Welcome

- Requirement: Multi-Factor Authentication (MFA) with Microsoft Authenticator app
- Bond BHCIP under Prop 1
- SAPC's Award-Winning Payment Reform Approach – Year 1 Data

Bureau of Substance Abuse Prevention and Control
Los Angeles County Department of Public Health

New Multi-Factor Authentication (MFA) Requirement

- **<u>This applies to ALL SAPC contracted entities that use County platforms</u>, including SAPC's prevention, harm reduction, and treatment and recovery networks.**
- Due to recent Information Security events and Countywide policy updates, the County is eliminating less secure MFA methods.
- Voice calls and SMS text will no longer be permitted MFA methods after **<u>Sept 16, 2024</u>** and agencies will need to perform a free download and use the **Microsoft Authenticator app**.
- Because MFA is required to access County platforms (e.g., County intranet, Sage-PCNX, KPI, VPN, or any other secure County system), this means that **after Sept 16, 2024, providers will no longer be able to access Sage-PCNX or SAPC applications without authenticating through the Microsoft Authenticator app**.
  - The County requires 100% compliance with this mandate
- **This will result in significant disruption on your agencies, as staff will not be able to document services or submit billing, which will result in financial ramifications for your agencies.**

IMMEDIATE ACTION REQUIRED

Download & use the Microsoft Authenticator app to access County/SAPC systems effective immediately so that when the current alternative methods of MFA (text or call) sunset, your staff are still able to access County systems (e.g., Sage).

- If you need further assistance or guidance with these instructions, please check the various emails SAPC has sent on this topic and/or contact DPH Information Systems desk via email at ITSupport@ph.lacounty.gov or call **213-462-1411**.

Prop 1 Bond BHCIP Round 1: Launch Ready – Capacity Needs within the Specialty SUD System

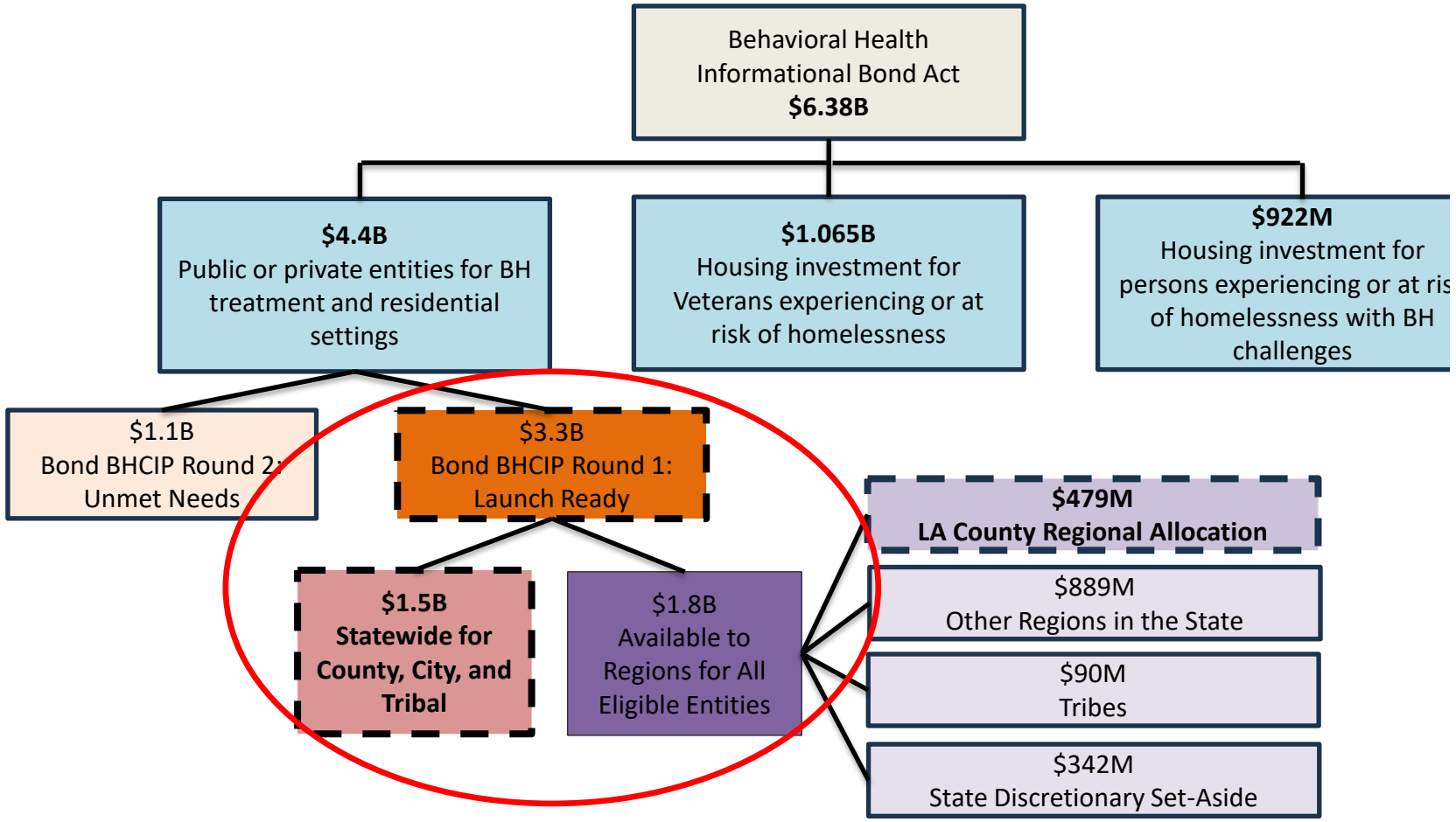
Prop 1 Bond BHCIP – Background

5 BHCIP rounds have been awarded since the launch in 2021 totaling $1.6B

In March 2024, California voters passed Proposition 1, that includes the Behavioral Health Services Act (Senate Bill 326) and the Behavioral Health Infrastructure Bond Act (BHIBA) of 2024 (Assembly Bill 531), authorizing DHCS to make additional BHCIP grant funding available to eligible entities.

The BHIBA is a $6.38 billion general obligation bond to develop a wide range of behavioral health treatment, residential care settings, and supportive housing to help provide appropriate care facilities for Californians experiencing mental health conditions and substance use disorders.

Prop 1 Bond BHCIP – Basics



Round 1: Launch Ready Timelines (2024)

- RFA released July 17th
- Applications will be due Dec 13th and awarded in May 2025.
- All Bond funds will be awarded and put to work in communities no later than 2026.
- Grantees must commit to executing BHCIP contracts within 90 days of receipt of conditional award notice.

Eligible Facility Types

Bond BHCIP Round 1 Launch Ready

***Essentially all SUD treatment settings are eligible, but not housing (e.g., Recovery Bridge Housing or Recovery Housing), which DHCS will consider for the Bond BHCIP Round 2**

Bond BHCIP: Round 1 and Round 2 Eligible Facility Types
Acute Psychiatric Hospital
Adolescent Residential SUD Treatment Facility
Adult Residential SUD Treatment Facility
Behavioral Health Urgent Care (BHUC)/Mental Health Urgent Care (MHUC)
Chemical Dependency Recovery Hospital
Children's Crisis Residential Program (CCRP)
Community Mental Health Clinic (outpatient)
Community Residential Treatment System (CRTS)/Social Rehabilitation Program (SRP)
Community Treatment Facility (CTF)
Community Wellness/Prevention Center (Tribal entities only)
Crisis Stabilization Unit (CSU)
General Acute Care Hospital (GACH) for behavioral health services only
Hospital-based Outpatient Treatment (outpatient detoxification/withdrawal management)
Mental Health Rehabilitation Center (MHRC)
Narcotic Treatment Program (NTP)
NTP Medication Unit
Office-based Opioid Treatment
Outpatient Treatment for SUD
Partial Hospitalization Program
Peer Respite
Perinatal Residential SUD Facilities
Psychiatric Health Facility (PHF)
Psychiatric Residential Treatment Facility (PRTF)
Short-term Residential Therapeutic Program (STRTP)
Skilled Nursing Facility with Special Treatment Program (SNF/STP)
Sobering Center (funded under the Drug Medi-Cal Organized Delivery System [DMC-ODS] and/or Community Supports)
Social Rehabilitation Facilities (SRFs)

Capacity Considerations within the Specialty SUD System in LA County

- **DPH-SAPC is interested in ensuring that Bond BHCIP investments are made across the entire behavioral health system, inclusive of the specialty SUD treatment system.**
- Using population-level estimates of SUD, contracted capacity, historical utilization of contracted capacity, and utilization considerations (lengths of stay, SPA-level considerations, etc), **DPH-SAPC has projected capacity needs for residential and non-residential levels of care to inform Bond BHCIP investment considerations for community-based SUD agencies.**

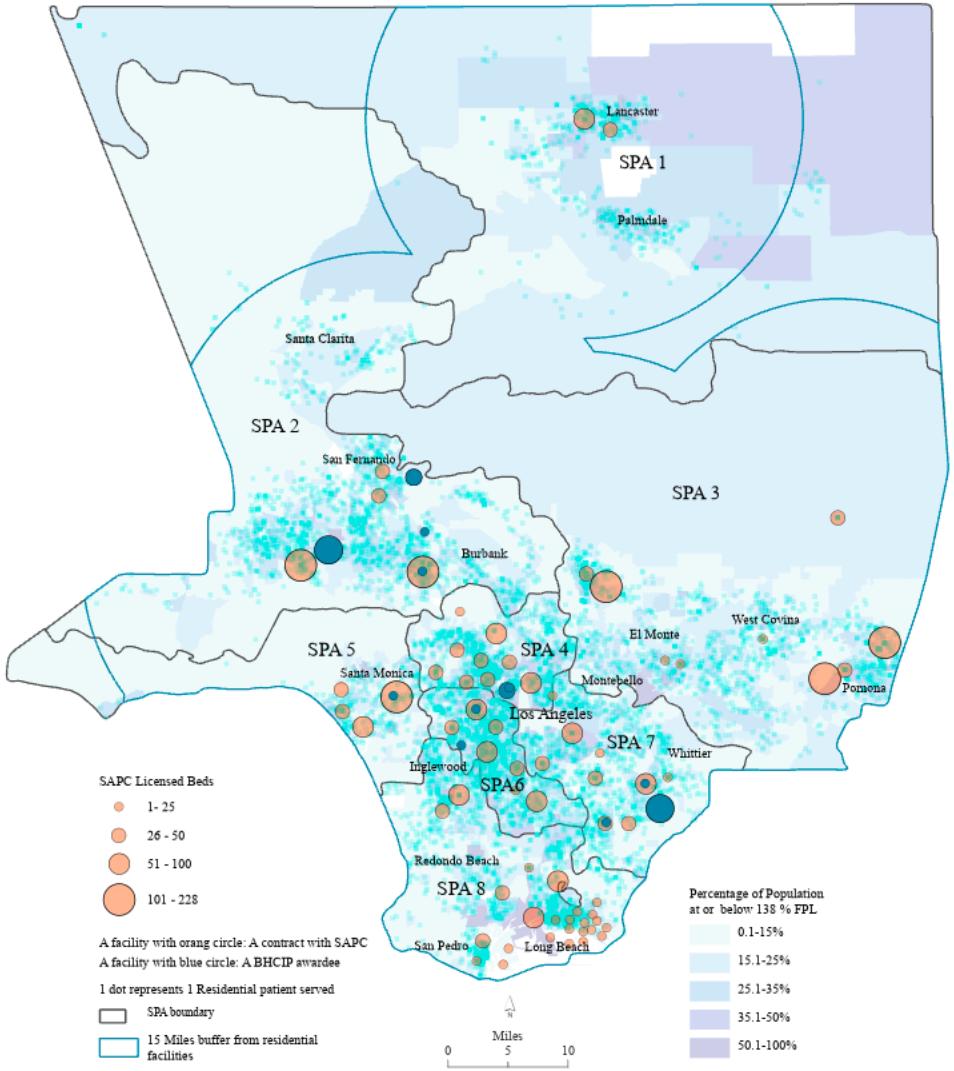
FY24-25 Projected Residential SUD Utilization and Needs Assessment

(assuming 15% vacancy rates of available days/year and 80% access to contracted bed capacity)

	LAC Overall (12+)	Youth (12-17)	Adult 18+	SPA 1	SPA 2	SPA 3	SPA 4	SPA 5	SPA 6	SPA 7	SPA 8	Out of County
# of Beds Needed	2,311	13	2,298	123	385	367	303	93	327	272	418	24
Total SAPC-funded Beds	2,635	13	2,622	206	253	488	344	197	372	286	421	68
Total SAPC-funded beds available for SAPC clients	2,108	13	2,095	165	202	390	275	158	298	229	337	54
Additional Beds Needed	**203**	0	**203**	(42)	**183**	(23)	**28**	(65)	**29**	**43**	**81**	(30)
Additional Licensed Beds Available[10]	787	17	770	2	74	146	143	72	43	41	74	N/A

Residential SUD – Max Capacity, Clients Served, & Projected Needs

(assuming 15% vacancy rates of available days/year and 80% access to contracted bed capacity)

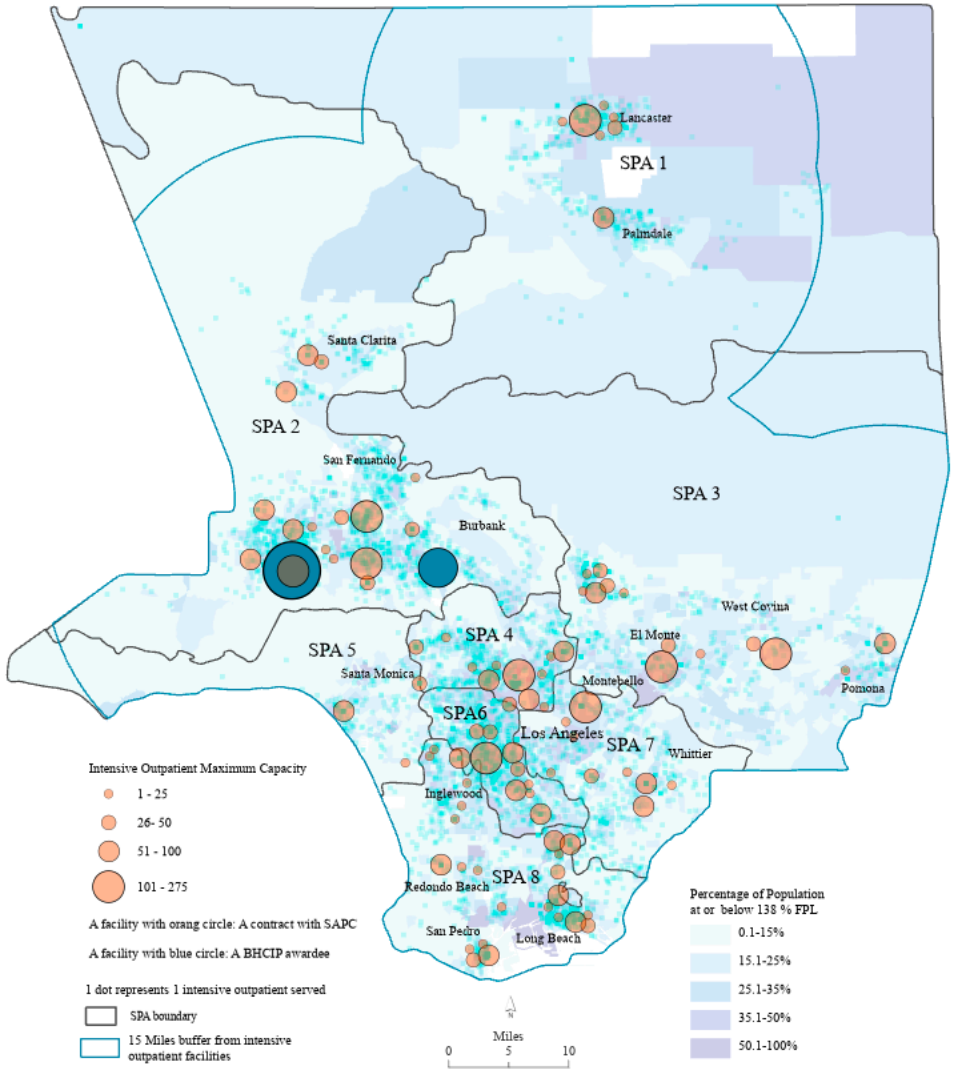


Projected Residential SUD Needs

- SPA 2: 184 beds
- SPA 4: 29 beds
- SPA 6: 30 beds
- SPA 7: 46 beds
- SPA 8: 87 beds
  - Particular needs:
    - Residential Withdrawal Management
    - Residential settings with Incidental Medical Services (IMS) approvals that offer MAT directly
    - Residential SUD settings with co-occurring capabilities

Intensive Outpatient (IOP) SUD – Max Capacity, Clients Served, & Projected Needs

(assuming 15% vacancy rate of available days/year)

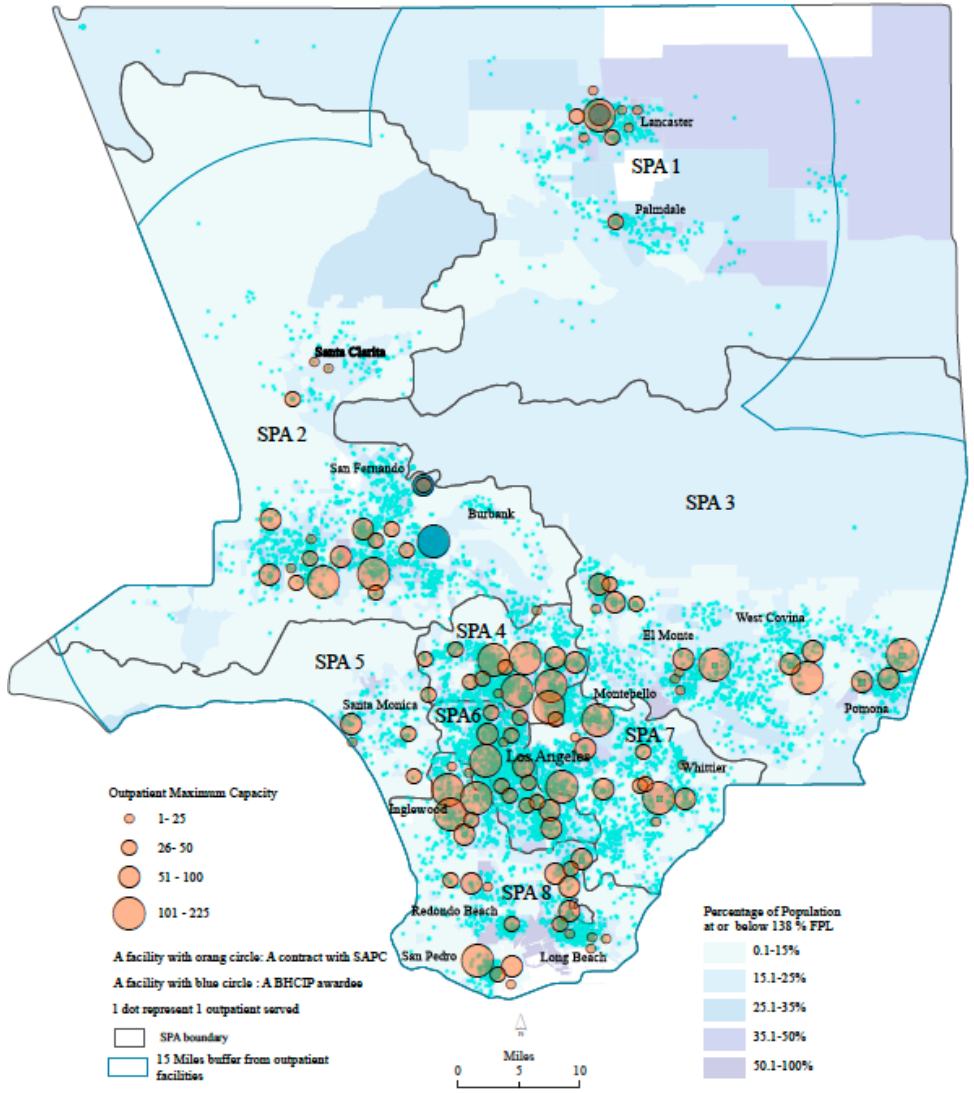


Projected IOP Needs

- SPA 5: 26 slots
  - Overall, LA County IOP capacity is projected to be sufficient, but additional slots in SPA 5 are recommended given utilization patterns
  - Particular needs:
    - IOP settings with co-occurring capabilities and that offer MAT directly

Outpatient (OP) SUD – Max Capacity, Clients Served, & Projected Needs

(assuming 15% vacancy rate of available days/year)



Projected OP Needs

- SPA 6: 40 slots
  - Overall, LA County OP capacity is projected to be sufficient, but additional slots in SPA 6 are recommended given utilization patterns
  - Particular needs:
    - OP Withdrawal Management
    - OP settings with co-occurring capabilities and that offer MAT directly

Recovery-Oriented Housing – Projected Needs

Behavioral Health Bridge Housing and opioid settlement funds are supporting the expansion of Recovery Bridge Housing (RBH) and Recovery Housing beds.

- **RBH – 200 beds added in FY23-24, with another 200 anticipated to be added in FY 24-25**
- **Recovery Housing – 150 beds to be added by FY 24-25**

Projected RBH Needs

- SPA 1: 18 beds
- SPA 2: 30 beds
- SPA 4: 74 beds
- SPA 5: 16 beds
- SPA 6: 62 beds

Projected Recovery Housing Needs

- TBD (new option)

SAPC's Award-Winning Payment Reform Approach – Year 1 Data

Payment Reform Impact – Year 1

July 1, 2023: Launch of payment reform under CalAIM

SAPC saw an opportunity to leverage payment reform provisions of CalAIM to advance the SUD system and its treatment network through:

- Investments in the SUD **Workforce**
- Increasing **Access** to Care & **Service Utilization**
- Strengthening **Financial Infrastructure**

SAPC Payment Reform Preparation & Actions

What did SAPC Do?

- **Right-sized contracts**
  - *Priming/optimizing SAPC's funding for services*
- **Tiered Base Rates**
  - *Identify necessary costs plus quality inflators to set appropriate tiers that encourage continuums of care within agencies*
- **Capacity Building & Incentives**
  - *Fund meaningful change and initiatives that address foundational priorities/needs of the specialty SUD system*
- **Practitioner-Specific Rates**
  - *Match reimbursement with staffing level in non-residential settings*

Measuring Success

Fiscal Impact

SAPC compared FY 2022-23 against FY 2023-24 data to determine the following:

- **Utilization of SAPC Funds**
  - *Is SAPC at the plan level better using its funds?*
- **Provider Contract Utilization**
  - *Are providers better using their allocated funding?*
- **Provider Cost and Reimbursement**
  - *Are rates meeting provider's costs for truly biopsychosocial service delivery?*

Measuring Success

Fiscal Impact

Utilization of SAPC Funds

- *Is SAPC at the plan level better using its funds?*

Year 1 Findings

- SAPC **utilized 92% of key non-DMC funding sources** – an increase of 15% from FY 2022-23 to FY 2023-24.
- **Fully utilized SUBG Prime allocation** for the first time under the current disbursement process.
- All but one of SAPC's key funding sources saw an increase in utilization from FY 2022-23 to FY 2023-24.

Lessons Learned

- Importance of identifying eligible and appropriate program activities consistent with funding requirements.
- Importance of ensuring that providers submit invoices timely.

SAPC Funds	FY22-23			FY23-24		
	Allocation	Utilized	%	Allocation	Utilized	%
	$128,882,032	$103,001,923	**80%**	$121,574,707	$111,800,683	**92%**

Payment Reform Impact – Year 1

Measuring Success

Fiscal Impact

Provider Contract Utilization

Are providers better using their allocated funding?

Year 1 Findings

- SAPC **providers utilized 14% more of their contract allocation** from FY 2022-23 (73%) to FY 2023-24 (**83%**).
- SAPC and its treatment provider network increased DMC spending by **$89.7M** from FY 2022-23 to FY 2023-24.
- **60% of providers fully utilized their contract**, a significant improvement from 26% the prior year.

FY 2022-23		
Contract Allocation	**Contract Utilization**	**%**
$370,33,525	$270,062,684	**73%**

FY 2023-24		
Contract Allocation	**Contract Utilization**	**%**
$436,041,352	$359,733,508	**83%**

Lessons Learned

- Significant benefits from “right-sizing” contracts and SAPC will plan to do so every three years.
- Importance of ensuring that providers submit invoices timely.

Payment Reform Impact – Year 1

Measuring Success

Fiscal Impact

Provider Cost and Reimbursement

Are rates meeting provider's costs for truly biopsychosocial service delivery?

Year 1 Findings

- Overall, providers are in a better position with FY 2023-24 rates than they were with FY 2022-23 rates.
  - **Compared to FY 2022-23, there were tier-based increases for Tier 1 (+ 7.7%), Tier 2 (+12.3%) and Tier 3 (+17.3%)**.
  - These rate increases yielded additional revenue across all tiers compared to FY 2022-23:
    - **Tier 1 range**: From a 23% increase (ASAM 3.1) to a 659% increase (RBH).
    - **Tier 2 range**: From a 34% increase (RBH) to a 158% increase (ASAM 2.1).
    - **Tier 3 range**: From a 17% increase (ASAM 3.2-WM) to a 664% increase (RBH).
  - This is revenue that can be reinvested to achieve further growth.
- **Residential levels of care across all tiers experienced the largest revenue growth during this period**.
- Among tier levels, **Tier 3 providers saw the largest revenue increases**.

Lessons Learned

- Importance of ensuring providers have adequate and accurate accounting systems to properly track costs (see ***Accounting Systems and Infrastructure*** capacity building opportunity).
- Importance of collecting fiscal reports on quarterly basis to better monitor costs (see ***Early Interim Fiscal Reporting*** incentive opportunity).

Payment Reform Impact – Year 1

County of Los Angeles Public Health

Tier 1 - Level of Care	1	2.1	3.1	3.3	3.5	3.2-WM	OTP	RBH
Tier 1 - FY22-23 Revenue per UOS	$8.01	$12.46	$81.35	$147.35	$110.06	$190.12	-$6.30	$1.52
Tier 1 - FY23-24 Revenue per UOS	$21.56	$29.37	$99.66		$176.16		$17.48	$11.54
FY22-23 vs. FY23-24 Revenue Increase	169%	136%	23%		60%		377%	659%

Tier 2 - Level of Care	1	2.1	3.1	3.3	3.5	3.2-WM	OTP	RBH
Tier 2 - FY22-23 Revenue per UOS	$8.01	$12.46	$81.35	$147.35	$110.06	$190.12	-$6.30	$1.52
Tier 2 - FY23-24 Revenue per UOS	$17.60	$32.19	$140.62	$202.67	$159.52	$328.65		$2.03
FY22-23 vs. FY23-24 Revenue Increase	120%	158%	73%	38%	45%	73%		34%

Tier 3 - Level of Care	1	2.1	3.1	3.3	3.5	3.2-WM	OTP	RBH
Tier 3 - FY22-23 Revenue per UOS	$8.01	$12.46	$81.35	$147.35	$110.06	$190.12	-$6.30	$1.52
Tier 3 - FY23-24 Revenue per UOS	$29.36	$36.93	$149.72	$328.22	$179.40	$222.21	$17.99	$11.61
FY22-23 vs. FY23-24 Revenue Increase	267%	196%	84%	123%	63%	17%	386%	664%

Measuring Success:

Fiscal Impact

How much more revenue providers are generating per unit of service.

Payment Reform Impact – Year 1

SAPC's capacity building and incentives initiative (CB&I) invested over $55 million to grow and advance the County's specialty SUD treatment provider network.

SAPC's CB&I aimed to strengthen the specialty SUD workforce, increase access to care, and strengthen the financial infrastructure of its provider network.

<u>SAPC reviewed key data to assess impact:</u>

- **Staffing Changes**
  - *Did workforce investments work?*
- **Billing Amount**
  - *Did we increase access to care?*
- **Medications for Addiction Treatment (MAT)**
  - *Did MAT treatment options increase?*

Measuring Success

Capacity Building & Incentives

Overall Network Participation

- On top of enhanced base rates under payment reform, SAPC invested $36.6M in Year 1 into capacity building and incentives with an **overall 66% provider participation rate**.
- All eligible providers participated in at least one capacity building activity, and **93% opted into at least one incentive category**.
- The average provider participated in thirteen (13) capacity building activities and seven (7) incentives.

	Incentives	Capacity Building	Total
Original Budget	$26,760,000	$29,030,250	$55,790,250
Total Participation	$22,334,000	$14,276,805	$36,610,805
%	**83%**	**49%**	**66%**

Measuring Success

Capacity Building & Incentives

Staffing Changes

Did workforce investments work?

Year 1 Findings

- **Providers that opted into more CB&I activities were more likely to have higher increases in workforce** (registered SUD counselors, certified SUD counselors, and LPHAs) between FY 2022-23 and FY 2023-24.

Lesson Learned

- Monitor claims data to assess the use of staffing level rates for appropriateness and cost.

CBI Participation	Increase from FY22-23 vs. FY23-24			
	Reg Counselor	Cert Counselor	LPHA	Medical Staff
1 - 10 Activities	18%	0%	13%	300%
11 - 20 Activities	41%	16%	27%	150%
21+ Activities	45%	39%	43%	34%
NETWORK TOTAL	43%	30%	39%	54%

Payment Reform Impact – Year 1

Measuring Success

Capacity Building & Incentives

Paid Billing Amount

Did we increase service utilization?

Year 1 Findings

- Overall, through payment reform and SAPC's CB&I framework:
  - **SAPC providers increased the amount of billing submitted and approval rates**
  - **SAPC providers were paid a combined $55.7M more** in FY 2023-24 than in FY 2022-23.
- Providers who opted into the most CB&I activities increased their overall contract utilization by a combined $45.7 million, representing a 25% increase from the prior year.

Lessons Learned

- Claims submission and denial resolution continue to be pain points that we need to improve upon.

Measuring Success

Capacity Building & Incentives

MAT Use

Did MAT treatment options expand?

Year 1 Findings

- **MAT use increased by a total of 205%** across the network from FY22-23 to FY23-24
  - Providers that opted for the fewest CB&I activities had a reduction (-36%) in MAT use amount eligible patients from prior years.
  - Providers that opted into the most CB&I activities increased MAT use by 206%.

Lessons Learned

- Providers should leverage MAT prescriber cost-sharing opportunities (see *MAT Prescribing Clinician* capacity building opportunity).
- Importance of increasing knowledge and understanding of MAT across the network, with a key focus on infusing a biopsychosocial culture into services.

Payment Reform – Year 2 Opportunities

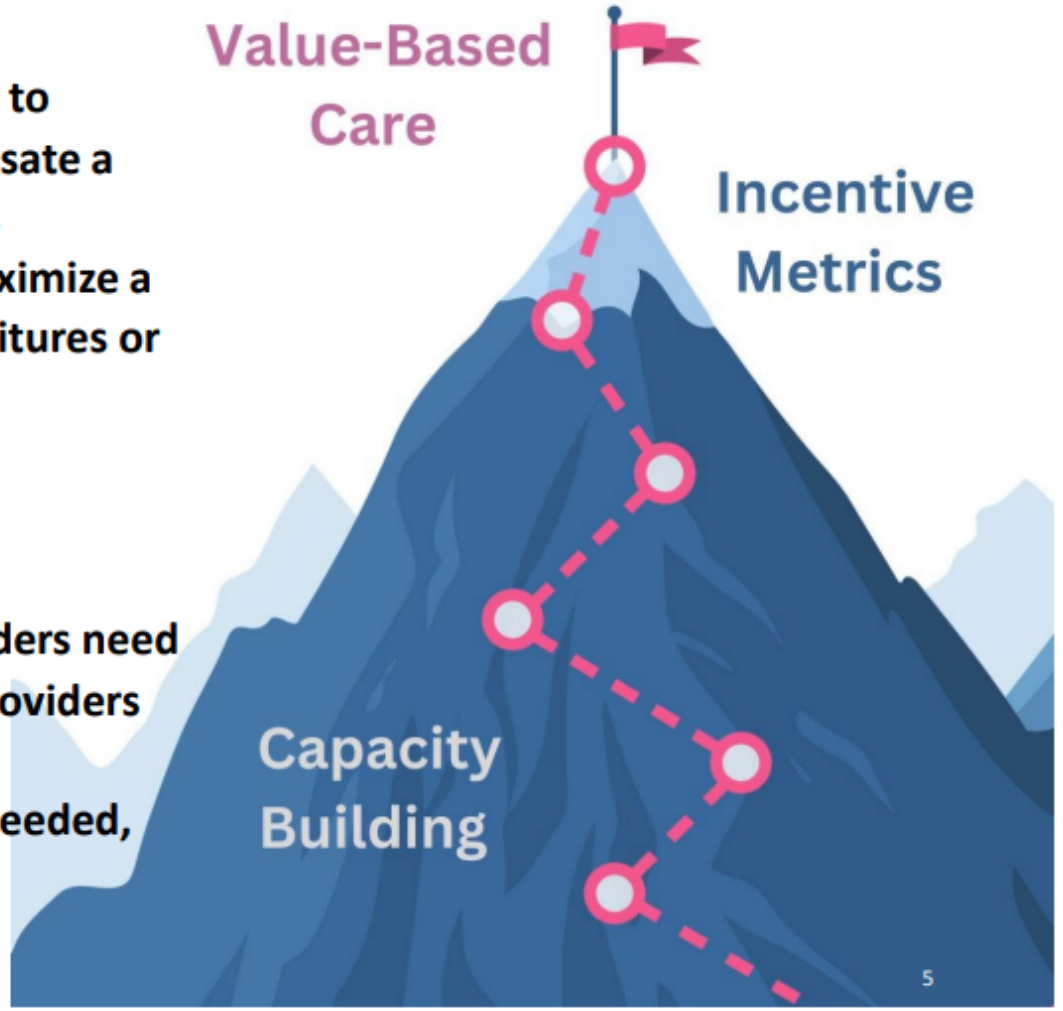
Financial Investments to Prepare for Value-Based Care

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.



Payment Reform – Year 2 Opportunities

County of Los Angeles Public Health

Capacity Building	Incentives	Future State
SUD Counselor Expedited Training + Certification	50% Certified Counselors	Value-Based Reimbursement
LPHA Sign-On/Loyalty and Retention Bonuses	1:12 LPHA-to-Counselor Ratio	Delivering Outcome-Based Care
		Facilitating Team-Based Care
MAT Prescribing Clinician Implementation Plan	25% of Patients with OUD Receive MAT	Receiving Non-FFS Rates (e.g., Case Rates, Bundled Rates)
MAT Prescribing Clinician Verified Hours	15% of Patients with AUD Receive MAT	Managing Upfront Predictable Payments
Accounting Systems and Infrastructure	Early Interim Fiscal Reporting	Achieving Quality Benchmarks Tied to Payments
Assessing and Enhancing Financial Health	$23/hr. Counselor Min. Wage	Contractual Requirements

SAPC 10-Year Payment Reform Roadmap

Purpose:

1. To provide a ***living*** roadmap for SAPC's payment reform approach, inclusive of its rate structure and capacity-building and incentive funds
2. To steer and shape the practice of its provider network, as well as to strengthen necessary system infrastructure, all with the aim of moving its network to a more value-based care model.

Goal: To improve the quality of care for people with SUDs while balancing quality, equitable outcomes, and costs.

Approach: A 10-year, phased implementation that carefully and progressively layers alternative payment strategies into the current FFS structure, ultimately arriving at value-based care or a similar approach.

Phase 1		Phase 2		Phase 3		Phase 4		Phase 5	
Investing in the Foundation		**Implementing Outcome-Focused Reforms**		**Delivering Quality + Value**		**Managing Risks + Rewards**		**Operating in a Value-Based or Population Health Environment**	
2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33

Fee-for-Service → **Value-Based Care**

Payment Reform – Year 2 Opportunities

SAPC 10-Year Payment Reform Roadmap

	Phase 1		Phase 2		Phase 3		Phase 4		Phase 5	
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
Rates Structure	FFS		FFS + narrow alternative payment strategies		FFS + expanded alternative payment strategies		FFS + expanded alternative payment strategies tied to quality and other measures		Value-based care or population-based alternative payment model	
Capacity Building	SUD counselors + LPHA + R95 + foundational business operations		LPHA + MAT prescribers + access to care (including R95) + developing performance/risk metrics + assessing organizational risk + care coordination		Workforce sustainability + managing risks + care redesign in VBC + patient experience + balancing quality and cost		Internal performance metric monitoring + managing upfront, predictable payments		Fiscal/business operational needs	
Incentives	SUD counselors + LPHA + access to care (R95) + enhancing data reporting		SUD counselors + LPHA + access to care (R95) + quality care + enhancing data reporting		Incentives as care and cost benchmarks/ expectations		Incentives as care and cost benchmarks/ expectations		Incentives as care and cost benchmarks/ expectations	

Capacity Building payments become a smaller portion of our CB&I investments over time.

Incentive payments become a larger portion of our Capacity Building and Incentive investments over time.