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

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DATE: UPDATED December 30, 2021

Behavioral Health Information Notice No: 21-053
Superseded by BHIN 21-061

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: Annual Review Protocol for Specialty Mental Health Services (SMHS) andOther Funded Services for Fiscal Year 2021-2022

PURPOSE: To inform county Mental Health Plans (MHPs) about the Department of Health Care Services' (DHCS) triennial review process, annual review protocol process, and enhanced monitoring activities for Fiscal Year (FY) 2021-2022

This Behavioral Health Information Notice (BHIN) has been updated to include a discussion of the Chart Review process for FY 2021/2022. In addition, attached is an updated FY 2021/2022 Annual Review Protocol for Specialty Mental Health Services and Other Funded Services that includes a Chart Review protocol and a FY 2021/2022 Reasons for Recoupment document.

The following enclosures are included with this BHIN:

- Enclosure 1 – FY 2021/2022 Annual Review Protocol for Specialty Mental HealthServices and Other Funded Services (including Chart Review protocol)

- Enclosure 2 – FY 2021/2022 Triennial Review Schedule (including Short-Doyle/Medi-Cal Hospital review schedule)
- Enclosure 3 – FY 2021/2022 Reasons for Recoupment

BACKGROUND:
In accordance with the California Code of Regulations, Title 9, Chapter 11, Section 1810.380(a), DHCS conducts monitoring and oversight activities to review the MHPs' SMHS programs and operations to verify that medically necessary services are provided to Medi-Cal beneficiaries, who meet medical necessity criteria, in compliance with State and Federal laws and regulations, and/or the terms of the contract between DHCS and the MHP.

DHCS has the responsibility to conduct monitoring and oversight of the MHPs under the following authorities:

- California Medicaid State Plan
- California 1915(b) Waiver
- Title 42 of the Code of Federal Regulations, part 438, "Managed Care"
- Welfare and Institutions Code, section 14700 et seq.
- California Code of Regulations, title 9, chapter 11
- MHP Contract

POLICY:
<u>Annual Review Protocol for SMHS and Other Funded Services for FY 2021/2022</u>

Pursuant to Welfare and Institutions Code section 5614, DHCS revised the FY 2021/2022 Annual Review Protocol for SMHS and Other Funded Services (Protocol) in collaboration with DHCS' Compliance Advisory Committee. It covers the following topics:

Category 1	Network Adequacy and Availability of Services
Category 2	Care Coordination and Continuity of Care
Category 3	Quality Assurance and Performance Improvement
Category 4	Access and Information Requirements
Category 5	Coverage and Authorization of Services
Category 6	Beneficiary Rights and Protections
Category 7	Program Integrity
Category 8	Chart Review – Non-Hospital Services
Category 9	Chart Review – Short-Doyle/Medi-Cal Hospital Services

Category 10 Utilization Review – Short-Doyle/Medi-Cal Hospital Services

Triennial Reviews

Prior to performing the onsite visit, or virtual visit during the COVID-19 public health emergency, DHCS will conduct a desk review of the MHP's documentation (including medical records). MHPs are required to submit all review documentation to DHCS prior to the onsite or virtual visit. To assist with preparation, DHCS will send each MHP a comprehensive document submission checklist that includes all of the requested documentation for the system and outpatient chart reviews. MHPs must provide evidence of compliance for each requirement included in the Protocol, as well as any additional information requested by DHCS pertaining to the provision of SMHS to Medi-Cal beneficiaries.[1] DHCS will provide each MHP with instructions for accessing DHCS' secure e-transfer portal, which allows for the secure transmission of documents containing protected health information.

During the onsite or virtual visit, DHCS will interview key personnel from the MHP. The topics for discussion during the onsite or virtual interview are derived from the Protocol and will consist of the following:

- Network Adequacy and Availability of Services
- Care Coordination and Continuity of Care
- Quality Assurance and Performance Improvement
- Access and Information Requirements
- Coverage and Authorization of Services
- Beneficiary Rights and Protections
- Program Integrity
- Electronic Health Record
- Chart Review – Non-Hospital Services (i.e., discussion of specific chart documentation issues/questions)

The enclosed schedule identifies the dates of the FY 2021/2022 MHP system and non-hospital chart reviews, which occur simultaneously, as well as the Short-Doyle/Medi-Cal (SD/MC) hospital reviews. See Enclosure 2 for details.

Chart Reviews

DHCS is conducting the Chart Reviews for FY 2021/2022, pursuant to the authority in the 1915(b) Waiver in effect. However, as a result of Assembly Bill (AB) 133 and the California Advancing and Innovating Medi-Cal (CalAIM) initiative, DHCS will implement

[1] See 42 C.F.R. § 438.3(h).

updates to documentation requirements by July 1, 2022. This protocol does not include anticipated changes in eligibility criteria and documentation standards. However, DHCS will streamline findings requiring a Corrective Action Plan (CAP) for Chart Reviews during this review period to align with forthcoming behavioral health documentation reform updates. Also, findings warranting recoupment during this review period are limited to the issues identified in the Reasons for Recoupment attached to this BHIN with a focus on fraud, waste, and abuse. For the recoupment list, see Enclosure 3, FY 2021/2022 Reasons for Recoupment.

DHCS will review a random sample of beneficiary medical records dated on or before December 2021 to verify that the MHP provided medically necessary services; to assess the MHPs and their network providers' compliance with state established documentation requirements; and to assess the appropriateness of reimbursement of Federal Financial Participation (FFP). The review includes all medical records associated with the beneficiary's care during the review sample period.

Chart Review – Non-Hospital Services

Depending on the size of the county (small or large), DHCS will review medical records of 10 or 20 adult and child/youth beneficiaries. 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 on or before December 2021 as determined by DHCS. The MHP will be provided with the beneficiary names prior to the review or as determined by DHCS.

DHCS may request additional beneficiary medical records, as appropriate.

Chart Review – SD/MC Hospital Services

If the MHP conducted concurrent review: DHCS will review MHPs records to ensure the MHP performed and documented concurrent review in a manner consistent with the MHPs own policies and BHIN 19-026. DHCS will not review hospital charts for medical necessity, as DHCS delegates the medical necessity determinations to the MHP.

If the MHP conducted retroactive review: DHCS will review medical records of 60 adult and/or child/youth beneficiaries. A random sample will be drawn for the most recent 90-day period for which claims appear to be completed, or from a specified time-period on or before December 2021 as determined by DHCS.

DHCS may request additional beneficiary medical records, as appropriate.

Findings Reports

If during the desk and/or onsite review, DHCS determines that an MHP is out of compliance, DHCS will provide a written Notice of Noncompliance (findings report), which will include a description of the finding(s) and any required corrective action(s).[2] In addition, if DHCS determines the medical record documentation meets the criteria listed in the Reasons for Recoupment for FY 2021/2022, those claims will be disallowed and the MHP will be required to void those claims pursuant to BHIN 20-049 as described later in this letter. See Enclosure 4, Reasons for Recoupment, for additional details.

CAP

A CAP is required for items determined to be out of compliance,[3] and as described for Chart review findings above. The MHP is required to submit a CAP to DHCS within 60 days of receipt of the findings report for all system review items deemed out of compliance, and as described for Chart review findings above. The CAP must include the following information:

- Description of corrective actions, including milestones.
- Timeline for implementation and/or completion of corrective actions. and
- Proposed (or actual) evidence of correction that will be submitted to DHCS.
- Mechanism for monitoring the effectiveness of corrective actions over time.
    - If the CAP is determined to be ineffective, the MHP should propose an alternative CAP to DHCS.
- Descriptions of corrective actions required of the MHPs contracted providers to address findings.

The MHPs CAP must be submitted electronically via **secure** email (i.e., using encryption and typing [secure] in the subject line of the email) to MCBHDMonitoring@dhcs.ca.gov.

Appeals

If an MHP elects to appeal any of the enclosed findings of non-compliance, the MHP may do so by submitting an appeal, in writing, within 15 working days after receipt of the findings report. The appeal may be submitted via **secure** email (i.e., using encryption and typing [secure] in the subject line of the email). Depending on the type of appeal (i.e., system, chart), please send the appeal electronically to the relevant email addresses below:

[2] Welf. & Inst. Code (W&I), § 14197.7, subds. (d) and (r)(1).
[3] See W&I Code §§ 14713, subd. (b), 14197.7, subds. (d) and (r)(1); Section 1915(b) Specialty Mental Health Services Waiver, p. 91.

Clinical Review Appeals: DHCSMentalHealthAppeals@dhcs.ca.gov
Please cc: MCBHDMonitoring@dhcs.ca.gov, and Martine.Carlton@dhcs.ca.gov
System Review Appeals: MCBHDMonitoring@dhcs.ca.gov
Please cc: Ayesha.Smith@dhcs.ca.gov

DHCS will adjudicate any appeals and/or technical corrections (e.g., calculation errors, etc.) submitted by the MHP and, if appropriate, send an amended report. If an appeal is submitted, and/or the original findings are upheld, the MHP should send the CAP within 60 calendar days of receipt as described above. DHCS will no longer issue a "Final" report.

Voiding of Disallowed Claims

Please note that pursuant to BHIN 20-049 and beginning with FY 2019-20, DHCS will no longer issue an invoice to the MHP and counties will be required to void all claims that are disallowed through a triennial chart review. Along with the MHPs report, DHCS continues to include a summary report of claims that have been disallowed and why, which also contains the Payor Claim Control Number (PCCN) for each disallowed claim.

Once the appeal process is complete, MHPs will be required to void any remaining disallowed claims within 90 calendar days of the final triennial review report using the PCCNs provided with this report. Please refer to page 30 of the Mental Health Services Short-Doyle Medi-Cal HIPAA Transaction Standard Companion Guide to learn more about the SMHS claim void process. If you have any questions regarding how to void a claim, please e-mail MedCCC@dhcs.ca.gov.

DHCS will monitor the Short-Doyle Medi-Cal claiming system to ensure each disallowed claim is voided within 60 calendar days. MHPs that do not void disallowed claims within 60 calendar days may be subject to sanctions, fines, and penalties pursuant to Welfare and Institutions Code section 14197.7.

Report Posting
Pursuant to the 1915(b) Waiver Special Terms and Conditions, the findings report and the MHP's CAP will be posted on the DHCS website.

If you have any questions regarding this BHIN, please contact DHCS at MCBHDMonitoring@dhcs.ca.gov.

Sincerely,

Original signed by

Shaina Zurlin, PsyD, LCSW, Chief
Medi-Cal Behavioral Health Division