WILL LIGHTBOURNE
DIRECTOR

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

GAVIN NEWSOM
GOVERNOR

DATE: November 4, 2020

AnnualBehavioral Health Information Notice No.: 20-061
(SUPERSEDES:BHIN 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 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: Annual Review Protocol for Specialty Mental Health Services (SMHS) and Other Funded Services for Fiscal Year 2020/2021

PURPOSE: This Behavioral Health Information Notice (BHIN) 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) 2020/2021.

REFERENCE: Supersedes: Annual Compliance Protocol: BHIN No.: 20-007

The following enclosures are included with this IN:

- Enclosure 1 – FY 2020/2021 Annual Review Protocol for SMHS and Other Funded Services
- Enclosure 2 – FY 2020/2021 Triennial Review Schedule
- Enclosure 3 – FY 2020/2021 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, who meet medical necessity criteria, 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

POLICY:
Annual Review Protocol for SMHS and Other Funded Services for FY 2020/2021

Pursuant to the Welfare and Institutions Code Section 5614, DHCS revised the FY 2020/2021 Annual Review Protocol for SMHS and Other Funded Services (Protocol) in collaboration with DHCS' Compliance Advisory Committee. It covers the following topics:

Category 1 Network Adequacy and Availability of Services
Category 2 Care Coordination and Continuity of Care
Category 3 Quality Assurance and Performance Improvement
Category 4 Access and Information Requirements
Category 5 Coverage and Authorization of Services
Category 6 Beneficiary Rights and Protections
Category 7 Program Integrity
Category 8 Chart Review – Non-Hospital Services
Category 9 Chart Review – Short-Doyle/Medi-Cal (SD/MC) Hospital Services
Category 10 Utilization Review – SD/MC Hospital Services

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 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 2020/2021 MHP system reviews and non-hospital chart reviews, which occur simultaneously, as well as the SD/MC hospital reviews. See Enclosure 2 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 assess the appropriateness of reimbursement of Federal Financial Participation. 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

[1] 42 C.F.R. § 438.3(h)

time period as determined by DHCS. The MHP will be provided with the beneficiary names prior to the review or as determined by DHCS.

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 DHCS.

Findings Reports
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, those claims will be disallowed and the MHP will be required to void those claims pursuant to BHIN 20-049 as described later in this letter. See Enclosure 4, Reasons for Recoupment, for additional details.

Corrective Action Plans (CAPs)
A CAP is required for all items determined to be out of compliance. The MHP is required to submit a CAP to DHCS within 60 days of receipt of the findings report for all system and chart review items deemed out of compliance. The CAP 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 CAP determined not to be effective, the MHP should purpose 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 CAP must be submitted electronically via **secure** email (i.e., using encryption and typing [secure] in the subject line of the email) to MCBHDMonitoroing@dhcs.ca.gov.

Appeals

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). Depending on the type of appeal (e.g., system, chart), please send the appeal electronically to the relevant email addresses below:

Clinical Review Appeals: MHSDAppeals@dhcs.ca.gov, please cc MCBHDMonitoroing@dhcs.ca.gov, and Martine.Carlton@dhcs.ca.gov

System Review Appeals: MCBHDMonitoroing@dhcs.ca.gov please cc Lanette.Castleman@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 CAP within 60 calendar days of receipt as described above. DHCS will no longer issue a “Final” report.

Voiding of Disallowed Claims

Please note that pursuant to BHIN 20-049 and beginning with FY 2019-20, DHCS will no longer issue an invoice to the MHP and counties will be required to void all claims that are disallowed through a triennial chart review. Along with the report, DHCS continues to include a summary report of claims that have been disallowed and why, which also contains the Payor Claim Control Number (PCCN) for each disallowed claim.

Once the appeal process is complete, MHPs will be required to void any remaining disallowed claims within ninety (90) calendar days of the final triennial review report using the PCCNs provided with this report. Please refer to page 30 of the Mental Health Services SD/MC HIPAA Transaction Standard Companion Guide to learn more about the SMHS claim void process. Questions regarding how to void a claim should be e-mailed to MedCCC@dhcs.ca.gov.

DHCS will monitor the SD/MC claiming system to ensure each disallowed claim is voided within 60 calendar days. MHPs that do not void disallowed claims within 60 calendar days may be subject to sanctions, fines and penalties as discussed in MHSUDS Information Notice 18-024.

Report Posting

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

For questions regarding this Information Notice, please contact DHCS at MCBHDMonitoroing@dhcs.ca.gov.

Sincerely,

Original signed by

Marlies Perez, Chief (Acting)
Medi-Cal Behavioral Health Division