



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



GAVIN NEWSOM  
GOVERNOR

DATE: December 9, 2020

Behavioral Health Information Notice No: 20-068

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 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  
California Hospital Association  
California Peace Officers' Association  
California Police Chiefs' Association  
California State Association of Counties  
California State Sheriff's Association  
California Statewide Law Enforcement Association  
Coalition of Alcohol and Drug Associations  
Disability Rights California  
Hospital Association of Southern California  
Northern California Peace Officer Association  
Private Essential Access Community Hospitals  
State Park Peace Officers Association of California

SUBJECT: Reimbursement for Personal Protective Equipment and Telehealth Equipment Costs for County-Operated and County-Contracted Providers

PURPOSE: Inform providers that the costs of purchasing personal protective equipment (PPE) for providers, staff and clients and the costs of purchasing telehealth equipment for providers and staff is an allowable cost of providing care.

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REFERENCE: [State Plan Amendment 09-004](#), [State Plan Amendment 20-0001](#), and [State Plan Amendment 20-0024](#)

## **BACKGROUND**

The COVID-19 public health emergency (PHE) required behavioral health providers to quickly pivot to a telehealth delivery model, requiring purchase of new equipment (e.g., laptops, cameras, smart phones) for providers. In addition, providers are required to purchase PPE (e.g., masks, gloves, gowns, hand sanitizer) to prevent the spread of infection; these costs were not anticipated prior to the pandemic.

## **POLICY**

Costs of purchasing PPE and telehealth equipment for providers and staff are allowable costs of delivering services for county-operated and county-contracted providers in Specialty Mental Health, Drug Medi-Cal (DMC), and Drug Medi-Cal Organized Delivery System (DMC-ODS). The PPE and telehealth equipment must be used to provide patient care.

The full cost of purchasing telehealth equipment and training staff during the PHE to provide DMC state plan services may be claimed as an administrative cost. Please see [Behavioral Health Information Notice 20-031](#) for instructions on how to claim reimbursement for those costs. Mental Health Plans and DMC-ODS counties were allowed to provide specialty mental health services and substance use disorder service via telehealth prior to the PHE. The cost of purchasing telehealth equipment and training staff to provide specialty mental health services and DMC-ODS services may be included in the cost to provide services. Providers of specialty mental health services and DMC-ODS services must appropriately depreciate the cost incurred to purchase equipment.

If you have any questions regarding this Information Notice, please contact MedCCC at [MedCCC@dhcs.ca.gov](mailto:MedCCC@dhcs.ca.gov).

Sincerely,

Original signed by

Brian Fitzgerald, Chief  
Local Governmental Financing Division