



JENNIFER KENT
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

DATE: September 23, 2015

MHSUDS INFORMATION NOTICE NO.: 15-042

TO: COUNTY BEHAVIORAL HEALTH PROGRAM DIRECTORS
COUNTY DRUG & ALCOHOL ADMINISTRATORS
COUNTY BEHAVIORAL HEALTH DIRECTOR'S ASSOCIATION
CALIFORNIA COUNCIL OF COMMUNITY MENTAL HEALTH
AGENCIES
COALITION OF ALCOHOL AND DRUG ASSOCIATIONS

SUBJECT: ANNUAL REVIEW PROTOCOL FOR CONSOLIDATED SPECIALTY
MENTAL HEALTH SERVICES AND OTHER FUNDED SERVICES for
FISCAL YEAR 2015/2016

SUPERSEDES: [MHSD Information Notice No.: 14-027](#)

REFERENCE: Retain Until Rescinded

Pursuant to the responsibilities of the Department of Health Care Services, as outlined in Welfare and Institutions Code, Section 5614, this Information Notice provides the specifics of the Fiscal Year (FY) 2015-2016 Program Oversight and Compliance annual review of Mental Health Plans (MHPs). Enclosed are the following documents:

- Enclosure 1 – Annual Review Protocol for Consolidated Specialty Mental Health Services and Other Funded Services for FY 2015/2016
- Enclosure 2 – County Mental Health Plan Attestation for FY 2015/2016
- Enclosure 3 – Program Oversight and Compliance Review Schedule for FY 2015/2016
- Enclosure 4 – Reasons for Recoupment for FY 2015/2016

Annual Review Protocol for Consolidated Specialty Mental Health Services and Other Funded Services for FY 2015/2016

In accordance with oversight authority contained in the California Code of Regulations, Title 9, Chapter 11, Section 1810.380, DHCS will review program and fiscal operations of each MHP to verify that medically necessary services are provided in compliance with State and Federal laws and regulations and/or the terms of the contract between DHCS and the MHP.

The MHP will receive an announcement letter approximately 60 days in advance of its scheduled system review or hospital review. The letter will provide instructions for the MHP to follow in preparation for the review. The MHP representative(s) involved in the onsite review shall provide sufficient evidence to demonstrate compliance with State and Federal laws and regulations and/or contractual requirements. If during the onsite review DHCS determines that an MHP is out of compliance, DHCS will provide a written Notice of Noncompliance, which will include a description of the finding(s), a description of any corrective action(s) and timeframes required. A Plan of Correction (POC) is required for all items found to be out of compliance.

County Mental Health Plan Attestation for FY 2015-2016

The purpose of the Attestation is for the MHP to certify compliance with specified Medi-Cal requirements. MHPs are required to submit the Attestation to DHCS 60 days prior to the start of the MHP's scheduled triennial system review. The MHP Director certifies that each of the 24 Attestation requirements complies with federal and state regulations and/or the terms of the contract between the MHP and DHCS. During the onsite triennial review, the corresponding documents and records supporting the Attestation should be made available to DHCS reviewers upon request.

If the MHP is unable to certify compliance with all 24 items contained in the Attestation, the MHP is to submit to DHCS (via an addendum to the Attestation) the identification of the item(s) deemed out of compliance, provide an explanation of the findings, and provide a POC to DHCS which addresses all out of compliance items. Upon completion of this POC, the MHP must submit an amended Attestation to DHCS.

The Attestation should be submitted to:

Autumn Boylan Valerio, MPH
Chief, Compliance Section
Program Oversight and Compliance Branch
Mental Health Services Division
Department of Health Care Services, MS 2703
P. O. Box 997413
Sacramento, CA 95899-7413

Program Oversight and Compliance Review Schedule for FY 2015-2016

The schedule identifies MHP system reviews and non-hospital chart reviews, which occur simultaneously, and Short-Doyle/Medi-Cal (SD/MC) hospital reviews.

Plan of Correction (POC) and Appeal

The MHP is required to submit a POC to DHCS within 60 days after receipt of the final report for all system and chart review items deemed out of compliance. The POC should include the following information:

- (1) Description of corrective actions, including milestones;
- (2) Timeline for implementation and/or completion of corrective actions; and
- (3) Proposed (or actual) evidence of correction that will be submitted to DHCS.

If the MHP chooses to appeal any of the out of compliance items, the MHP should submit an appeal in writing within 15 working days after receipt of the final report. A POC will still be required pending the outcome of the appeal.

Reasons for Recoupment for FY 2015-2016

DHCS will review a random sample of beneficiary charts and recoup Federal Financial Participation dollars in accordance with the FY 2015-2016 Reasons for Recoupment. DHCS will review the medical necessity criteria and medical records documentation to determine appropriate Medi-Cal reimbursement of specialty mental health services. This review includes all medical records associated with the beneficiary's care during the review period.

- *Chart Review – Non-Hospital Services*

Depending on the size of the county (small or large), DHCS will review 10 to 20 Adult and EPSDT beneficiary medical records. For Los Angeles County, which is considered an extra-large county, DHCS will review 80 Adult and EPSDT beneficiary medical records. A random sample will be drawn from the most recent 90-day period for which paid claims data are available or from a specified time period as determined by the Department. The MHP will be provided with the beneficiary names prior to the review or as determined by the Department.

- *Chart Review – SD/MC Hospital Services*

DHCS will review a sample of adult and/or children's medical records. A random sample will be drawn from paid claims from the twelve-month period prior to the date of the review or from a specified time period as determined by the Department.

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Compliance Advisory Committee

This Annual Review Protocol was developed in collaboration with the Compliance Advisory Committee, which includes representatives from the County Behavioral Health Directors Association of California, the California Mental Health Planning Council, the California Hospital Association, the National Alliance on Mental Illness, Disability Rights California, consumer and family member representatives, and other stakeholders.

If you have any questions regarding this Information Notice, please contact Autumn Boylan Valerio, Chief, System Compliance Section, Program Oversight and Compliance Branch, Mental Health Services Division at (916) 319-0985.

Sincerely,

Original signed by

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

Enclosures

cc: