



State of California—Health and Human Services Agency
Department of Health Care Services



GAVIN NEWSOM
GOVERNOR

DATE: February 26, 2021

Behavioral Health Information Notice No:21-011

TO: California Alliance of Child and Family Services
California Association for Alcohol/Drug Educators
California Association of Alcohol & Drug Program Executives, Inc.
California Association of DUI Treatment Programs
California Association of Social Rehabilitation Agencies
California Consortium of Addiction Programs and Professionals
California Council of Community Behavioral Health Agencies
California Hospital Association
California Opioid Maintenance Providers
California State Association of Counties
Coalition of Alcohol and Drug Associations
County Behavioral Health Directors
County Behavioral Health Directors Association of California
County Drug & Alcohol Administrators

SUBJECT: County Contracts With Narcotic Treatment Programs and Cost Reimbursement

PURPOSE: To remind counties of the reimbursement methodology for non-county operated NTP providers participating in the Drug Medi-Cal Organized Delivery System (DMC-ODS) and to encourage DMC-ODS counties to accurately reflect that reimbursement methodology in contracts executed with NTP providers.

BACKGROUND:

Narcotic Treatment Program (NTP) providers have informed the Department of Health Care Services (DHCS) that some counties include language in their contracts that indicate the NTP provider is reimbursed on a cost basis. When NTP providers are audited, sometimes by county auditors, the auditors ask for documentation regarding their costs, requiring NTP providers to explain that they are not reimbursed on a cost basis.

Behavioral Health Information Notice No.: 21-011
Page 2
February 26, 2021

POLICY:

Non-county operated NTP reimbursement is not based on allowable costs. Rather, NTPs are reimbursed as the lower of the uniform statewide daily reimbursement rate or the provider's usual and customary charge for the same or similar services; see W&I Code, Section 14021.51(h); the Medi-Cal State Plan (Attachment 4.19-B, Pages 38-41f, Section B.2); and the DMC-ODS Intergovernmental Agreement (Exhibit B, Section J).

Each DMC-ODS Contractor must ensure that it is administering the relevant provisions under the DMC-ODS agreement ("Agreement") correctly with respect to non-county operated NTP providers.

Sincerely,

Original signed by

Lindy Harrington
Deputy Director
Health Care Financing