete and submit the invoice below and attach the deliverables by December 31, 2023 for payment. Expenditure verification is not required.

2D-1. Submit compliant admission policy for approval - one per treatment agency. *Tier 1 - \$10,000, Tier 2 - \$15,000, Tier 3 - \$20,000.*

2D-2. Submit compliant discharge policy for approval - one per treatment agency. *Tier 1 - \$10,000, Tier 2 - \$15,000, Tier 3 - \$20,000.*

2D-3. Submit compliant training presentation for approval - one per treatment agency. *Tier 1 - \$10,000, Tier 2 - \$15,000, Tier 3 - \$20,000.*

### Capacity Deliverable 2E

### Modify Service Design to Serve Patients without Abstinence Goals

**2E – Service Design:** Capacity Building 2E supports providers in adapting the program services to align with the treatment needs of individuals who want to participate in services but are not ready to maintain abstinence. Efforts should be made to integrate services for individuals with different recovery goals whenever possible, but there may be instances when this is not conducive for all patients. Providers should articulate expectations to patients and staff to ensure a positive patient experience and develop a plan to monitor implementation of new changes to ensure appropriate implementation and adoption. These funds support the cost for the agency to set expectations and standards for optimally serving this population and verifying successful implementation based on the customer experience, including reviewing current service offerings for this population, ensuring the intake process is inviting and accommodating, providing materials in languages spoken by patients, and creating a welcoming and professional treatment environment for all patients.

DPH-SAPC will conduct optional listening sessions and collaborative opportunities if providers would like to work together to get ideas on how to modify program services to better reach and retain this

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population. DPH-SAPC will also invite providers who are leaders in this area to share their experience. A sample customer experience survey will also be developed to assist in completing the customer service walk-through. *Note: Participation in optional sessions are ways for providers to reinvest capacity building payments and defray costs for staff who would otherwise be providing direct services.*

**Why Participate? Reimagining how the R95 population can be meaningfully integrated into a care model that traditionally only serves those seeking abstinence likely requires updates to your service model in addition to admission/discharge policies. Implementation can take time, so it is important that your staff adopt and embrace these changes and that patients actually experience the new model from first contact and throughout their journey with you.**

**Capacity Building 2E Payment:** This project is for start-up funds. Providers will be paid before updating the service design, conducting patient walk-throughs, and developing the plan. To receive advance funds, submit the invoice below attesting to your commitment to participate. Submit the deliverables by June 30, 2023 to avoid recoupment. Expenditure verification is not required.

- 2E-1. Submit attestation to complete service design expectations for approval - one per treatment agency. *Tier 1 - \$1,000, Tier 2 - \$1,500, Tier 3 - \$2,000.*
- 2E-2. Submit attestation to conduct customer experience assessment and walk-through results - \$200 (one per contracted DMC certified or licensed site). *Tier 1 - \$200 per site, Tier 2 - \$200 per site, Tier 3 - \$200 per site.*
- 2E-3. Submit attestation to develop an improvement and investment plan - one per treatment agency. *Tier 1 - \$5,000, Tier 2 - \$7,500, Tier 3 - \$10,000.*

### Incentive Deliverable 2F

### Establish Bidirectional Referrals – SUD Treatment and Harm Reduction Services

**2F – Enrollment:** Capacity Building 2F supports providers in establishing bidirectional referral relationships between their treatment sites and harm reduction agencies to promote new admissions in alignment with updated admission and discharge policies. This is an important step in not only establishing policies that support the R95 population and/or those who want treatment services but do not have abstinence goals, but also in ensuring that those individuals at various levels of readiness for abstinence are welcomed and admitted into care.

DPH-SAPC, in collaboration with participating providers, will develop a sample MOU. This incentive payment is designed to support the cost of developing and negotiating the MOU and creating referral pathways specifically with harm reduction partners.

**Why Participate? Partnering with harm reduction and overdose prevention hubs are keys ways to reach individuals who continue to use substances but would benefit from engaging clinical services and to be available if abstinence goals change. These funds enable treatment agencies to build effective referral partnerships with these organizations.**

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### Capacity Building 2F Payment:

Project 2F-1 is for start-up funds. Providers will be paid before meeting with new partners and executing MOUs. To receive advance funds, complete and submit the invoice below attesting to your commitment to participate. Submit the executed MOUs by December 31, 2023 to avoid recoupment. Expenditure verification is not required.

2F-1. Submit attestation to execute MOUs different than 2A-3 and 2B-1 up to 3 per Tier 1 treatment agency; up to 4 per Tier 2 treatment agency; and up to 5 per Tier 3 treatment agency at \$5,000 each. *Maximum Tier 1 - \$15,000, Tier 2 - \$20,000, Tier 3 - \$25,000.*

Project 2F-2 is for deliverable-based. Providers will be paid after verifying claims by completing and submitting the invoice below by June 30, 2024. Expenditure verification is not required.

2F-2. After 6 months after signed MOU, verify claims for new admissions at non-FBS site up to 10 admissions per Tier 1 treatment agency; 15 admissions per Tier 2 treatment agency; and 20 admissions per Tier 3 treatment agency at \$500 each and patient cannot receive any participation incentive. *Maximum Tier 1 - \$5,000, Tier 2 - \$7,500, Tier 3 - \$10,000.*

## Capacity Building Category: Fiscal and Operational Efficiency

**Description:** In July 2023, DPH-SAPC and treatment providers will experience another significant shift in how DMC services are reimbursed with the movement from cost reconciliation (lesser of costs or charges) to fee-for-service (FFS), and practitioner-level rates for outpatient services. This effectively means once a claim has been approved and paid, there will be no other reconciliations or payments involved for that claim.

Now more than ever, it is essential that providers take action to ensure they have a strong and viable organization, and that enough appropriate treatment services are delivered to generate sufficient revenue to cover operational costs. When revenue exceeds expenditures, agencies have the opportunity to reexamine current practices and make adjustments to increase clinical and operational efficiencies and shift those savings to new investments in patient care and their workforce and establish themselves as effective competitors in the SUD treatment marketplace. This can also ease the transition to value-based care where patient outcomes rather than service volume become the basis for reimbursement.

To ensure readiness, it is essential that providers establish and maintain an accurate and current accounting system to monitor revenue and expenditures because some fiscal accountability measures remain post-payment reform:

- The County of Los Angeles Department of Auditor-Controller (A-C) continues to conduct mandated annual fiscal compliance reviews. Key points include:
  - Historically, the majority of finding related to providers not accurately tracking revenue and expenditures attributed to the delivery of services.
  - Providers will continue to submit fiscal reports for non-DMC contracts and be subject to recoupments. Recoupments have actually increased over the last three FYs:
    - FY19-20: 35%
    - FY18-19: 32%

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- FY17-18: 25%
- Though State and County will no longer require the current cost report and reconciliation process, providers are still required to submit the SAPC Fiscal Reporting Tool in order to be considered for an elevation in Tier for their rate.
- Provider agencies may be at risk of significant recoupments via fiscal compliance reviews if expenditures and revenue cannot be properly supported and/or accounted.
- Providers are still required to adhere to Generally Accepted Accounting Principles (GAAP) and the [A-C's Contract Accounting and Administration Handbook](#).

DPH-SAPC recognizes both the risks and opportunities that these changes present to providers. As the County's administrator of the SUD network and steward of public funds, DPH-SAPC has developed a capacity building initiative designed to support providers through this transition.

**Why Participate in Fiscal and Operational Efficiency Capacity Building Efforts? Your agency will get additional funding to support your accounting/financial infrastructure and increase your operational efficiency. Your participation is mutually beneficial:**

- **Patients:** Effective clinical care requires efficient fiscal operations and reinvestment in patient care and direct service staff to facilitate positive treatment outcomes.
- **Agencies:** Increase your internal capacity to better manage your organization by monitoring staff's productivity and how much resources are truly needed to run your organization, and learn where reinvestment can be made by improving operational efficiencies.

Fiscal and Operational Efficiency Capacity Building efforts are described below.

**Table 3: Fiscal and Operational Efficiency Capacity Summary**

#	Description	Due Date	Max Units	Payment Per Unit	Total Maximum Revenue Potential	Max SAPC Spend All 87 Contractors
<b>3A – Accounting Infrastructure: Systems and Capacity</b>						
3A-1	Accounting Systems and Capacity	12/31/23	1	Tier 1 - \$10,000	<b>Tier 1 - \$10,000</b>	\$1,125,000
				Tier 2 - \$15,000	<b>Tier 2 - \$15,000</b>	
				Tier 3 - \$20,000	<b>Tier 3 - \$20,000</b>	
<b>3B – Expenditures and Revenue: Assessing and Enhancing Financial Health</b>						
3B-1	Assessing & Enhancing Financial Health Training -	6/30/24	1	Tier 1 - \$10,000	<b>Tier 1 - \$10,000</b>	\$2,250,000
				Tier 2 - \$15,000	<b>Tier 2 - \$15,000</b>	
				Tier 3 - \$20,000	<b>Tier 3 - \$20,000</b>	
3B-2	Revenue/Expenditure Tracking Tool - <i>Utilization</i>	6/30/24	1	Tier 1 - \$10,000	<b>Tier 1 - \$10,000</b>	
				Tier 2 - \$15,000	<b>Tier 2 - \$15,000</b>	
				Tier 3 - \$20,000	<b>Tier 3 - \$20,000</b>	
<b>Minimum Agency Revenue Opportunity with Full Participation</b>				<b>Tier 1</b>	<b>\$30,000</b>	
				<b>Tier 2</b>	<b>\$45,000</b>	
				<b>Tier 3</b>	<b>\$60,000</b>	
<b>Maximum County (SAPC) Contribution with Full Participation</b>						<b>\$3,375,000</b>



Capacity Deliverable 3A

Accounting Infrastructure: Systems and Capacity

**3A – Accounting Systems and Capacity:** Capacity Building 3A gives providers funds to invest in new accounting systems and/or strengthen existing accounting systems and organizational capacity. Under this category providers may receive up to \$10,000 for the following activities:

- Purchase or upgrade of software, including accounting software, and information technology to help monitor and manage expenses and revenue.
- Enrollment of staff in accounting or business courses to increase organizational capacity.
- Formal training(s) or course(s) in non-profit organization management.
- Enrollment and participation in non-profit organizations (Center for Non-Profit Management, California Association of Non-Profits, etc.).
- Development of trackers, tools, and any report(s) that captures regular productivity or activities to facilitate easier revenue and expenditure tracking.

**Why Participate?** To improve fiscal capacity may take just a small investment in accounting tools or to train staff who fulfill this function but may need additional support and training to optimize your revenue and effectively transition to the new reimbursement model.

Capacity Building 3A Payment: This project is for start-up funds. Providers will be paid before investing in the accounting system and capacity options. To receive advance funds, complete and submit the invoice below attesting to your commitment to participate. Submit the summary of investment expenditures by December 31, 2023 to avoid recoupment.

3A-1. Submit attestation to expend funds on accounting system and capacity efforts - one per treatment agency. *Tier 1 - \$10,000, Tier 2 - \$15,000, Tier 3 - \$20,000.*

Capacity Deliverable 3B

Expenditures and Revenue: Assessing and Enhancing Financial Health

**3B – Revenue/Expenditure Training:** Capacity Building 3B supports providers develop expenditure and revenue management skills by participating in the new CIBHS Assessing & Enhancing Financial Health training, which was developed with DPH-SAPC and will provide individualized training and technical assistance so providers can effectively conduct internal analysis and identify organizational costs, service implementation strategies to ensure costs are covered, and the development of a Revenue & Expenditure Tracking tool. Providers must identify 1-3 staff members who will actively participate and complete the training. Though CIBHS has offered similar trainings, none have offered this level of in-depth collaborative support. Additionally, a consistent concern of small- to medium-sized providers is that attending training results in a loss of revenue as staff who attend these trainings may also be service providing staff. It also provides resources to use appropriate tools to track expenditures and revenue.

Capacity Building 3B Payment:

Project 3B-1 is for start-up funds. Providers will be paid before attending the CIBHS training and technical assistance sessions. To receive advance funds, complete and submit the invoice below

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attesting to your commitment to participate. Submit the attendance records, which will be validated by CIBHS, by June 30, 2024 to avoid recoupment. Expenditure verification is not required.

3B-1. Submit attestation to attend training and technical assistance - one per treatment agency.

*Tier 1 - \$10,000, Tier 2 - \$15,000, Tier 3 - \$20,000.*

Project 3B-2 is deliverable based. Providers will be paid after use of the Revenue/Expenditure Tool for at least 6-months and it shows they have successfully monitored, maintained, and documented their revenues and expenditures and it is submitted and deemed complete. Complete and submit the invoice below and attach the deliverable by June 30, 2024 for payment. Expenditure verification is not required.

3B-2. Submit Revenue/Expenditure Tool and demonstrate use for at least 6-months - one per treatment agency. *Tier 1 - \$10,000, Tier 2 - \$15,000, Tier 3 - \$20,000.*

## **INVOICE PROCESS UNDER DEVELOPMENT**