# Medicaid Section 1115 Substance Use Disorder Demonstrations
# Monitoring Report Template

*Once approved by the Centers for Medicare and Medicaid Services, this report will be made publicly available on the website of the California Department of Health Care Services.*

## 1. Title page for the state's substance use disorder (SUD) demonstration or the SUD component of the broader demonstration.

*The title page is a brief form that the state completed as part of its monitoring protocol. The title page will be populated with the information from the state's approved monitoring protocol. The state should complete the remaining two rows. Definitions for certain rows are below the table.*

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| **State** | California |
| **Demonstration name** | CalAIM |
| **Approval period for section 1115 demonstration** | *Automatically populated with the current approval period for the section 1115 demonstration as listed in the current special terms and conditions (STC), including the start date and end date (MM/DD/YYYY – MM/DD/YYYY).*<br>*Start Date:* 01/01/2022 *End Date:* 12/31/2026 |
| **SUD demonstration start date**[a] | *Automatically populated with the start date for the section 1115 SUD demonstration or SUD component if part of a broader demonstration (MM/DD/YYYY).*<br>01/01/2022 |
| **Implementation date of SUD demonstration, if different from SUD demonstration start date**[b] | *Automatically populated with the SUD demonstration implementation date (MM/DD/YYYY).*<br>01/01/2022 |
| **SUD (or if broader demonstration, then SUD - related) demonstration goals and objectives** | *Automatically populated with the summary of the SUD (or if broader demonstration, then SUD- related) demonstration goals and objectives.* |
| **SUD demonstration year and quarter** | *Enter the SUD demonstration year and quarter associated with this monitoring report (e.g., SUD DY1Q3 monitoring report). This should align with the reporting schedule in the state's approved monitoring protocol.*<br>DY9 Q2 |
| **Reporting period** | *Enter calendar dates for the current reporting period (i.e., for the quarter or year) (MM/DD/YYYY – MM/DD/YYYY). This should align with the reporting schedule in the state's approved monitoring protocol.*<br>Start Date: 10/01/2023 End Date: 12/31/2023 |

[a] **SUD demonstration start date:** For monitoring purposes, CMS defines the start date of the demonstration as the *effective date* listed in the state's STCs at time of SUD demonstration approval. For example, if the state's STCs at the time of SUD demonstration approval note that the SUD demonstration is effective January 1, 2020 – December 31, 2025, the state should consider January 1, 2020, to be the start date of the SUD demonstration. Note that the effective date is considered to be the first day the state may begin its SUD demonstration. In many cases, the effective date is distinct from the approval date of a demonstration; that is, in certain cases, CMS may approve a section 1115 demonstration with an effective date that is in the future. For example, CMS may approve an extension request on December 15, 2020, with an effective date of January 1, 2021, for the new demonstration period. In many cases, the effective date also differs from the date a state begins implementing its demonstration.

[b] **Implementation date of SUD demonstration:** The date the state began claiming or will begin claiming federal financial participation for services provided to individuals in institutions for mental disease.

## 2. Executive summary

*The executive summary should be reported in the fillable box below. It is intended for summary-level information only. The recommended word count is 500 words or less.*

On June 30, 2021, California submitted a renewal request for the California Advancing and Innovating Medi-Cal (CalAIM) Section 1115 demonstration to the Centers for Medicare & Medicaid Services (CMS). This Section 1115 demonstration requested a five-year renewal of components of the Medi-Cal 2020 Section 1115 demonstration to continue improving health outcomes and reducing health disparities for individuals enrolled in Medi-Cal and other low-income populations in the state. In tandem, the Department of Health Care Services (DHCS) requested authority through a renewal of the Specialty Mental Health Services Section 1915(b) waiver for California. This request would transition nearly all Medi-Cal managed care delivery systems to a single authority, streamlining managed care programs of California and applying statewide lessons learned from previous Section 1115 demonstrations, as described below.

On December 29, 2021, CMS approved the Section 1115(a) CalAIM demonstration for California (Project No: 11-W-00193/9), effective through December 31, 2026. This approval is a part of the larger CalAIM initiative of California which includes the transition of Medi-Cal managed care from the demonstration into 1915(b) waiver authority. The demonstration aims to assist the state in improving health outcomes and advancing health equity for Medi-Cal beneficiaries and other low-income people in the state.

The SUD Monitoring Protocol is required by the Special Terms and Conditions (STCs), specifically, STC 6.5 of California's CalAIM demonstration, effective through December 31, 2026.

This report represents quarterly data for specific and agreed upon SUD performance measures for the measurement period of October through December 2023. California counties have up to twelve months to submit SUD claims data. DY9 Q2 contains the following required SUD metrics:

- Metric 3: The number of Medicaid Beneficiaries with SUD diagnosis
- Metric 4: The number of Medicaid Beneficiaries with SUD diagnosis (annual)
- Metric 5: Medicaid Beneficiaries Treated in an Institution for Mental Disease (IMD) for SUD (annual)
- Metric 6: Number of beneficiaries enrolled in the measurement period receiving any SUD treatment service, facility claim, or pharmacy claim during the measurement period.
- Metric 7: Number of beneficiaries who used early intervention services.
- Metric 8: Total Beneficiaries that received Outpatient Services.
- Metric 9: Total Beneficiaries receiving Intensive Outpatient and Partial Hospitalization Services.
- Metric 10: Total Beneficiaries who use residential and/or inpatient services for SUD.
- Metric 11: Total Beneficiaries who use withdrawal services.

- Metric 12: Number of beneficiaries who have a claim for Medication-Assisted Treatment (MAT) for SUD during the measurement period.
- Metric 13: SUD Provider Availability (annual)
- Metric 14: SUD Provider Availability – MAT (annual)
- Metric 23: Total number of Emergency Department (ED) visits for SUD per 1,000 beneficiaries in the measurement period.
- Metric 24: Emergency Department Utilization for SUD per 1,000 Medicaid Beneficiaries.
- Metric 25: Readmissions Among Beneficiaries with SUD (annual)
- Metric 26: Overdose Deaths (counts) (annual)
- Metric 27: Overdose Deaths (rate) (annual)
- Metric 36: Average Length of Stay in IMDs (annual)
- SUD Health Information Technology (HIT) Q1: Number of Checks (annual)
- SUD HIT Q2: Number of Web Updates (annual)
- SUD HIT Q3: Number of Corrections Live (annual)

## 3. Narrative information on implementation, by milestone and reporting topic.

| Prompt | | State has no trends/update to report (place an X) | Related metric(s) (if any) | State response |
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| **1.** | **Assessment of need and qualification for SUD services** | | | |
| **1.1** | **Metric trends** | | | |
| 1.1.1 | The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to assessment of need and qualification for SUD services | | #3: Medicaid Beneficiaries with SUD Diagnosis<br><br>#4: Medicaid Beneficiaries with SUD Diagnosis (annually) | Total Beneficiaries with SUD Diagnosis:<br>October 2023: 509,744<br>November 2023: 510,839<br>December 2023: 511,037<br><br>This quarterly measure on average showed a 3.34 percent increase when compared with the data from the DY9 Q1 report. The data suggests an increase in the number of members accessing and receiving SUD services during the measurement period.<br><br>For the annual reporting period of Calendar Year (CY) 2023, the number of members who received MAT or SUD related treatment services increased to 761,215 compared to 732,176 in CY 2022. This represents a 3.97 percent increase in members receiving services. |
| **1.2** | **Implementation update** | | | |
| 1.2.1 | Compared to the demonstration design and operational details, the state expects to make the following changes:<br>1.2.1.a The target population(s) of the demonstration | X | | |

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| 1.2.1.b | The clinical criteria (e.g., SUD diagnoses) that qualify a beneficiary for the demonstration | | | DHCS implemented the following policy updates as of January 1, 2023.<br><br>(1) Service Eligibility and Access Requirement: To receive services through the DMC-ODS, a member must be enrolled in Medi-Cal and reside in a participating county. Members 21 years of age and older must meet one of the following criteria for DMC-ODS services, after an assessment has been conducted: (a) Have at least one diagnosis from DSM for Substance-Related and Addictive Disorders, with the exception of Tobacco-Related Disorders and Non-Substance-Related Disorders (b) Have had at least one diagnosis from the DSM for Substance Related and Addictive Disorders, with the exception of Tobacco Related Disorders and Non-Substance-Related Disorders, prior to being incarcerated or during incarceration, determined by substance use history. Medically necessary services for members 21 years and older may also be covered during the assessment period, prior to determination of an SUD diagnosis. Members under age 21 qualify to receive all medically necessary DMC-ODS services.<br><br>(2) County BHP Documentation: DHCS simplified and standardized documentation requirements to afford members person-centered care with an emphasis on safety, integrity, and behavioral health equity. The aim is to improve member experience; effectively document treatment goals and outcomes; promote efficiency to focus on delivering person centered care; promote safe, appropriate, and effective member care; address equity and disparities; and ensure quality and program integrity. |
| 1.2.2 | The state expects to make other program changes that may affect metrics related to assessment of need and qualification for SUD services | X | | Please see the discussion of behavioral health payment reform, and corresponding changes to SUD procedure codes, in Section 11.1.1 of this report. |

| Prompt | | State has no trends/update to report (place an X) | Related metric(s) (if any) | State response |
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| **2.** | **Access to Critical Levels of Care for OUD and other SUDs (Milestone 1)** | | | |
| **2.1** | **Metric trends** | | | |
| 2.1.1 | The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to Milestone 1 | | #6: Number of beneficiaries enrolled in the measurement period receiving any SUD treatment service, facility claim, or pharmacy claim during the measurement period. | #6: Month/Total Beneficiaries enrolled in the measurement period receiving any SUD treatment service, facility claim, or pharmacy claim:<br><br>October 2023: 136,494<br>November 2023: 129,957<br>December 2023: 125,595<br><br>This quarterly measure overall showed an average increase of 14.5 percent when compared with the data from the DY9 Q1 report. Between July 2023 and December 2023, county BHPs began using different payment codes related to SUD treatments. Although the data for medication and case management show a decrease in claiming, data for other specialized services, including structured and comprehensive assessments, outpatient crisis intervention services, mental health assessments, skills training and development and family/couples counseling, increased. |
| | | | #7: Early Intervention; Number of beneficiaries who used early intervention. | #7: Month/Total Beneficiaries who used early intervention services (such as procedure codes associated with Screening, Brief Intervention, and Referral to Treatment [SBIRT]):<br><br>October 2023: 3,003<br>November 2023: 2,693<br>December 2023: 2,546<br><br>This quarterly measure on average showed a 55.67 |

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| | | | percent increase when compared with the data from the DY9 Q1 report. The data suggest that multiple county BHPs reported that their members received structured assessments and screening services at a higher rate, as part of their early intervention services. DHCS will continue to monitor this metric to determine if this was an atypical increase or if, over time, DMC-ODS plans continue to report increased utilization of these services. DHCS issued BHIN 21-051 in September 2021 and BHIN 22-003 in February 2022 to provide guidance to county BHPs about the implementation and reimbursement practices for early intervention services. |
| | | #8: Outpatient Services | #8: Month/Total Beneficiaries that received Outpatient Services for the second quarter was as follows:<br><br>October 2023: 69,973<br>November 2023: 66,158<br>December 2023: 62,700<br><br>This quarterly measure on average showed a 34.14 percent increase in members receiving outpatient services when compared with the data from the DY9 Q1 report. This metric count has seen an overall fluctuation between January 2022 to December 2023. The decrease in members receiving outpatient services from October 2023 – December 2023 may stem from claims lag and DHCS will monitor in future reports if this cause holds true. |
| | | #9: Intensive Outpatient and Partial Hospitalization Services | #9: Month/Total Beneficiaries receiving Intensive Outpatient and Partial Hospitalization Services for the second quarter was as follows:<br><br>October 2023: 1,062<br>November 2023: 588<br>December 2023: 598 |

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| | | | This quarterly measure on average showed a 44 percent increase when compared with the data from the DY9 Q1 report. However, the data also show a significant decrease from October 2023 through December 2023. Several larger county BHPs reported that fewer members used alcohol and drug-related intensive outpatient treatment programs as well as mental health related crisis intervention services during that timeframe. The decrease in members receiving intensive outpatient and partial hospitalization services from October 2023 – December 2023 may stem from claims lag and DHCS will monitor in future reports if this cause holds true. |
| | | #10: Number of beneficiaries who use residential and/or inpatient services for SUD during the reporting period. | #10: Month/Total Beneficiaries who use residential and/or inpatient services for SUD:<br><br>October 2023: 8,976<br>November 2023: 8,617<br>December 2023: 8,413<br><br>The quarter measure showed a 67 percent increase when compared with the data from DY9 Q1 report for total beneficiaries who use residential and/or inpatient services use for SUD. DHCS suspects that one factor driving this percentage increase may be data lag. I.e., it is possible that the DY9 Q1 data had more claims outstanding (not counted) than usual due to the July 1, 2023, payment reform transition (see narrative in Section 11.1.1), and the data for DY9 Q2 is now more complete. |
| | | #11: Number of beneficiaries who use withdrawal management services (such as outpatient, inpatient, or residential) during the reporting period. | #11: Month/Total Beneficiaries who use withdrawal services:<br><br>October 2023: 1,966<br>November 2023: 1,658<br>December 2023: 1,429<br><br>The overall total for beneficiaries who use withdrawal services appears to be consistent throughout CY 2023. There are no significant changes for these reporting |

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| | | | #12: Medication-Assisted Treatment (MAT) | periods.<br><br>#12: Monthly/Total Number of beneficiaries who have a claim for MAT for SUD during the measurement period:<br><br>October 2023: 55,877<br>November 2023: 54,615<br>December 2023: 52,646<br><br>Overall, there was a 6.10 percent count increase between February 2023 to March 2023. There was also an overall count increase from July 2023 to December 2023 due to increase in procedure code usage to identify MAT claims from multiple counties. Some of these counties did not start identifying MAT services via claims until July 2023, when procedure code updates took effect as a part of BH payment reform (see discussion in Section 11.1.1). |
| **2.2** | **Implementation update** | | | |
| 2.2.1 | Compared to the demonstration design and operational details, the state expects to make the following changes to:<br>2.2.1.a Planned activities to improve access to SUD treatment services across the continuum of care for Medicaid beneficiaries (e.g., outpatient services, intensive outpatient services, medication-assisted treatment, services in intensive residential and inpatient settings, medically supervised withdrawal management) | | | In addition to the 1115 demonstration and to support improved access to SUD treatment services within the 1115 SUD demonstration, California continues to administer federal behavioral health grants that are awarded by the Substance Abuse and Mental Health Services Administration (SAMHSA), including the Substance Abuse Prevention and Treatment Block Grant; the Community Mental Health Services Block Grant; the Behavioral Health Response and Rescue Project grants; State Opioid Response (SOR) I, II, and III grants; and the Projects for Assistance in Transition from Homelessness grant. These grants complement or support member access to DMC-ODS services.<br><br>1. Opioid Settlement Funds (OSF):<br>• California has final and proposed agreements with a set of manufacturers, distributors, and pharmacies. The State and Participating Subdivisions have begun receiving payments.<br>• Mallinckrodt defaulted on payments and subsequently reached a new agreement with National Opioid Abetment Trust II (NOAT II) to settle for $250 million |

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| | | | and will declare a second bankruptcy. Other than payments to California from this $250 million, no future payments are expected.<br>• DHCS will administer and oversee the State's share of the funds, as well as monitoring and oversight of Participating Subdivisions/Local Governments as outlined in national and CA agreements.<br><br>From July 1, 2022, through June 30, 2027, DHCS will distribute $232,486,000 as follows:<br>• 7/1/2022 - 6/30/2023: $78,029,000<br>• 7/1/2023 - 6/30/2027: $154,457,000<br>• Funding Update as of September 30, 2023: Shatterproof Addiction Treatment Locator, Assessment, and Standards (ATLAS) platform Operations, Outreach; Shatterproof Unshame California anti-stigma campaign - $9,200,000<br>• SUD Workforce Development - $51,113,000<br>• Naloxone Distribution Project - $88.117M (Includes $14.750,000 from FY 2022-23 and $73.367,000 from FY 2023-24).<br><br>2. Behavioral Health Response and Rescue Project (BHRRP)<br><br>The BHRRP is supported by funding made available through the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and the American Rescue Plan Act (ARPA). It is currently supporting 22 separate statewide projects, in addition to funding allocated to county-specific projects.<br><br>Grant award summary and Individuals receiving services as of December 31, 2023:<br>• Crisis Care Mobile Units - $157.700,000; Individuals receiving dispatched services- 35,478.<br>• Behavioral Health Justice Intervention Services - $14.100,000; Individuals receiving services- 5,803.<br>• Peer Workforce Investment - $32,525,618.95; Total participants served- 79,329.<br>• Expanding Peer Organization Capacity - |

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| | | | | $6,266,702.01; Total participants served- 18,626.<br>• Mentored Internship Program - $99,918,811; Total participants served- 274,120 Behavioral Health Recruitment and Retention- $26,045,559.<br>• Telehealth Expansion - $27.500,000 awarded.<br><br>3. DHCS State Opioid Response (SOR): These projects are funded by grants from SAMHSA, OSF, and State General Funds.<br><br>Projects Outcomes as of December 31, 2023:<br><br>• 181,551 new patients treated for opioid use disorder.<br>• 29,508 new patients treated for stimulant use disorder.<br>• 334,541 individuals referred to or received recovery support services, including:<br>o 202,063 individuals received peer support or recovery coaching.<br>o 33,741 patients were referred for housing support services.<br>o 12,333 patients received counseling services.<br>• 133,779 patients received services via telehealth.<br>• 500+ active access points under SOR III. |
| 2.2.1.b | SUD benefit coverage under the Medicaid state plan or the Expenditure Authority, particularly for residential treatment, medically supervised withdrawal management, and medication-assisted treatment services provided to individual IMDs | X | | |
| 2.2.2 | The state expects to make other program changes that may affect metrics related to Milestone 1 | X | | |

| Prompt | | State has no trends/update to report (place an X) | Related metric(s) (if any) | State response |
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| **3.** | **Use of Evidence-based, SUD-specific Patient Placement Criteria (Milestone 2)** | | | |
| **3.1** | **Metric trends** | | | |
| 3.1.1 | The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to Milestone 2 | | #5: Medicaid Beneficiaries Treated in an IMD for SUD | This is the state's second annual reporting of this metric. For the annual reporting period of CY 2023, the state saw some uptake in the number of Medicaid Beneficiaries Treated in an Institution for Mental Disease to a total of 882 compared to 684 in CY 2022. The state will continue to observe this measurement over the next annual year for future comparison. |
| | | | #36: Average length of stay in IMDs. | This is the state's second annual reporting for this metric. For the annual reporting period of CY 2023, the total number of beneficiaries discharged was 1,227 and the total days of stay was 30,968, which resulted in an average length of stay of 25.24 days. In comparison, for CY 2022, the total number of beneficiaries discharged was 796, and total days of stay was 24,410, which results in an average length of stay of about 30.67 days. The data show a slight increase in readmission rates and the state will monitor this trend over the upcoming measurement reporting year. |
| **3.2.** | **Implementation update** | | | |
| 3.2.1 | Compared to the demonstration design and operational details, the state expects to make the following changes to:<br>3.2.1.a Planned activities to improve providers' use of evidence-based, SUD-specific placement criteria | X | | |

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| 3.2.1.b | Implementation of a utilization management approach to ensure (a) beneficiaries have access to SUD services at the appropriate level of care, (b) interventions are appropriate for the diagnosis and level of care, or (c) use of independent process for reviewing placement in residential treatment settings | X | | |
| 3.2.2 | The state expects to make other program changes that may affect metrics related to Milestone 2 | X | | |

| Prompt | | State has no trends/update to report (place an X) | Related metric(s) (if any) | State response |
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| **4.** | **Use of Nationally Recognized SUD-specific Program Standards to Set Provider Qualifications for Residential Treatment Facilities (Milestone 3)** | | | |
| **4.1** | **Metric trends** | | | |
| 4.1.1 | The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to Milestone 3<br><br>Note: There are no CMS-provided metrics related to Milestone 3. If the state did not identify any metrics for reporting this milestone, the state should indicate it has no update to report. | X | | |
| **4.2** | **Implementation update** | | | |
| 4.2.1 | Compared to the demonstration design and operational details, the state expects to make the following changes to:<br>4.2.1.a Implementation of residential treatment provider qualifications that meet the ASAM Criteria or other nationally recognized, SUD-specific program standards | X | | |
| | 4.2.1.b Review process for residential treatment providers' compliance with qualifications | X | | |
| | 4.2.1.c Availability of medication-assisted treatment at residential treatment facilities, either on-site or through facilitated access to services off site | X | | |
| 4.2.2 | The state expects to make other program changes that may affect metrics related to Milestone 3 | X | | |

| Prompt | | State has no trends/update to report (place an X) | Related metric(s) (if any) | State response |
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| **5.** | **Sufficient Provider Capacity at Critical Levels of Care including for Medication Assisted Treatment for OUD (Milestone 4)** | | | |
| **5.1** | **Metric trends** | | | |
| 5.1.1 | The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to Milestone 4 | | #13: SUD Provider Availability (annual) | This is the state's second annual reporting for this metric. For the reporting period of January 1, 2023, through December 31, 2023, the number of providers who were enrolled in Medicaid and qualified to deliver SUD services was 12,392. In comparison, for the reporting period of January 1, 2022, through December 31, 2022, the number of providers who were enrolled in Medicaid and qualified to deliver SUD services was 4,609. The data show a significant increase of 7,783 SUD providers in measurement year 2023. Some or all of this increase may be attributable to changes in the way prescribers of Medications for Addiction treatment were identified and included in this metric. In January 2023, the Drug Enforcement Administration (DEA) eliminated the DATA-Waiver Program, also known as the X-Waiver. As a result, all prescriptions for buprenorphine only required a standard DEA registration number. The previously used DATA-Waiver registration numbers were no longer needed for any prescription. This meant that any practitioner with a current DEA registration that includes Schedule III authority was allowed to prescribe buprenorphine for Opioid Use Disorder (OUD) in their practice. There were no longer any limits on the number of members a prescriber may treat for OUD with buprenorphine. Specifically, to prescribe buprenorphine, a provider must be (1) a Medi-Cal provider; (2) must have a DEA registration number; and (3) must be authorized to prescribe Schedule III drugs. This updated approach to identifying prescribers was incorporated in the methodology used to arrive at the numbers for providers in measurement year 2023. |
| | | | #14: SUD Provider Availability-MAT (annual) | This is the state's second annual reporting for this metric. For the annual reporting period January 1, 2023, through December 31, 2023, the number of providers who were enrolled in Medicaid and qualified to deliver SUD services during the measurement |

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| | | | | period and who meet the standards to provide buprenorphine or methadone as part of MAT was 11,626. In comparison, for the annual reporting period of January 1, 2022 – December 31, 2022, the number of providers who were enrolled in Medicaid and qualified to deliver SUD services during the measurement period and who meet the standards to provide buprenorphine or methadone as part of MAT was 3,853. The data show a significant increase of 7,773 providers in measurement year 2023. Some or all of this increase may be attributable to changes in the way prescribers of Medications for Addiction treatment were identified and included in this metric. In January 2023, the Drug Enforcement Administration (DEA) eliminated the DATA-Waiver Program, also known as the X-Waiver. As a result, all prescriptions for buprenorphine only required a standard DEA registration number. The previously used DATA-Waiver registration numbers were no longer needed for any prescription. This meant that any practitioner with a current DEA registration that includes Schedule III authority was allowed to prescribe buprenorphine for Opioid Use Disorder (OUD) in their practice. There were no longer any limits on the number of patients a prescriber may treat for OUD with buprenorphine. Specifically, to prescribe buprenorphine, a provider must be (1) a Medi-Cal provider; (2) must have a DEA registration number; and (3) must be authorized to prescribe Schedule III drugs. This updated approach to identifying prescribers was incorporated in the methodology used to arrive at the numbers for providers in measurement year 2023. |
| **5.2** | **Implementation update** | | | |
| 5.2.1 | Compared to the demonstration design and operational details, the state expects to make the following changes to: Planned activities to assess the availability of providers enrolled in Medicaid and accepting new patients in across the continuum of SUD care | X | | |
| 5.2.2 | The state expects to make other program changes that may affect metrics related to Milestone 4 | X | | |

| Prompt | | State has no trends/update to report (place an X) | Related metric(s) | State response |
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| **6.** | **Implementation of Comprehensive Treatment and Prevention Strategies to Address Opioid Abuse and OUD (Milestone 5)** | | | |
| **6.1** | **Metric trends** | | | |
| 6.1.1 | The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to Milestone 5 | | #23: Total number of ED visits for SUD per 1,000 beneficiaries in the measurement period.<br><br>#27: Overdose Deaths (rate) | #23: Monthly/Total Number of ED visits for SUD per 1,000 beneficiaries in the measurement period.<br><br>October 2023: 2.01%<br>November 2023: 1.885%<br>December 2023: 1.89%<br><br>There were no significant changes for the total number of Emergency Department (ED) visits for SUD per 1,000 beneficiaries in CY 2023.<br><br>The total rate of overdose deaths among adult Medicaid beneficiaries living in a geographic area covered by the demonstration during January 1, 2022, through December 1, 2022, is 0.64 percent. Data are based on vital statistics death records from California Department of Public Health. Overdose death rates for 2023 will not be available until December 2024. |
| **6.2** | **Implementation update** | | | |
| 6.2.1 | Compared to the demonstration design and operational details, the state expects to make the following changes:<br>6.2.1.a Implementation of opioid prescribing guidelines and other interventions related to prevention of OUD | X | | |
| | 6.2.1.b Expansion of coverage for and access to naloxone | | | In addition to the 1115 SUD Demonstration, DHCS also funds the Naloxone Distribution Project (NDP), which aims to reduce opioid overdose deaths through the provision of |

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| | | | free naloxone. Entities can apply to DHCS to have naloxone shipped directly to their address.<br><br>During this measurement period, DHCS began distributing generic four (4) mg naloxone nasal spray in partnership with the CalRX Naloxone Access Initiative. Through this investment, announced as part of Governor Newsom's Master Plan for Tackling the Fentanyl and Opioid Crisis. the NDP will be able to distribute even more naloxone to communities in need and support California's fight against the opioid epidemic. In addition, DHCS began distribution of free all-in-one fentanyl test strip kits to help prevent drug overdoses across the state. While funding is available, organizations currently eligible to receive naloxone through the NDP can apply to receive free fentanyl test strip kits. The all-in-one kits streamline the process of testing a drug for the presence of fentanyl, an extremely powerful opioid that can be added to other drugs and lead to a life-threatening or fatal overdose event, by packaging together a measuring scoop, the fentanyl test strip, a water pouch, and test instructions.<br><br>The all-in-one fentanyl test strip kits also reduce errors in testing drugs for fentanyl by including clear markings on the water pouch to prevent under and over dilution, and a result guide for test comparison. By providing these free all-in-one kits, DHCS aims to help California communities who are at risk of fentanyl exposure to increase their safety and prevent overdoses. |
| 6.2.2 The state expects to make other program changes that may affect metrics related to Milestone 5 | X | | |

| Prompt | | State has no trends/update to report (place an X) | Related metric(s) (if any) | State response |
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| **7.** | **Improved Care Coordination and Transitions between Levels of Care (Milestone 6)** | | | |
| **7.1** | **Metric trends** | | | |
| 7.1.1 | The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to Milestone 6 | | #25: Readmission Among Beneficiaries with SUD | This is the state's second annual reporting for this metric. For CY 2023, the total admissions were 163,915 and readmissions were 26,427 for a percentage rate of 0.161. In comparison, in CY 2022, the total admissions were 152,183, and readmissions were 23,456 for a percentage rate of 0.154. The data show a slight increase in readmission rates and the state will monitor this trend over the upcoming measurement reporting year. |
| **7.2** | **Implementation update** | | | |
| 7.2.1 | Compared to the demonstration design and operational details, the state expects to make the following changes to: Implementation of policies supporting beneficiaries' transition from residential and inpatient facilities to community-based services and supports | X | | |
| 7.2.2 | The state expects to make other program changes that may affect metrics related to Milestone 6 | X | | |

| Prompt | | State has no trends/update to report (place an X) | Related metric(s) (if any) | State response |
|---|---|---|---|---|
| **8.** | **SUD health information technology (health IT)** | | | |
| **8.1** | **Metric trends** | | | |
| 8.1.1 | The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to its health IT metrics | | Health IT Q1: Number of Checks | This is the state's second annual reporting for this metric. For January 1, 2023, through December 31, 2023, the total number of CURES Patient Activity Report searched was 98,159,799 as compared to 9,121,368 for the measurement period of January 1, 2022, through December 31, 2022. The significant increase in the data may be because the state is unable to restrict the count of checks by just Medi-Cal prescribers. |
| | | | Health IT Q2: Number of Web updates | This is the state's second annual reporting for this metric. For January 1, 2023, through December 31, 2023, the total number of online CURES resources information updates published was 10 as compared to 23 for the measurement period of January 1, 2022, through December 31, 2022. The year prior, this website was brand new, and the Department of Justice may have needed to provide additional training and registration resources to afford interested stakeholders access to the website. DHCS will report on this website's activity during the next measurement period. |
| | | | Health IT Q3: Number of corrections live | This is the state's second annual reporting for this metric. For January 1, 2023, through December 31, 2023, the total number of connection corrections system to SUD delivery system for incarcerated individual release to community was three, which is the same total number when compared with as compared with the data for measurement period of January 1, 2022, through December 31, 2022. |
| **8.2** | **Implementation update** | | | |

| | | | | |
|---|---|---|---|---|
| 8.2.1 | Compared to the demonstration design and operational details, the state expects to make the following changes to:<br>8.2.1.a How health IT is being used to slow down the rate of growth of individuals identified with SUD | X | | |
| | 8.2.1.b How health IT is being used to treat effectively individuals identified with SUD | X | | |
| | 8.2.1.c How health IT is being used to effectively monitor "recovery" supports and services for individuals identified with SUD | X | | |
| | 8.2.1.d Other aspects of the state's plan to develop the health IT infrastructure/capabilities at the state, delivery system, health plan/MCO, and individual provider levels | X | | |
| | 8.2.1.e Other aspects of the state's health IT implementation milestones | X | | |
| | 8.2.1.f The timeline for achieving health IT implementation milestones | X | | |

| Prompt | | State has no trends/update to report (place an X) | Related metric(s) (if any) | State response |
|---|---|---|---|---|
| 8.2.1.g | Planned activities to increase use and functionality of the state's prescription drug monitoring program | X | | |
| 8.2.2 | The state expects to make other program changes that may affect metrics related to health IT | X | | |
| **9.** | **Other SUD-related metrics** | | | |
| **9.1** | **Metric trends** | | | |
| 9.1.1 | The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to other SUD-related metrics | X | #24: Inpatient Stays for SUD per 1,000 Medicaid<br><br>#26: Overdose Deaths (count) | #24: Monthly/Quarterly: Total number of inpatient stays per 1,000 beneficiaries in the measurement period.<br><br>October 2023: 1.22%<br>November 2023: 1.18%<br>December 2023: 1.20%<br><br>There were no significant changes for Inpatient Stays for SUD per 1,000 Medicaid Beneficiaries in CY 2023.<br><br>The total number of overdose deaths among Medicaid beneficiaries living in geographic areas covered by the demonstration during January 1, 2022, through December 1, 2022, is 6,284. The count for individuals younger than 18 years of age is 418, while the count for individuals between 18 years old - 64 years old is 418. Lastly, the count for seniors 65 years and older is 5,803. Data are based on vital statistics death records from California Department of Public Health. Overdose death rates for 2023 will not be available until December 2024. |
| **9.2** | **Implementation update** | | | |
| 9.2.1 | The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to other SUD-related metrics | X | | |

## 4. Narrative information on other reporting topics

| Prompts | | State has no update to report (place an X) | State response |
|---|---|---|---|
| **10.** | **Budget neutrality** | | |
| **10.1** | **Current status and analysis** | | |
| 10.1.1 | If the SUD component is part of a broader demonstration, the state should provide an analysis of the SUD-related budget neutrality and an analysis of budget neutrality as a whole. Describe the current status of budget neutrality and an analysis of the budget neutrality to date. | X | |
| **10.2** | **Implementation update** | | |
| 10.2.1 | The state expects to make other program changes that may affect budget neutrality | X | |

| Prompts | | State has no update to report (place an X) | State response |
|---|---|---|---|
| **11.** | **SUD-related demonstration operations and policy** | | |
| **11.1** | **Considerations** | | |
| 11.1.1 | The state should highlight significant SUD (or if broader demonstration, then SUD-related) demonstration operations or policy considerations that could positively or negatively affect beneficiary enrollment, access to services, timely provision of services, budget neutrality, or any other provision that has potential for beneficiary impacts. Also note any activity that may accelerate or create delays or impediments in achieving the SUD demonstration's approved goals or objectives, if not already reported elsewhere in this document. See Monitoring Report Instructions for more detail. | | The CalAIM Behavioral Health Payment Reform initiative was implemented on July 1, 2023. The initiative changes the way DHCS reimburses counties for Specialty Mental Health Services (SMHS), Drug Medi-Cal (DMC), and DMC-ODS services.<br><br>Payment reform transitioned counties from cost-based reimbursement to fee-for-service reimbursement, eliminating the need for reconciliation to actual costs. As part of payment reform, SMHS and SUD services transitioned from Healthcare Common Procedure Coding System Level II coding to Level I coding, known as Current Procedural Terminology coding, when possible.<br><br>While DHCS would not expect Payment Reform to impact service delivery or access to care during the reporting period, there are two factors related to payment reform that may impact the metrics in DMC-ODS quarterly reports, particularly in year one of implementation (July 1, 2023 – June 30, 2024). First, the updated procedure code requirements described above mean that some services are now being claimed using different, and more specific, codes than in prior years. More consistent and accurate use of certain procedure codes over time could impact metrics even if the underlying service delivery has not changed. Second, some California counties experienced delays in claims submission for the period beginning July 1, 2023. The increased claims lag has the potential to impact some DMC-ODS utilization metrics; atypical delays in claims submission may cause utilization to appear lower in comparison to prior year or prior quarters. DHCS will continue to work with counties to support timely and accurate claims submission and expects any procedure code inconsistencies or claims lag attributable to payment reform to be reduced or resolved in year two. |
| **11.2** | **Implementation update** | | |

| | | | |
|---|---|---|---|
| 11.2.1 | Compared to the demonstration design and operational details, the state expects to make the following changes to:<br>11.2.1.a How the delivery system operates under the demonstration (e.g., through the managed care system or fee for service) | X | |
| | 11.2.1.b Delivery models affecting demonstration participants (e.g., Accountable Care Organizations, Patient Centered Medical Homes) | X | |
| | 11.2.1.c Partners involved in service delivery | X | |

| Prompts | State has no update to report (place an X) | State response |
|---|---|---|
| 11.2.2 The state experienced challenges in partnering with entities contracted to help implement the demonstration (e.g., health plans, credentialing vendors, private sector providers) and/or noted any performance issues with contracted entities | X | |
| 11.2.3 The state is working on other initiatives related to SUD or OUD | X | |
| 11.2.4 The initiatives described above are related to the SUD or OUD demonstration (The state should note similarities and differences from the SUD demonstration) | X | |

| Prompts | | State has no update to report (place an X) | State response |
|---|---|---|---|
| **12.** | **SUD demonstration evaluation update** | | |
| **12.1** | **Narrative information** | | |
| 12.1.1 | Provide updates on SUD evaluation work and timeline. The appropriate content will depend on when this monitoring report is due to CMS and the timing for the demonstration. There are specific requirements per 42 Code of Federal Regulations (CFR) § 431.428a(10) for annual [monitoring] reports. See Monitoring Report Instructions for more details. | X | |
| 12.1.2 | Provide status updates on deliverables related to the demonstration evaluation and indicate whether the expected timelines are being met and/or if there are any real or anticipated barriers in achieving the goals and timeframes agreed to in the STCs | X | |
| 12.1.3 | List anticipated evaluation-related deliverables related to this demonstration and their due dates | X | |

| Prompts | | State has no update to report (place an X) | State response |
|---|---|---|---|
| **13.** | **Other SUD demonstration reporting** | | |
| **13.1** | **General reporting requirements** | | |
| 13.1.1 | The state reports changes in its implementation of the demonstration that might necessitate a change to approved STCs, implementation plan, or monitoring protocol | X | |
| 13.1.2 | The state anticipates the need to make future changes to the STCs, implementation plan, or monitoring protocol, based on expected or upcoming implementation changes | X | |
| 13.1.3 | Compared to the demonstration design and operational details, the state expects to make the following changes to:<br>13.1.3.a The schedule for completing and submitting monitoring reports | X | |
| | 13.1.3.b The content or completeness of submitted monitoring reports and/or future monitoring reports | X | |
| 13.1.4 | The state identified real or anticipated issues submitting timely post-approval demonstration deliverables, including a plan for remediation | X | |
| 13.1.5 | Provide updates on the results of beneficiary satisfaction surveys, if conducted during the reporting year, including updates on grievances and appeals from beneficiaries, per 42 CFR § 431.428(a)5 | X | |

| Prompts | | State has no update to report (place an X) | State response |
|---|---|---|---|
| **13.2** | **Post-award public forum** | | |
| 13.2.2 | If applicable within the timing of the demonstration, provide a summary of the annual post-award public forum held pursuant to 42 CFR § 431.420(c) indicating any resulting action items or issues. A summary of the post-award public forum must be included here for the period during which the forum was held and in the annual monitoring report. | X | |

| Prompts | | State has no update to report (place an X) | State response |
|---|---|---|---|
| **14.** | **Notable state achievements and/or innovations** | | |
| **14.1** | **Narrative information** | | |
| 14.1.1 | Provide any relevant summary of achievements and/or innovations in demonstration enrollment, benefits, operations, and policies pursuant to the hypotheses of the SUD (or if broader demonstration, then SUD related) demonstration or that served to provide better care for individuals, better health for populations, and/or reduce per capita cost. Achievements should focus on significant impacts to beneficiary outcomes. Whenever possible, the summary should describe the achievement or innovation in quantifiable terms, e.g., number of impacted beneficiaries. | | On February 15, 2023, DHCS' training and technical assistance contractor for the Recovery Incentives Program, the University of California, Los Angeles, launched the Recovery Incentives Program Implementation Training which is required for all contingency management (CM) coordinators and supervisors. Between February 15, 2023, and March 31, 2023, fourteen Implementation Trainings were delivered with 295 total participants.<br><br>On March 28, 2023, DHCS approved the first site to offer CM services as part of the Recovery Incentives Program. The site is in Los Angeles County, which serves 30 percent of California's Medi-Cal population. Additional sites are being approved on a rolling basis as they complete the Implementation Training and Readiness Review process. |

*The state should remove all example text from the table prior to submission.

Note: Licensee and states must prominently display the following notice on any display of Measure rates:
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