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SAPC INFORMATION NOTICE 22-03

January 25, 2022

TO: Los Angeles County Substance Use Disorder
Contracted Treatment Network Providers

FROM: Gary Tsai, M.D., Division Director 
Substance Abuse Prevention and Control

**SUBJECT: REQUESTING AMENDMENTS TO EXISTING SERVICE
CONTRACTS AND AGREEMENTS**

The County of Los Angeles Department of Public Health’s Division of Substance Abuse Prevention and Control Division (SAPC) is committed to maintaining a service network that is capable of meeting the substance use treatment and related service needs of residents throughout Los Angeles County. As part of this commitment, SAPC collaborates with existing service providers to monitor and manage contracts and agreements to establish necessary changes based on overall community and service needs and changes in regulations, policies, and/or other guidance.

SAPC will take a data-informed approach to guide review and approval of all amendment requests. The primary considerations will be whether contract amendments are required to meet community prevention needs or treatment network adequacy and timely access standards, as well as the availability of funding to address gaps in care within SAPC’s fiscal resources. Because analysis will prioritize the *network’s* ability to meet community needs and client access, as opposed to specific agencies, sometimes this will support expansion by a particular provider agency and at other times may support referrals to nearby sites that can offer needed services. This approach supports the sustainability of Los Angeles County’s specialty substance use disorder (SUD) managed care system and enables it to operate as a coordinated network of sites and levels of care that collectively meet the needs of eligible County residents. Therefore, provider agencies must also consider whether other local SUD network agencies or other providers (e.g., local Federally Qualified Health Centers [FQHC]) can meet community needs through referrals and coordination of care to ensure efficient use of resources and contracted services.

This information notice provides additional guidance on the responsibilities and steps that provider agencies must take when requesting an amendment to a contract and/or agreement. These changes include, but are not limited to, funding adjustments, addition/removal of service sites, addition/removal of services, and any other requests that impact the delivery of services or the provisions of the contract/agreement. Providers are required to justify all requests with relevant data that supports the need for additional services and/or sites. Justifications must include needs assessments for the services provided that clearly show a need of the requested services as outlined herein.

CRITERIA FOR APPROVAL OF AMENDMENT

Providers must include supporting data and a justification as part of any requests and/or amendments to be considered. In addition to the requirements listed below, all requests for increase funding are submitted to availability of funds and funding guidelines, including those that limit the funding of for-profit providers. All amendments will be reviewed and approved based on the following requirements:

Criteria	Review Criteria
Performance	<ul style="list-style-type: none"> • Provider is successfully implementing corrective action plans on non-compliance issues on all SAPC and non-SAPC compliance audits/reviews. • Provider has satisfactorily responded to all compliance monitoring requests in a timely manner. • Provider and provider’s staff are in good standing in relation to all relevant regulations. • Successful completion and application of program standards based on feedback from Substance Abuse Service Helpline (SASH)/Client Engagement and Navigation Services (CENS) representatives, Service and Bed Availability Tool (SBAT) update data, and Key Performance Indicator (KPI)/Sage data and views. • Feedback on provider agency performance received from stakeholders (e.g., clients, SASH, CENS, other agencies).
Community Needs	<ul style="list-style-type: none"> • Amendment supports needed community services in under-served areas and/or populations based on current contracted network services. • Overall service utilization service rates and data that show needed services/capacity in targeted areas. • Provider agency justification of services and community need in a specific geographic area or within a particular population.
Utilization	<ul style="list-style-type: none"> • No outstanding monies owed to the County without a repayment plan. • Availability of County funds to support that service or change. • Contract utilization percentage of at least 70%. • Corporate status is in good standing and funding guidelines support service.

REQUIRED INFORMATION

Providers are required to justify all requests with relevant data that support the need for additional services and/or sites. Below are required items that must be included as part of the request:

- Needs assessments showing how requested service/capacity increases better address community needs.
- Supporting evidence demonstrating that the existing network capacity does not meet community needs.
- Documentation and history of serving high risk and/or special populations, if this is a component of justification for the request.
- Any other important information relevant to or in support of the requested change to the contract/agreement.

Providers may be contacted for additional information to clarify data or responses provided. For more information, please contact your Contract Program Auditor.

GT:dd

Attachment