



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



GAVIN NEWSOM
GOVERNOR

DATE: February 1, 2021

Behavioral Health Information Notice No: 21-001

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: Level of Care Designations/Certifications for AOD treatment facilities
(implementation of Senate Bill 823)

PURPOSE: To implement the new requirement for all licensed adult alcohol or
other drug recovery or treatment (AOD) facilities to obtain a
designation based on the American Society of Addiction Medicine
(ASAM) treatment criteria, or an equivalent evidence-based standard,
as a minimum standard of care.

REFERENCE: Health and Safety Code Section 11834.015

BACKGROUND:

The ASAM Criteria®, formerly known as the ASAM patient placement criteria, is the result of a collaboration that began in the 1980s to define one national set of criteria for providing outcome-oriented and results-based care in the treatment of substance use disorders. *The ASAM Criteria*® relies on a comprehensive set of guidelines for level of care placement, continued stay, and transfer/discharge of patients with addiction, including those with co-occurring conditions. *The ASAM Criteria*® uses a

multidimensional patient assessment to direct medical management and the structure, safety, security, and intensity of treatment services. ¹

The Drug Medi-Cal Organized Delivery System (DMC-ODS) Waiver Standard Terms and Conditions (STCs) require licensed AOD facilities to deliver care in a manner consistent with the ASAM treatment criteria. The STCs also require DHCS to develop a process to assign participating AOD facilities a provisional level of care (LOC) designation. ²

SB 823 enacted California Health and Safety Code Section 11834.015, requiring DHCS to adopt the ASAM treatment criteria or an equivalent evidence-based standard as the minimum standard of care for all licensed AOD facilities. To ensure that all licensed AOD facilities are capable of delivering care consistent with the ASAM treatment criteria and meet all of DHCS' requirements, DHCS developed the following DHCS LOC Designations:

- DHCS Level 3.1 – Clinically Managed Low-Intensity Residential Services,
- DHCS Level 3.2 – Clinically Managed Residential Withdrawal Management,
- DHCS Level 3.3 – Clinically Managed Population-Specific High-Intensity Residential Services, and
- DHCS Level 3.5 – Clinically Managed High-Intensity Residential Services.

Additionally, ASAM, in partnership with Commission on Accreditation of Rehabilitation Facilities (CARF) International, developed a distinct Level of Care Certification program to assess and verify a treatment program's ability to deliver services consistent with the levels of care described in *The ASAM Criteria*®. Currently, ASAM certifies the following ASAM Levels of Care:

- 3.1 - Clinically Managed Low-Intensity Residential Services,
- 3.5 - Clinically Managed High-Intensity Residential Services, and
- 3.7 - Medically Monitored High-Intensity Inpatient Services.

POLICY:

In accordance with Health and Safety Code Section 11834.015, DHCS adopted the ASAM treatment criteria as the minimum standard of care for licensed AOD facilities. All licensed AOD facilities shall obtain at least one DHCS LOC Designation and/or at least one residential ASAM LOC Certification consistent with all of its program services. If an

¹ *American Society of Addiction Medicine*, 2020, <https://www.asam.org/asam-criteria/about>.

² Provisional Level of Care Designation is issued to a DHCS licensed AOD facility that meets all the application requirements. The provisional status will remain until an on-site or virtual compliance review is completed by DHCS.

AOD facility opts to obtain an ASAM LOC Certification, then that facility will not be required to obtain a DHCS LOC Designation. However, nothing precludes a facility from obtaining both a DHCS LOC Designation and ASAM LOC Certification.

To obtain a DHCS LOC Designation, a licensed AOD facility shall submit to DHCS a DHCS LOC Designation Application and the required supporting documentation, demonstrating the facility's ability to comply with the requirements identified in [Exhibit A](#). For a process overview of documentation required for DHCS LOC Designation, see [Exhibit B](#).

The DHCS LOC Designations are not equivalent to or affiliated with the ASAM LOC Certifications developed by ASAM. An approval for a DHCS LOC Designation does not guarantee eligibility for an ASAM LOC Certification. However, an approved residential ASAM LOC Certification is sufficient to meet the DHCS requirement. Licensees must directly contact ASAM to obtain information regarding its certification process and requirements or to obtain ASAM LOC Certification.

Process for Obtaining a DHCS LOC Designation:

Applicants for an Initial License:

Beginning February 1, 2021, all initial applicants for AOD licensure shall submit a DHCS LOC Designation Application ([DHCS 4022](#)) and required supporting documentation concurrently with the Initial Treatment Provider Application ([DHCS 6002](#)) to DHCS. Applicants approved by DHCS will be granted DHCS Provisional LOC Designations until on-site or virtual compliance reviews are completed.

Licensed Facilities Without DHCS Provisional LOC Designation(s):

Licensed AOD facilities without a DHCS Provisional LOC Designation shall submit a DHCS LOC Designation Application ([DHCS 4022](#)) and required supporting documents to DHCS no later than August 31, 2021.

Licensed Facilities With DHCS Provisional LOC Designation(s) and/or current ASAM LOC certification:

- Facilities not seeking a change in designation(s) nor adding additional designation(s) shall submit a Current Provider LOC Attestation Statement ([DHCS 4031](#)) to DHCS no later than May 31, 2021.
- Licensed AOD facilities with current DHCS Provisional LOC Designation(s) or with a current ASAM LOC Certification seeking a change in designation(s) or adding additional designation(s) shall submit a DHCS LOC Designation Application ([DHCS 4022](#)) and required supporting documents to DHCS prior to

providing the new LOC services. The AOD facility shall not provide the new LOC services until the facility receives DHCS approval for that LOC.

Required Supporting Documentation

In addition to the DHCS LOC Designation Application ([DHCS 4022](#)), licensed AOD facilities shall submit the following supporting documentation to DHCS:

- Facility Staffing Data ([DHCS 5050](#)), including all facility staff providing direct client services and/or overseeing the program
- Detailed Monthly Program Staff Schedule
- Weekly Activities Schedule ([DHCS 5086](#))
- Detailed Weekly Program Activities Schedule
- Program's Level of Care Assessment for Residents

DHCS LOC Designation Application and Review Process

DHCS will review the DHCS LOC Designation Application and related documentation according to the following guidelines and timeline:

- DHCS will review the documents, determine compliance, and notify the AOD facility whether the application is complete or incomplete. Notification of an incomplete application shall specify the missing information and/or documentation.
- The AOD facility shall have 60 calendar days from the date of the notification of an incomplete application to submit the missing information and/or documentation.
- If the application has been determined to be complete and in accordance with submission requirements, DHCS shall issue a revised license reflecting a DHCS Provisional LOC Designation(s).
- All DHCS LOC Designation(s) shall remain provisional until DHCS has completed an on-site or virtual compliance review of the AOD facility.
- The compliance review will validate the ability of the AOD facility to comply with the requirements specified in this IN. DHCS may interview clients and/or program staff in private and inspect relevant program records. At the completion of the compliance review, DHCS may conduct an exit interview with the program director or his/her designee to discuss any deficiencies noted. DHCS shall provide a written license report specifying deficiencies to the program director or his/her designee by mail within 10 working days of the completion of the compliance review. The report shall require the AOD facility to correct deficiencies and submit a written verification to DHCS within 30 calendar days of the date of the license report unless DHCS determines, based on the review, that the deficiency jeopardizes the health and safety of clients and requires correction within a shorter period of time. Once deficiencies are corrected, DHCS shall

notify the AOD facility of the approval of the written verification in writing by first class mail. DHCS shall issue a revised license reflecting the removal of the provisional status.

- The DHCS website will be updated to reflect each licensed AOD facility's DHCS LOC Designation(s).
- Failure to submit a DHCS LOC Designation Application and supporting documentation by the applicable date in this IN, or failing to provide requested missing information within 60 calendar days, shall subject a licensed AOD facility to disciplinary action, as described below.

In the event an AOD facility ceases providing any of the approved DHCS LOC Designation services, the AOD facility shall provide DHCS a written notification within 10 working days of that occurrence.

Process for Notifying DHCS of ASAM Level of Care Certification

Applicants for an Initial License:

Beginning February 1, 2021, all initial applicants for AOD licensure opting to obtain an ASAM Level of Care Certification shall submit to DHCS an Initial Treatment Provider Application ([DHCS 6002](#)), New Provider LOC Attestation Statement ([DHCS 4030](#)), and either 1) a copy of its ASAM LOC Certification, or 2) documentation demonstrating that it has applied for an ASAM Level of Care Certification. If at any time the facility makes changes to its application for an ASAM LOC Certification, the facility shall notify DHCS of that change within 10 working days of submission to ASAM. In that notice, the facility shall include a copy of the updated application for ASAM LOC Certification.

Licensed Facilities:

Licensed AOD facilities that opt to obtain an ASAM LOC Certification in lieu of a DHCS LOC Designation must submit to DHCS a Current Provider LOC Attestation Statement ([DHCS 4031](#)) and either 1) a copy of its ASAM LOC Certification or 2) documentation demonstrating that it has applied for an ASAM LOC no later than August 31, 2021.

Process for Notifying DHCS of ASAM Level of Care Certification Actions

Licensed AOD facilities shall submit a copy of all ASAM LOC Certification approvals or denials within ten (10) working days of receiving them.

If at any point in time ASAM/CARF takes action on a licensed AOD facility's ASAM Level of Care Certification (e.g., a citation, corrective action plan, suspension, or revocation), then the facility must notify DHCS of that action within 10 working days of receiving notice of that action. In that notice, the AOD facility shall include all documentation provided by ASAM/CARF supporting the certification action. If an AOD

facility's ASAM Level of Care Certification is suspended or revoked, then the facility shall immediately cease providing that level of care at its facility and may not resume providing that level of care until its ASAM Level of Care Certification is reinstated, or it has obtained a DHCS LOC Designation.

Compliance

In accordance with HSC Section 11834.015, all licensed AOD facilities shall comply with this IN until DHCS adopts formal regulations. Licensed AOD facilities shall only provide services within the scope of their license and, once received, their DHCS LOC Designation, DHCS Provisional LOC Designation, or ASAM LOC Certification. DHCS shall ensure compliance with this IN as a part of its licensing compliance reviews authorized by HSC Section 11834.01(c). Pursuant to HSC Section 11834.36, any licensed AOD facility that fails to adhere with the requirements set forth in this IN may be subject to disciplinary action, including but not limited to, license suspension or revocation.

Resources

[Chapter 781, Senate Bill 823 Legislation](#)

[Level of Care Designations/Certification \(Implementation of SB 823\) Frequently Asked Questions](#)

[General information on Licensing and Certification Division Website](#)

Questions regarding this IN should be directed to the Licensing and Certification Division at LCDLOCDesig@dhcs.ca.gov.

Sincerely,

Original signed by

Janelle Ito-Orille, Chief
Licensing and Certification Division

Enclosure