



April 5, 2017

The Honorable Ed Hernandez
Chair, Senate Health Committee
State Capitol, Room 2080
Sacramento, California 95814

Re: SB 323 (Mitchell) – SUPPORT

Dear Senator Hernandez:

On behalf of Peach Tree Health, I would like to urge your support for Senate Bill 323 by Senator Holly Mitchell which will be heard by the Senate Health Committee on April 19, 2017.

Federally Qualified Health Centers (FQHC) are required to offer medical and behavioral health care to all patients, regardless of ability to pay. SB 323 will help health centers provide substance use disorder treatment services to our most vulnerable communities by adding Drug Medi-Cal Program (DMC) and Specialty Mental Health services to the types of services that federally qualified health centers and rural health clinics (RHC) may provide and be reimbursed under a contract.

In California, substance use disorder services are provided to Medi-Cal enrollees outside of the Medi-Cal managed care system through the DMC program. Under the recently approved Drug Medi-Cal Organized Delivery System waiver (DMC-ODS), counties have the option to expand the DMC benefit package and have started approaching FQHCs to serve as DMC providers in order to assure access to these important new benefits. However, the Prospective Payment System (PPS) reimbursement rules, which are applied to FQHCs, constrain their ability to provide the full spectrum of DMC and Specialty Mental Health services by limiting the type of services, type of provider, and location of where services may be offered.

This bill would authorize FQHCs and RHCs to elect to enroll as a DMC certified provider so that they could provide DMC services pursuant to the terms of a mutually agreed upon contract that is entered into between the FQHC or RHC and the county or department. The contract would set forth the reimbursement requirements for these services. The bill would prohibit the costs associated with DMC services from being included in the FQHC's or RHC's per-visit PPS rate, and would require the costs of providing DMC services to be adjusted out of the FQHC's or RHC's clinic base rate as a scope-of-service change under specified circumstances.

SB 323 will increase timely access to behavioral healthcare needs across California and ultimately lower the cost of care as patients address their healthcare needs before they end up in more expensive and less effective avenues such as an emergency room.

For these reasons, Peach Tree Health is pleased to support SB 323, and urges your aye vote.

If you have any questions, please feel free to contact Christy Bouma at (916) 227-2666 or Beth Malinowski at (916) 503-9112.

Sincerely,

Greg Stone

Greg Stone
Chief Executive Officer

cc: Members of the Senate Health Committee
Senator Holly Mitchell