



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



GAVIN NEWSOM
GOVERNOR

DATE: July 27, 2020

Behavioral Health Information Notice No: 20-041

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: Drug Medi-Cal Organized Delivery System Reimbursement
Modifications during the COVID-19 Public Health Emergency

PURPOSE: To notify Drug Medi-Cal Organized Delivery System (DMC-ODS) counties about additional payment flexibility approved by the Centers for Medicare and Medicaid (CMS) for DMC-ODS services provided during the COVID-19 public health emergency (PHE).

REFERENCE: [State Plan Amendment \(SPA\) 20-0024](#); DMC-ODS Certified Public Expenditure Protocol (CPE); [Behavioral Health Information Notice 20-031](#)

BACKGROUND:

The Department of Health Care Services (DHCS) recognizes that the COVID-19 PHE and resulting widespread stay-at-home orders have created challenges for delivery of DMC-ODS services. This includes reimbursement and cash flow challenges due to utilization decreases, without a commensurate decrease in cost to provide those services. CMS approved SPA 20-0024 and amendments to the DMC-ODS CPE Protocol to authorize DHCS to implement the following modifications to the reimbursement methodology for DMC-ODS services.

POLICY:

For Non-NTP DMC-ODS services provided on or after March 1, 2020 until the COVID-19 PHE ends DHCS will provide interim reimbursement equal to the lower of the county's billed amount or the county interim rate increased by 100 percent. At cost settlement, DHCS will settle interim payments to allowable cost, rather than the lower of allowable cost or usual and customary charges for Non-NTP services provided during the same period of time.

DHCS is currently deploying updated county interim rates in the Short Doyle/Medi-Cal claiming system. Counties will need to replace DMC-ODS claims that were submitted to Short Doyle prior to the date the COVID-related interim rates are updated in the system in order to receive the additional reimbursement for certified public expenditures. DHCS e-mail all Short Doyle users when the rates are updated and will publish a subsequent IN to inform counties when the PHE and these payment modifications have ended.

QUESTIONS:

For questions on specific county interim rates deployed in the Short Doyle/Medi-Cal claiming system, please e-mail MedCCC@dhcs.ca.gov.

Sincerely,

Lindy Harrington
Deputy Director
Health Care Financing