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

MICHELLE BAASS
DIRECTOR

GAVIN NEWSOM
GOVERNOR

DATE: December 3, 2021

Behavioral Health Information Notice No: 21-071

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: Medical Necessity Determination and Level of Care Determination Requirements for Drug Medi-Cal (DMC) Treatment Program Services

PURPOSE: To provide guidance regarding the medical necessity determination requirements and use of the American Society of Addiction Medicine (ASAM) criteria to determine the appropriate level of care for providing covered substance use disorder treatment services in DMC State Plan counties, as specified in Assembly Bill (AB) 133 (Chapter 143, Statutes of 2021), in accordance with Welfare and Institutions Code section 14184.402(i).

REFERENCE: Welfare and Institutions (W&I) Code Section 14184.402(a), (e), and (i)

BACKGROUND:
With the California Advancing and Innovating Medi-Cal (CalAIM) initiative, the Department of Health Care Services (DHCS) aims to design a coherent plan to address beneficiaries' needs across the continuum of care, ensure that all Medi-Cal beneficiaries receive coordinated services, and improve health outcomes. The goal is to ensure access to theright care, in the right place, at the right time.

To achieve this aim, and as authorized by W&I Code sections 14184.402 (a) and(e), DHCS is aligning the medical necessity and level of care determination processes across the behavioral health delivery systems.

In accordance with W&I Code section 14184.402(i), DHCS is issuing this information notice to implement, interpret, and make specific the medical necessity and level of care determination requirements for substance use disorder (SUD) treatment services provided to beneficiaries residing in DMC State Plan counties (DMC beneficiaries). And,as specified in W&I Code section 14184.402, the requirements outlined below are effective January 1, 2022.

This information notice supersedes any medical necessity criteria and level of care determination requirements for the provision of SUD treatment services provided to DMC beneficiaries set forth in California Code of Regulations Title 22, Section 51341.1 and in any information notice or other guidance published prior to January 1, 2022.

POLICY:
Medical Necessity and DMC Access Criteria

Pursuant to W&I Code section 14184.402(a), all medical necessity determinations for covered SUD treatment services provided to DMC beneficiaries shall be made in accordance with W&I Code section 14059.5 and in accordance with the requirements set forth below.

Initial Assessment and Services Provided During the Assessment Process

Covered and clinically appropriate DMC services are reimbursable for up to 30 days following the first visit with a Licensed Practitioner of the Healing Arts (LPHA), as defined in the California's Medicaid State Plan, or registered/certified counselor, whether or not a Diagnostic and Statistical Manual (DSM) diagnosis for Substance-Related and Addictive Disorders is established, or up to 60 days for beneficiaries under age 21, or if a provider documents that the beneficiary is experiencing homelessness and therefore requires additional time to complete the assessment. If a beneficiary withdraws from treatment prior to establishing a DSM diagnosis for Substance-Related and Addictive Disorders, and later returns, the 30-day or 60-day time period starts over.

The DMC initial assessment shall be performed face-to-face, by telehealth ("telehealth" throughout this document is defined as synchronous audio and video) or by telephone (synchronous audio-only) by an LPHA or registered or certified counselor and may be

done in the community or the home.[1] Narcotic Treatment Programs (NTPs) conduct a history and physical exam by an LPHA pursuant to state and federal regulations. This history and physical exam done at admission to a NTP qualifies for the purpose of determining medical necessity under the DMC-ODS.

If the assessment of the beneficiary is completed by a registered or certified counselor, then the LPHA shall evaluate that assessment with the counselor and the LPHA shall make and document the initial diagnosis. The consultation between the LPHA and the registered or certified counselor can be conducted in person, by telehealth, or by telephone.

DMC Access Criteria for Services After Assessment

a. *Beneficiaries 21 years and older:* To qualify for DMC services after the initial assessment process, beneficiaries 21 years of age and older mustmeet one of the following criteria:
    i. Have at least one diagnosis from the Diagnostic and StatisticalManual of Mental Disorders (DSM) for Substance-Related andAddictive Disorders, with the exception of Tobacco-Related Disorders and Non-Substance-Related Disorders, OR
    ii. Have had at least one diagnosis from the DSM for Substance- Related and Addictive Disorders, with the exception of Tobacco-Related Disorders and Non-Substance-Related Disorders, prior tobeing incarcerated or during incarceration, determined by substance use history.

b. *Beneficiaries under the age of 21*: Covered services provided under DMCshall include all medically necessary SUD services for individuals under 21 years of age as required pursuant to Section 1396d(r) of Title 42 of theUnited States Code. Federal EPSDT statutes and regulations require States to furnish all Medicaid-coverable, appropriate, and medically necessary services needed to correct and ameliorate health conditions, regardless of whether those services are covered in the state's Medicaid State Plan. Consistent with federal guidance, services need not be curative or completely restorative to ameliorate a mental health condition,including substance misuse and SUDs. Services that sustain, support, improve, or make more tolerable substance misuse or an SUD are considered to ameliorate the condition and are thus covered as EPSDT services.

[1]DHCS is currently updating its telehealth policy, following stakeholder input, and the policy ontelephone and new patient assessments may be updated, pending that process.

Additional Coverage Requirements and Clarifications

Consistent with W&I Code 14184.402(f), clinically appropriate and covered SUD prevention, screening, assessment, and treatment services are covered and reimbursable Medi-Cal services even when:

1) Services are provided prior to determination of a diagnosis or prior to determination of whether DMC criteria are met, as described above;
2) The prevention, screening, assessment, treatment, or recovery services werenot included in an individual treatment plan; or
3) The beneficiary has a co-occurring mental health condition.

Regarding (1), DMC services are reimbursable during the assessment process as described above in the "*Initial Assessment and Services Provided During the Assessment Process"* subsection. In addition, clinically appropriate and covered DMC services provided during the assessment process are covered and reimbursable even if the assessment later determines that the beneficiary does **not** meet criteria for DMC. These changes do not eliminate the requirement that all Medi-Cal claims include a CMS approved ICD-10 diagnosis code. In cases where services are provided due to a suspected SUD that has not yet been diagnosed, options are available in the CMS approved ICD-10 diagnosis code list.[2] For example, these include codes for "Other specified" and "Unspecified" disorders," or "Factors influencing health status and contact with health services" (i.e., Z codes).

Regarding (2), Forthcoming guidance will provide clarification regarding new policiesand criteria for DMC documentation standards and requirements. The existing documentation standards and requirements remain in effect until replaced.

Regarding (3), clinically appropriate and covered DMC services delivered by DMC providers are covered and reimbursable Medi-Cal services whether or not the beneficiary has a co- occurring mental health disorder. Reimbursement for covered DMC provided to a beneficiary who meets DMC criteria and has a co-occurring mental health condition shall not be denied as long as DMC criteria and requirements are met.

[2] The ICD 10 Tabular (October 1st thru September 30th) at https://www.cms.gov/medicare/icd-10/2022-icd-10-cm

Level of Care Determination

In addition to being medically necessary, all SUD treatment services provided to a DMC beneficiary must be clinically appropriate to address that beneficiary's presenting condition.

In accordance with W&I Code 14184.402(e), providers must use the criteria adopted by the American Society of Addiction Medicine (ASAM) to determine the appropriate level of SUD treatment service for DMC beneficiaries.[3] However, a full assessment utilizing the ASAM criteria is not required for a DMC beneficiary to begin receiving covered and reimbursable SUD treatment services; an abbreviated ASAM screening tool may be used forinitial screening, referral, and access to clinically appropriate services.

- For DMC beneficiaries 21 and over, a full assessment using the ASAM Criteriashall be completed within 30 days of the beneficiary's first visit with a licensed professional of the healing arts (LPHA) or registered/certified counselor.
- For DMC beneficiaries under 21, or for adults experiencing homelessness, a full assessment using the ASAM criteria shall be completed within 60 days of the DMC beneficiary's first visit with an LPHA or registered/certified counselor.
- If a DMC beneficiary withdraws from treatment prior to completing theASAM assessment and later returns, the time period starts over.

DMC providers shall assure DMC State Plan Counties that The ASAM Criteria will be used to determine the appropriate level of care.

ASAM Background Information

As 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 setof criteria for providing outcome-oriented and results-based care in the treatment of SUDs. 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. Detailed information about The ASAM Criteria© is available on the ASAM website.

[3] W&I 14184.402(e)(1)

Drug Medi-Cal Organized Delivery System (DMC-ODS) counties have implemented The ASAM Criteria© for assessment and level of care determination purposes. To connect directly with a DMC-ODS county to learn from their experience with implementing The ASAM Criteria©, please refer to this contact list. A publicly available web-based tool offering preliminary level of care recommendations based on limited information, developed by the University of California, Los Angeles Integrated Substance Abuse Program on behalf of DHCS, is available on the DHCS website. A publicly available resource co-developed by ASAM that offers preliminary level of carerecommendations is available on the Shatterproof website. In addition, ASAM developed the ASAM CONTINUUM Triage (CO-Triage), an initial provisional referral tool for preliminary level of care recommendations. None of these preliminary level of care recommendation or screening tools are a substitute for a comprehensive ASAM assessment.

COMPLIANCE:
Effective January 1, 2022, DMC-certified providers shall utilize thecriteria above, and any updates to the criteria above, when providing covered SUD treatment services to DMC beneficiaries.[4]

Questions regarding this BHIN may be directed to CountySupport@dhcs.ca.gov.

Sincerely,

Original signed by

Shaina Zurlin, PsyD, LCSW, Chief
Medi-Cal Behavioral Health Division

[4] W&I, § 14184.402(i)