



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

April 30, 2013

MHSD INFORMATION NOTICE NO.: 13-08

TO: LOCAL MENTAL HEALTH DIRECTORS
LOCAL MENTAL HEALTH PROGRAM CHIEFS
LOCAL MENTAL HEALTH ADMINISTRATORS
COUNTY ADMINISTRATIVE OFFICES
CHAIRPERSONS, LOCAL MENTAL HEALTH BOARDS

SUBJECT: INSTRUCTIONS FOR REPORTING RATES NEGOTIATED FOR
PSYCHIATRIC INPATIENT HOSPITAL SERVICES CONTRACTS

REFERENCE: California Code of Regulations, Title 9, Sections 1810.375,
1810.430, 1820.110, and 1820.115

The purpose of this notice is to provide Mental Health Plans (MHPs) in each county with the current list of Fee-For-Service/Medi-Cal (FFS/MC) hospitals that MHPs must contract with in Fiscal Year (FY) 2012-13. Title 9, California Code of Regulations (CCR), §1810.375(c) requires MHPs to report the rates they have negotiated with FFS/MC hospitals to the Department of Health Care Services (DHCS) by June 1 of each year. DHCS utilizes these rates to establish non-negotiated FFS/MC hospital rates in accordance with Title 9, CCR, §1820.115.

Also, Title 9, CCR, §1810.430(a) requires MHPs to contract with Disproportionate Share Hospitals (DSH) and traditional hospital providers that meet provider selection criteria as defined in the regulations, unless DHCS grants the MHP an exemption from contracting. The process for requesting an exemption is described in CCR, Title 9, §1810.430(c), which can be found in Enclosure 1. DSH providers serve a disproportionate share of low-income people as determined annually by DHCS. Traditional hospitals are defined in regulation as accounting for five percent or \$20,000, whichever is more, of the total FFS/MC psychiatric inpatient hospital payments for the MHP's beneficiaries. A listing of DSH and traditional hospital providers per county, based on FY 2010 - 11 payment data, can be found in Enclosure 2.

County MHPs must submit to DHCS the following information on negotiated FFS/MC hospital rates:

- 1) Facility name.
- 2) Facility address.
- 3) National Provider Identifier (NPI) number.
- 4) Effective date of the negotiated rate.
- 5) Negotiated rate for any or all of the following inpatient revenue/accommodation codes that will be used and indicate whether the rate is adolescent/child and/or adult:

CODE	DESCRIPTION
114	Room and Board – Private, Psychiatric
124	Room and Board – Semi-Private 2 Bed, Psychiatric
134	Room and Board – Semi-Private 3 or 4 Bed, Psychiatric
154	Room and Board – Ward (Medical or General), Psychiatric
204	Intensive Care, Psychiatric

The rate for code 169, Administrative Day, is not included since DHCS establishes this rate in accordance with the regulations, and it need not be reported by MHPs. The current Administrative Day Rate for most hospitals as of August 1, 2011, is \$521.19 per day.

If the MHP has negotiated a rate but not entered into a contract by June 1, 2012, it should report the negotiated rate. It is not necessary to wait until the hospital contract is finalized by the Board of Supervisors. If negotiations are pending, MHPs must report the rate once it is contracted. If a hospital declines to enter into a negotiated rate contract with the MHP, please state the reason for the refusal in writing so that DHCS will assign the regional rate.

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Please email the negotiated rate information to Don Larson at
donald.larson@dhcs.ca.gov.

Should you have any questions or need additional information, please email or call
Don Larson at (916) 440-7491.

Sincerely,

Original signed by

Vanessa Baird, Deputy Director
Mental Health & Substance Use Disorder Services

Enclosures