



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



EDMUND G. BROWN JR.
GOVERNOR

DATE: May 29, 2014

MHSUDS INFORMATION NOTICE NO.: 14-020

TO: COUNTY ALCOHOL AND DRUG PROGRAM ADMINISTRATORS
COUNTY MENTAL HEALTH DIRECTORS
LOCAL MENTAL HEALTH BOARDS

SUBJECT: NEW OUTPATIENT MEDI-CAL MENTAL HEALTH SERVICES
COVERED BY MEDI-CAL MANAGED CARE PLANS AND FEE-
FOR-SERVICE MEDI-CAL

REFERENCE: MMCD ALL PLAN LETTERS 13-018 AND 13-021

PURPOSE:

The purpose of this Mental Health and Substance Use Disorder Services (MHSUDS) Information Notice is to inform Mental Health Plans (MHPs) that, effective January 1, 2014, Medi-Cal Managed Care Plans (MCPs) are responsible for the delivery of certain mental health services through the MCP provider network to Medi-Cal beneficiaries with mild to moderate impairment of mental, emotional, or behavioral functioning. For beneficiaries not enrolled in MCPs, these services are available through the fee-for-service/Medi-Cal (FFS/MC) program.

This MHSUDS Information Notice also relays the Department of Health Care Services' (DHCS) expectations for MHPs to work in coordination with MCPs in order to ensure that Medi-Cal beneficiaries receive timely, medically necessary mental health services in the most appropriate setting and service delivery system, as described in greater detail in the referenced MMCD All Plan Letters (APLs).

BACKGROUND:

Pursuant to Senate Bill X1 1 (Hernandez, Chapter 4, Statutes of 2013), effective January 1, 2014, mental health services included in the essential health benefits package adopted by the State, pursuant to Health and Safety Code Section 1367.005 and the Insurance Code Section 10112.27, and approved by the United States Secretary of Health and Human Services under Title 42, Section 18022 of the United States Code, shall be covered Medi-Cal benefits. MCPs shall provide mental health

benefits covered in the state plan, excluding those benefits provided by the county MHPs under the Specialty Mental Health Services 1915(b) waiver. Specialty mental health services provided through the MHPs are not included in the capitation rate for MCPs.

Effective January 1, 2014, the following new mental health services are covered by MCPs and FFS/MC to beneficiaries with mild to moderate impairment of mental, emotional, or behavioral functioning resulting from a mental health disorder as defined by the current Diagnostic and Statistical Manual of Mental Disorders, that are outside of the primary care physician's (PCP) scope of practice (MCPs continue to be responsible for the provision of mental health services within the PCP scope of practice):

- Individual and group mental health evaluation and treatment (psychotherapy);
- Psychological testing, when clinically indicated to evaluate a mental health condition;
- Outpatient services for the purposes of monitoring drug therapy;
- Psychiatric consultation; and,
- Outpatient laboratory, drugs, supplies and supplements (excluding medications as described in APL 13-021).

Existing Title 9, California Code of Regulations (CCR), Chapter 11 regulations and the DHCS/MHP contract require MHPs to enter into a Memorandum of Understanding (MOU) with any MCP that enrolls beneficiaries covered by the MHP.

POLICY:

Medi-Cal specialty mental health services medical necessity criteria,¹ and MHPs' existing responsibilities for providing or arranging for the provision of Medi-Cal specialty mental health services, as described in Title 9, CCR, Chapter 11 regulations and in California's Medicaid State Plan, have not changed as a result of MCP and FFS/MC coverage of new mental health services and related policy changes.

DHCS recognizes that the impairment and intervention components of medical necessity criteria for Medi-Cal specialty mental health services differ for children and adults. Therefore, many children with impairments that may be considered moderate

¹ Title 9, CCR, Sections 1820.205, 1830.205, and 1830.210.

meet, and will continue to meet, medical necessity criteria (Title 9, CCR, Section 1830.210) to access Medi-Cal specialty mental health services.

Medi-Cal specialty mental health services include: rehabilitative mental health services (mental health services, medication support services, day treatment intensive, day rehabilitation, crisis intervention, crisis stabilization, adult residential treatment services, crisis residential treatment services, and psychiatric health facility services); psychiatric inpatient hospital services; and targeted case management services.

In cases where an MCP member is receiving psychiatric inpatient hospital services or psychiatric health facility services, the MHP or a MHP subcontracted provider may, when appropriate, provide targeted case management, consistent with the requirements in Title 9, CCR, Section 1840.374, to the MCP member for the purposes of coordinating discharge of the beneficiary from the hospital even if the beneficiary will not meet medical necessity criteria for ongoing outpatient Medi-Cal specialty mental health services following stabilization and hospital discharge.

DHCS's Medi-Cal Managed Care Division recently issued two APLs, 13-018 and 13-021, related to the new mental health benefits covered by MCPs. Although these letters are issued to MCPs, they describe MHP responsibilities and reference coordination between MCPs and MHPs. MHPs should reference APL 13-018 and 13-021, which are available on the DHCS website:

<http://www.dhcs.ca.gov/formsandpubs/Pages/AllPlanLetters.aspx>.

MMCD APL 13-021 describes the contractual responsibilities of Medi-Cal MCPs for the provision of the new medically necessary outpatient mental health services and delineates MCP responsibilities for referring to and coordinating with county MHPs for the delivery of Medi-Cal specialty mental health services.

MMCD APL 13-018 describes the responsibilities of Medi-Cal MCPs for amending or replacing MOUs with MHPs for coordination of Medi-Cal mental health services. These requirements are in addition to existing MOU requirements for specialty mental health services provided by MHPs as outlined in Title 9, CCR, Chapter 11, Section 1810.370.

MHPs are responsible for updating, amending, or replacing existing MOUs with MCPs consistent with the requirements outlined for MCPs in APL 13-018, with the exception of the attestation requirement that is solely a MCP requirement. MHPs should work closely with the MCPs in their counties to ensure that amended or new MOUs address the mental health outpatient benefits covered by the MCPs in addition to the existing requirements for Medi-Cal specialty mental health services covered by the MHPs. The existing MOUs between the MHPs and the MCPs are required based on Title 9, CCR, Chapter 11 regulations and existing DHCS/MCP and DHCS/MHP contracts. Amended or new MOUs should be in place by June 30, 2014.

Upon mutual agreement between a MHP and a MCP, a MCP may contract with a MHP to provide the new outpatient mental health services when the MCP covers payment for these services. In cases where the MHP provides non-specialty mental health services under contract with a MCP, the MHP must ensure non-duplication of service provision and claiming for services provided under contract with the MCP and services provided under the DHCS/MHP contract and reimbursed via the Short Doyle Medi-Cal Phase 2 claiming system.

MHPs should work in coordination with MCPs in order to ensure that Medi-Cal beneficiaries receive timely, medically necessary mental health services in the most appropriate setting and service delivery system. DHCS will monitor the implementation of the new MCP and FFS/MC provided mental health benefits and related coordination of care between these delivery systems and the MHPs.

Questions regarding the content of this information notice may be directed to the DHCS Mental Health Services Division County Support Unit Liaison for your county. A current list of county assignments can be found at: <http://www.dhcs.ca.gov/services/MH/Pages/CountySupportUnit.aspx>.

Sincerely,

Original Signed By

Karen Baylor, Ph.D., LMFT, Deputy Director
Mental Health & Substance Use Disorder Services