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



GAVIN NEWSOM
GOVERNOR

DATE: March 2, 2020

Behavioral Health Information Notice No.: 20-007

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 Consortium of Addiction Programs and Professionals
California Council of Community Behavioral Health Agencies
California Opioid Maintenance Providers
California State Association of Counties
Coalition of Alcohol and Drug Associations
County Behavioral Health Directors Association of California
County Drug & Alcohol Administrators
County Behavioral Health Directors

SUBJECT: Annual Review Protocol for Specialty Mental Health Services and
Other Funded Services for Fiscal Year 2019/2020

SUPERSEDES: [MHSUDS Information Notice No.: 18-054](#)

PURPOSE:

This Behavioral Health (BH) Information Notice (IN) informs county Mental Health Plans (MHPs) about the Department of Health Care Services' (DHCS) triennial review process and enhanced monitoring activities for Fiscal Year (FY) 2019/2020.

Note: this IN represents reviews occurring under the 2015-2020 1915(b) waiver. It is anticipated that this process will change under the next 1915(b) waiver, effective January 1, 2021.

The following enclosures are included with this IN:

- Enclosure 1 – FY 2019/2020 Annual Review Protocol for Specialty Mental Health Services (SMHS) and Other Funded Services
- Enclosure 2 – FY 2019/2020 County Mental Health Plan Attestation
- Enclosure 3 – FY 2019/2020 Triennial Review Schedule
- Enclosure 4 – FY 2019/2020 Reasons for Recoupment

BACKGROUND

In accordance with the California Code of Regulations, Title 9, Chapter 11, Section 1810.380, DHCS conducts monitoring and oversight activities to review the MHPs' SMHS programs and operations to verify that medically necessary services are provided to Medi-Cal beneficiaries in compliance with State and Federal laws and regulations and/or the terms of the contract between DHCS and the MHP.

DHCS has the responsibility to conduct monitoring and oversight of the MHPs' under the following authorities:

- Medicaid State Plan
- 1915(b) Waiver
- Title 42 of the Code of Federal Regulations, part 438, Medicaid Managed Care
- Welfare and Institutions Code, commencing with 14700 et seq.
- Title 9 of the California Code of Regulations, chapter 11
- MHP Contract

Annual Review Protocol for SMHS and Other Funded Services for FY 2019/2020

Pursuant to the Welfare and Institutions Code Section 5614, DHCS revised the FY 2019/2020 Annual Review Protocol for SMHS and Other Funded Services (Protocol) in collaboration with DHCS' Compliance Advisory Committee. It covers the following topics:

Section A	Network Adequacy and Availability of Services
Section B	Care Coordination and Continuity of Care
Section C	Quality Assurance and Performance Improvement
Section D	Access and Information Requirements
Section E	Coverage and Authorization of Services
Section F	Beneficiary Rights and Protections
Section G	Program Integrity
Section H	Other Regulatory and Contractual Requirements
Section I	Chart Review – Non-Hospital Services
Section J	Chart Review – Short-Doyle/Medi-Cal Hospital Services
Section K	Utilization Review – Short-Doyle/Medi-Cal Hospital Services

Please note: Items in *italics* in the attached Protocol may not be monitored as a part of the onsite compliance review or reflected in the findings report. DHCS conducts regular monitoring activities of the counties' compliance in these areas and will require

corrective actions at any time, if a county is determined to be out-of-compliance with the requirements.

Triennial Reviews

Prior to the onsite visit, DHCS will conduct a desk review of the MHP's documentation (including medical records). MHPs are required to submit all review documentation to DHCS prior to the onsite review. To assist with preparation, DHCS will send each MHP a comprehensive document submission checklist that includes all of the requested documentation for the system and outpatient chart reviews. MHPs must provide evidence of compliance for each requirement included in the Protocol, as well as any additional information requested by DHCS pertaining to the provision of SMHS to Medi-Cal beneficiaries.¹ DHCS will provide each MHP with instructions for accessing DHCS' secure E-transfer portal, which allows for the secure transmission of documents containing protected health information.

During the onsite review, DHCS will interview key personnel from the MHP. The onsite interview is derived from the Protocol and will consist of the following topics for discussion:

- Network Adequacy and Availability of Services
- Care Coordination and Continuity of Care
- Quality Assurance and Performance Improvement
- Access and Information Requirements
- Coverage and Authorization of Services
- Beneficiary Rights and Protections
- Program Integrity
- Electronic Health Record
- Chart Review – Non-Hospital Services (i.e., discussion of specific chart documentation issues/questions)

The enclosed schedule identifies dates of the FY 2019/2020 MHP system reviews and non-hospital chart reviews, which occur simultaneously, as well as the Short-Doyle/Medi-Cal (SD/MC) hospital reviews. See Enclosure 3 for details.

Chart Reviews

DHCS will review a random sample of beneficiary medical records to verify that the MHP provided medically necessary services; to assess the MHP's and their network providers' compliance with state established documentation requirements; and, to

¹ 42 C.F.R. § 438.3(h)

assess the appropriateness of reimbursement of Federal Financial Participation (FFP). The review includes all medical records associated with the beneficiary's care during the review sample period.

Chart Review – Non-Hospital Services

Depending on the size of the county (small or large), DHCS will review 10 to 20 adult and child/youth beneficiary medical records. A random sample will be drawn from the most recent 90-day period for which paid claims data are available or from a specified time period as determined by the Department. The MHP will be provided with the beneficiary names prior to the review or as determined by the Department.

Please Note: DHCS may request additional beneficiary medical records, as appropriate, based on DHCS' review of the MHP's documentation.

Chart Review – SD/MC Hospital Services

DHCS will review a sample of adult and/or children's medical records. A random sample will be drawn from paid claims from the twelve-month period prior to the date of the review or from a specified time-period as determined by the Department.

Findings Reports, Appeals, and Plans of Correction

If during the desk and/or onsite review, DHCS determines that an MHP is out of compliance, DHCS will provide a written Notice of Noncompliance (findings report), which will include a description of the finding(s) and any required corrective action(s). In addition, if DHCS determines the medical record documentation does not meet medical necessity criteria and/or documentation standards required pursuant to the MHP Contract, DHCS will disallow associated claims and recoup FFP dollars. See Enclosure 4, Reasons for Recoupment, for additional details.

A Plan of Correction (POC) is required for all items determined to be out of compliance. The MHP is required to submit a POC to DHCS within 60 days of receipt of the findings report for all system and chart review items deemed out of compliance. The POC must include the following information:

- Description of corrective actions, including milestones;
- Timeline for implementation and/or completion of corrective actions; and
- Proposed (or actual) evidence of correction that will be submitted to DHCS.
- Mechanism for monitoring the effectiveness of corrective actions over time. If POC determined not to be effective, the MHP should propose an alternative corrective action plan to DHCS, and,

- Descriptions of corrective actions required of the MHP's contracted providers to address findings.

The MHP's POC must be submitted electronically via **secure** email (i.e., using encryption and typing <secure> in the subject line of the email) to MHSDCompliance@dhcs.ca.gov.

If an MHP elects to appeal any of the enclosed findings of non-compliance, the MHP may do so by submitting an appeal, in writing, within fifteen (15) working days after receipt of the findings report. The appeal may be submitted via **secure** email (i.e., using encryption and typing <secure> in the subject line of the email) to MHSDAppeals@dhcs.ca.gov and MHSDCompliance@dhcs.ca.gov.

DHCS will adjudicate any appeals and/or technical corrections (e.g., calculation errors, etc.) submitted by the MHP and, if appropriate, send an amended report. If an appeal is submitted, and/or the original findings are upheld, the MHP should send the POC within 60 calendar days of receipt as described above. DHCS will no longer issue a "Final" report.

Pursuant to the 1915(b) waiver Special Terms and Conditions, the findings report and the MHP's POC will be posted on the DHCS website.

County Mental Health Plan Attestation for FY 2018/2019

The enclosed Attestation must be completed and signed by the MHP Director (or the Director's designee). Submission of the Attestation is required one-week prior to the onsite review. Please see Enclosure 2 for more details.

If you have any questions regarding this Information Notice, please contact DHCS at MHSDCompliance@dhcs.ca.gov.

Sincerely,

Brenda Grealish, Chief
Medi-Cal Behavioral Health Division

Enclosures