



JENNIFER KENT  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

DATE: May 5, 2017

MHSUDS INFORMATION NOTICE NO.: 17-015

TO: COUNTY BEHAVIORAL HEALTH DIRECTORS  
COUNTY DRUG & ALCOHOL ADMINISTRATORS  
COUNTY BEHAVIORAL HEALTH DIRECTORS ASSOCIATION OF CALIFORNIA  
CALIFORNIA COUNCIL OF COMMUNITY BEHAVIORAL HEALTH AGENCIES  
COALITION OF ALCOHOL AND DRUG ASSOCIATIONS  
CALIFORNIA ASSOCIATION OF ALCOHOL & DRUG PROGRAM EXECUTIVES, INC.  
CALIFORNIA ALLIANCE OF CHILD AND FAMILY SERVICES  
CALIFORNIA OPIOID MAINTENANCE PROVIDERS

SUBJECT: Medication Unit (MU) Overview

### PURPOSE

The purpose of this notice is to provide an overview of MUs, including information regarding the application process, licensing requirements, Narcotic Treatment Program (NTP) sponsor and available services, program capacity, inspection and monitoring, and data and billing.

### BACKGROUND

The Department of Health Care Services (DHCS) is the state entity responsible for licensing, oversight, as well as statutory compliance of NTPs and MUs. Federal and State laws define MUs as treatment facilities from which licensed private practitioners and/or community pharmacists dispense or administer medications used in narcotic replacement therapy. Services offered at an MU are limited to the administering and dispensing of medications, and collection of patient body specimens for testing or analysis of samples for illicit drug use.

Regulations applicable to MUs include: Code of Federal Regulations Title 42, Section 8.22; California Code of Regulations (CCR) Title 9, Section 10000(a)(10); and CCR Title 9, Section 10020.

## DISCUSSION

In order to lawfully operate an MU, applicants must receive prior approval from DHCS, the Substance Abuse and Mental Health Services Administration (SAMHSA), and the Drug Enforcement Administration (DEA).

### *Applications and Forms*

Applications for licensure of an MU must address and detail these topics of program operations: Program Administration; Personnel Policies and Staffing; Patient Files; Handling and Security of Medication; Patient Treatment; Take-Home Privileges; Body Specimen Collection and Storage, and Dosage Levels. Applicants must also describe how every patient that is assigned to the MU will participate in the regular treatment provided by the sponsoring NTP.

In addition, forms required for licensure of an MU are the following:

- 1) DHCS 5014 – Narcotic Treatment Program Initial Application
- 2) DHCS 5025 – Facility Requirements
- 3) DHCS 5026 – Staff Hours
- 4) DHCS 5028 – Letters of Cooperation
- 5) DHCS 5030 – Geographical Area
- 6) DHCS 5031 – Organizational Responsibility

Form DHCS 5027 County Recommendation is not required as part of the MU application.

These forms can be found at the following link:

<http://www.dhcs.ca.gov/individuals/Pages/NTP-Applications-and-Forms-.aspx>.

### *Mailing and Application Fees*

Please submit MU applications and forms to the address below:

Substance Use Disorder Compliance Division  
P.O. Box 997413, MS 2603  
Sacramento, CA 95899-7413

Along with the application, an application fee must also be submitted to DHCS, as DHCS shall terminate review of the application if the applicant fails to include the required fee. The annual fees are posted on the DHCS website at the following link:

<http://www.dhcs.ca.gov/individuals/Pages/NTP.aspx>

### Additional Licensing Requirements

An MU is a geographically separate facility from an NTP, but must be sponsored by a licensed and operating NTP. Consequently, MUs are not issued separate licenses, as they operate under licensure of the sponsoring NTP.

## POLICY

### NTP Sponsor and Available Services

MUs must be sponsored by a licensed NTP throughout the lifecycle of the MU. The sponsoring NTP is not required to be in the same county as the MU, but bears the responsibility of continuation of treatment services in the event that the MU ceases to provide services. Due to the specified limited services available at an MU, patients receiving services at an MU must participate in regular treatment provided by the sponsoring NTP. The sponsoring NTP is responsible for the remainder of treatment services not available at the MU, such as admission and discharge, medical examinations, counseling services, treatment plan updates, as well as other recovery support services.

### Program Capacity

MUs and the sponsoring NTP share a total licensed patient capacity. The licensed patient capacity allocated to the sponsoring NTP, is also inclusive of the patient capacity to be served at the MU. Requests for adjustments to the licensed patient capacity must be submitted by the sponsoring NTP for DHCS review. This is accomplished through submission of form DHCS 4007 – Narcotic Treatment Program Capacity Increase/Decrease application, requesting an adjustment to the sponsoring NTP's licensed patient capacity. The county recommendation would come from the county where the MU is located.

### Inspection and Monitoring

MUs and NTPs are subject to the same inspection and monitoring requirements by DHCS. Inspections include an examination of all records of the program pertaining to patient care and program management; observation of the program's treatment procedures; interviews with staff and voluntary interviews with patients; and other aspects of the program which are subject to DHCS regulations and upon which the DHCS licensure is based. DHCS shall issue an inspection report 30 days from the date of inspection. The inspection report will be mailed to the administrative address of the sponsoring NTP. The sponsoring NTP shall be responsible for submission and implementation of all required corrective action plans of the MU. The license of the

sponsoring NTP shall be subject to licensing action for any violations of the applicable regulations or statutes by the MU.

MU applications for capacity change, site expansion, relocation, remodeling, or any other protocol amendments must be submitted by the sponsoring NTP and are subject to the same regulatory requirements as NTPs. The sponsoring NTP is additionally responsible for submitting Death, Incident, and Complaint Reports to DHCS.

### Data and Billing

The Provider Enrollment Division of DHCS requires MUs to have separate Drug Medi-Cal (DMC) certification from the sponsoring NTP. MUs are required to meet all program requirements including established place of business requirements, in order to obtain DMC certification.

The Short-Doyle Medi-Cal billing system permits separate DMC billing for patients receiving services at both locations (e.g. dosing at the MU and counseling at the NTP). Multiple billing override codes may be needed with Counties that do not opt into the DMC Organized Delivery System. Services rendered at the MU or NTP must be billed through DMC for the patient's county of residence with the specific location where services were received also identified on the DMC claim. MUs are not required to report data to the California Outcomes Measurement System (CalOMS) through individual reporting numbers. All CalOMS data for the MU would be submitted by the sponsoring NTP.

The following link lists required PED application Forms for DMC certification:

[http://files.medi-cal.ca.gov/pubsdoco/prov\\_enroll.asp#Forms](http://files.medi-cal.ca.gov/pubsdoco/prov_enroll.asp#Forms)

### QUESTIONS

If you have questions regarding this Information Notice, please contact Michael Freeman at (916) 327-3176 or by email at [Michael.Freeman@dhcs.ca.gov](mailto:Michael.Freeman@dhcs.ca.gov).

Sincerely,

Original signed by

Karen Baylor, Ph.D., LMFT, Deputy Director  
Mental Health & Substance Use Disorder Services