



C A L I F O R N I A   D E P A R T M E N T   O F

# Mental Health

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February 22, 2007

DMH LETTER NO.: 07-03

TO: LOCAL MENTAL HEALTH DIRECTORS  
LOCAL MENTAL HEALTH PROGRAM CHIEFS  
LOCAL MENTAL HEALTH ADMINISTRATORS  
COUNTY ADMINISTRATIVE OFFICERS  
CHAIRPERSONS, LOCAL MENTAL HEALTH BOARDS

SUBJECT: MEDI-CAL REIMBURSEMENT OF COLLATERAL SERVICES  
PROVIDED TO SIGNIFICANT SUPPORT PERSONS IN GROUP  
SETTINGS

REFERENCE: CALIFORNIA CODE OF REGULATIONS, TITLE 9, DIVISION 1,  
CHAPTER 11

The purpose of this Department of Mental Health (DMH) letter is to provide clarification regarding Medi-Cal reimbursement of medically-necessary collateral mental health services that are provided to significant support persons in group settings. The successful mental health treatment of Medi-Cal eligible beneficiaries with mental illness or serious emotional disturbances frequently requires contact with persons who play an integral part in assisting the beneficiary in achieving the goals of their client plan. If all of the conditions of Medi-Cal reimbursement are met, assisting support persons with the development of intervention skills that are needed to specifically address the beneficiary's mental health issues may be reimbursable as a Medi-Cal specialty mental health service. Contacts with significant support persons are typically claimed under Medi-Cal as a collateral service that is medically necessary and meets the definition under Section 1810.206 of Title 9, California Code of Regulations (CCR).

Collateral contacts may include, but are not limited to, consultation and training of the significant support persons to assist in better utilization of specialty mental health services by the beneficiary, to promote a better understanding of the client's mental illness, and to assist the beneficiary in meeting their client plan goals. Collateral may also include family counseling with significant support persons. It should be noted that the beneficiary is not required to be present when the collateral contact occurs.

It may be appropriate for county Mental Health Plans (MHPs) to provide or authorize the provision of collateral services to significant support persons in a group setting rather than an individual setting if a group of Medi-Cal eligible beneficiaries all have a covered diagnosis, exhibit very similar behaviors, demonstrate medical necessity, and have corresponding client plans that indicate that the intervention is medically necessary. The collateral contacts provided in a group setting must be clearly documented in each beneficiary's mental health client plan and chart. In addition, the provision of this service must be carefully coordinated with the other specialty mental health services being provided to assure that no duplication of services occurs.

When claiming for this service, county MHPs must follow the guidelines under Section 1840.316 of Title 9, CCR that requires individuals who are delivering services based on minutes of time on behalf of more than one beneficiary to prorate their time for each beneficiary. In addition, when more than one individual provides a service to more than one beneficiary at the same time, the time spent by all those providing the service must be added together to yield the total claimable services.

If a provider is delivering services to a group composed of both Medi-Cal and non-Medi-Cal eligible individuals, the provider must determine if the rate for the services is different for the Medi-Cal and the non-Medi-Cal eligibles. If the rate is the same, the provider would prorate his or her time for all individuals who participated. However, if services for a group of individuals are reimbursed at different rates, the provider must prorate the Medi-Cal and non-Medi-Cal individuals separately, e.g. if a provider delivers 63 minutes of services to a group consisting of 5 Medi-Cal and 2 non-Medi-Cal eligibles who are reimbursed at different rates, they would: 1. Calculate reimbursement by prorating their time (63 minutes divided by 7= 9 minutes); 2. Multiply 9 minutes by 5 and apply the Medi-Cal rate to 45 minutes; 3. Multiply 9 minutes by 2 and apply the non-Medi-Cal rate to 18 minutes.

Caution must be exercised when providing and claiming for collateral in a group setting. County MHPs are advised that appropriate documentation of this service must be available for review and audit purposes. If you have questions regarding this information, please contact your County Operations liaison identified on the following internet site:

<http://www.dmh.ca.gov/CountyOps/contact.asp>.

Sincerely,

Original signed by:

STEPHEN W. MAYBERG, Ph.D.  
Director

cc: California Mental Health Planning Council  
John Lessley, Chief, County Operations South/Central  
Rebecca Kirby, Chief, County Operations North/Bay  
Kathy Seay, Interim Chief, Program Compliance