



COUNTY OF LOS ANGELES

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July 17, 2014

TO: Each Supervisor

FROM: Jonathan E. Fielding, M.D., M.P.H. *JEFielding mo*
Director and Health Officer

Mitchell H. Katz, M.D. *Mitchell Katz*
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SUBJECT: **OPPORTUNITIES TO FUND DIVERSION PROGRAMS (ITEM NO. S-1, AGENDA OF MAY 6, 2014)**

On May 6, 2014, the Board instructed the Directors of Public Health, Health Services, and Mental Health to report back in 60 days on a plan to seek funding through the Affordable Care Act (ACA) or other funding mechanisms available through substance abuse or Mental Health funds, for individuals who are diverted to treatment programs. The Board further directed the departments to examine the opportunities to specifically fund the diversion programs under the ACA and include findings in the report back.

DEPARTMENT OF PUBLIC HEALTH

With Medicaid Expansion under the ACA, substance use disorder (SUD) services covered by California's Drug Medi-Cal (DMC) program have expanded coverage to include low-income adults without children and adults dually eligible for Medicare and Medi-Cal. The DMC program expansion also now includes expanded SUD services as part of the benefits package (limited to Narcotic Replacement Therapy, intensive outpatient, and outpatient treatment services).

The Department of Public Health (DPH) oversees several projects that prioritize the criminal justice involved populations to divert low-level offenders with SUD from incarceration into treatment. Existing substance abuse diversion programs include Deferred Entry of Judgment; Substance Abuse and Crime Prevention Act of 2000, better known as Proposition 36, Adult Drug Court Programs; Sentenced Offender Drug Court Program; Public Safety Realignment Act –

Assembly Bill 109; and Second Chance Women's Reentry Program. Criminal justice involved individuals who do not meet criteria for the above mentioned programs can now access SUD services covered under DMC.

The criminal justice involved populations often need higher levels of care, such as inpatient detoxification and/or residential SUD treatment. Both inpatient detoxification and residential SUD treatment services are not covered under the existing DMC benefits. DPH will continue to work with existing funders, seek other opportunities through grants, and promote further collaborations with community partners to provide services not covered by DMC benefits that address access to services with the criminal justice involved population.

One new project that will immediately target access to services for the criminal justice involved population is the Medi-Cal Outreach and Enrollment Grant, recently approved by your Board. DPH and the Departments of Health Services (DHS), Mental Health (DMH), Public Social Services (DPSS) and the Sheriff's Department recently successfully applied and were awarded a Medi-Cal Outreach and Enrollment Assistance Grant by the California Department of Health Care Services (DHCS) to implement targeted outreach and enrollment assistance efforts with hard-to-reach populations, including criminal justice involved populations. The project will enhance efforts to expand access to SUD services for members of these populations.

DEPARTMENT OF MENTAL HEALTH

DMH intends to utilize our existing network of Medi-Cal certified specialty mental health outpatient intensive treatment programs for individuals that may be diverted from incarceration through pre-booking, post arraignment or as part of an after care plan upon release from detention. The level of reimbursement available to fund services to Medi-Cal beneficiaries falls into two categories: traditional Medi-Cal such as that which is an entitlement of individuals who receive Social Security Income (SSI) benefits and Medicaid expansion funding newly available through the ACA. Individuals who have been determined to be permanently disabled are eligible for SSI and traditional Medi-Cal benefits. Outpatient mental health services provided to such individuals require a 50 percent local match with federal funds supporting the remainder of the cost. On the positive side, SSI benefits include funding for housing costs for the disabled individuals. DMH intends to prioritize the needs of disabled individuals diverted from incarceration and will draw on Mental Health Services Act (MHSA) and realignment local match dollars to ensure that all eligible Medi-Cal services are maximized.

Individuals who are not permanently disabled and are eligible for the Medicaid Expansion under the ACA will be enrolled through several concerted benefits establishment initiatives underway in Los Angeles County, including the Medi-Cal Outreach and Enrollment Assistance grant mentioned above. DHS is also key to the effort to expedite benefits for those who are newly entitled to receive them. DHS staff currently has authority to conduct determinations for Hospital Presumptive Eligibility (HPE) within its hospitals. The Center for Medicare and Medicaid Services has also agreed it is permissible for hospital-based staff to conduct HPE determinations in County-owned and operated clinics, including non-hospital based clinics within DHS and mental health and substance abuse facilities within DMH and DPH. DHS is currently working

with the State to clarify the rules and protocols that will govern this process and on the steps needed to implement this set of activities within the County. DHS plans to begin HPE determinations in non-hospital-based County-owned and operated sites as soon as formal approval has been granted by the State. Both presumptive eligibility and full benefit enrollment efforts are of critical importance to clients and to the Department as mental health treatment for individuals enrolled under the Medicaid expansion is currently funded at 100 percent federal financial participation with no cost to the County. This will ensure the adequate expansion of treatment services for individuals with mental illness who are diverted from incarceration.

DEPARTMENT OF HEALTH SERVICES

DHS provides limited community-based specialty mental health services through its outpatient program at LAC+USC Medical Center while less intensive non-specialty mental health services may be provided in outpatient medical centers. Given the lower intensity of the services provided in these settings, it is not anticipated that they will be a significant source of behavioral health care for individuals diverted from the jail at this time. However, as explained above, DHS will offer a key strategy for ensuring a funding source for behavioral health services through the HPE initiative.

If you have any questions or would like additional information, please let us know.

JEF:cah

c: Chief Executive Officer
County Counsel
Executive Office, Board of Supervisors
District Attorney
Sheriff's Department