



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



GAVIN NEWSOM
GOVERNOR

DATE: June 17, 2020

Behavioral Health Information Notice No: 20-033

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
County Behavioral Health Directors Association of California
County Drug & Alcohol Administrators

SUBJECT: Reimbursement of Specialty Mental Health and Drug Medi-Cal
Administrative Costs during the COVID-19 Public Health Emergency

REFERENCE: [Executive Order N-55-20](#)

PURPOSE: This Behavioral Health Information Notice (BHIN) informs Mental Health Plans (MHPs), Drug Medi-Cal-Organized Delivery System (DMC-ODS) Counties, and DMC State Plan Counties of an increase in the limit applied to administrative costs for the Medi-Cal Specialty Mental Health Services (SMHS) Program, the DMC-ODS program, and the DMC State Plan program during the COVID-19 Public Health Emergency (PHE).

BACKGROUND:

DHCS currently limits reimbursement for administrative costs incurred by mental health plans¹, DMC-ODS Counties, and DMC State Plan Counties to fifteen percent of the actual costs for direct client services. During the COVID-19 Public Health Emergency, counties may be experiencing increased administrative costs and/or a reduction in actual cost for direct client services due to reduced utilization. These changes may reduce the amount of federal and state reimbursement provided to counties for

¹ Welfare and Institutions Code, Section 14711

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administering the Medi-Cal SMHS Program, the DMC-ODS program, and the DMC State Plan program.

Governor Newsom issued Executive Order N-55-20 on April 22, 2020, Paragraph 9) of the Executive Order says, "Notwithstanding Welfare and Institutions Code section 14711(c), DHCS may reimburse county behavioral health departments for administrative costs related to SMHS up to 30 percent of the total actual cost of direct client services.

POLICY:

Effective with costs incurred on March 1, 2020, until the end of the COVID-19 PHE, DHCS will limit administrative costs incurred by counties to administer the Medi-Cal SMHS program, DMC-ODS program, and DMC State Plan Program at thirty percent of the actual cost for direct client services in each program. DHCS has posted updated claim forms for each program that will allow counties to separate administrative costs incurred after February 29, 2020, from administrative costs incurred before March 1, 2020. These updated claim forms apply the fifteen percent limit to costs incurred before March 1, 2020, and the thirty percent limit to costs incurred after February 29, 2020. DHCS will also update cost report forms to allow counties to separately report administrative costs subject to the fifteen percent limit from administrative costs subject to the thirty percent limit. This increase in the limit on administrative costs will end once with the COVID 19 PHE ends and DHCS will issue a subsequent BHIN to inform counties when it ends.

Revised administrative claim forms for MHPs can be downloaded from [DHCS Mental Health Forms](#), and DMC administrative claim forms are listed at [Drug Medi-Cal Treatment Program Forms](#).

For questions on specific county interim rates deployed in Short Doyle, please e-mail MedCCC@dhcs.ca.gov.

Sincerely,

Lindy Harrington
Deputy Director
Health Care Financing