



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



GAVIN NEWSOM
GOVERNOR

August 22, 2019

Richard C. Allen, Director
Western Regional Operations Group
Centers for Medicare & Medicaid Services
San Francisco Regional Office
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6706

Dear Mr. Allen:

In accordance with Title 42 of the Code of Federal Regulations part 438.207, the California Department of Health Care Services (DHCS) hereby submits to the Centers for Medicare and Medicaid Services (CMS) its assurance of compliance with federal network adequacy requirements for Medi-Cal specialty mental health services (SMHS).

California's SMHS are provided under the authority of a 1915(b) Waiver. The 1915(b) SMHS Waiver provides California with the opportunity to deliver rehabilitative mental health services to children and adults through a managed care delivery system. DHCS contracts with 56 county Mental Health Plans (MHPs) that are responsible for providing, or arranging for the provision of, SMHS to Medi-Cal beneficiaries who meet medical necessity criteria in a manner consistent with the beneficiary's mental health treatment needs and goals, and as documented in the beneficiary's treatment plan.

The county MHPs are classified as Prepaid Inpatient Health Plans (PIHPs) and must therefore comply with applicable federal managed care requirements. As such, each MHP must maintain and monitor a provider network adequate to serve, within scope of practice under State law, the population of adults and children/youth Medi-Cal beneficiaries eligible for SMHS. MHPs must meet or exceed network capacity requirements and proportionately adjust the number of network providers to support any anticipated changes in enrollment and the expected utilization of SMHS.

DHCS conducted a comprehensive review of each MHP's provider network in accordance with the annual network certification requirements set forth in Title 42 Code

Richard C. Allen, Director
Page 2
August 22, 2019

of Federal Regulations part 438.207. DHCS determined that, overall, 27 of the county MHPs pass and 29 MHPs conditionally pass the network certification requirements and will be subject to ongoing monitoring and corrective actions, as appropriate. DHCS is also mandating that MHPs allow beneficiaries to obtain services out of network until the deficiency is resolved, regardless of travel time and/or the rate, if applicable access to services cannot be met.

This report serves as DHCS' assurance of compliance. It details DHCS' efforts to certify the networks in accordance with Title 42 Code of Federal Regulations part 438.207. DHCS will make available to CMS, upon request, all documentation collected by the State from the MHPs.

Please contact MHSDFinalRule@dhcs.ca.gov if you have any questions.

Sincerely,

ORIGINAL SIGNED BY

Mari Cantwell
Chief Deputy Director, Health Care Programs
Medicaid Director
Department of Health Care Services