



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



GAVIN NEWSOM  
GOVERNOR

DATE: July 13, 2021

Behavioral Health Information Notice No: 21-038

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 Hospital Association  
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

SUBJECT: Reimbursement for Intensive Services for Foster Youth Returned from an Out of State Placement

PURPOSE: To clarify reimbursement policy to counties for specialty mental health services provided to foster youth returned from an out of state placement due to the California Department of Social Services (CDSS) decertification of out-of-state facilities.

BACKGROUND:

CDSS discontinued certification of all out-of-state child welfare placement facilities due to patterns of failures to meet California standards. As a result, approximately 130 youth in foster care returned to California from out-of-state placements in early 2021.

**POLICY:**

The Department of Health Care Services (DHCS) acknowledges that the returning youth will have higher levels of need and will require more intensive specialty mental health services than the other youth in foster care. County Mental Health Plans were not responsible for the specialty mental health costs for youth placed out of state; therefore, the services needed by these youth represent a new obligation and cost to counties. DHCS will reimburse Counties for the non-federal share of costs for the specialty mental health services provided to the repatriated foster youth.

**Process for reimbursement:**

1. Counties will submit claims for the youth to the Short-Doyle Medi-Cal (SD/MC) claiming system and DHCS will reimburse counties the federal share and any state general fund obligations of approved claims.
2. On a monthly basis, DHCS will match the identified youth against approved claims in the SD/MC claiming system and will determine the county-share of the SMHS claims. DHCS will reimburse the county the full non-federal share via a manual reimbursement process outside of the standard SD/MC claiming process.
3. DHCS will process payment documentation in step 2, and submit to the California State Controllers Office for payment. This process can take 8 weeks from date of submission.

Sincerely,

Original signed by

Kelly Pfeifer, M.D.  
Deputy Director  
Behavioral Health