



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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DMH LETTER NO.: 08-07

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

SUBJECT: Clarification on Medi-Cal Billing for Specialty Mental Health Services under the EPSDT Program for Children in the Foster Care and Child Welfare System

This Department of Mental Health (DMH) Letter clarifies to county Mental Health Plans (MHPs) and their providers what is reimbursable by Medi-Cal for specialty mental health services under EPSDT mental health services that are provided to Medi-Cal eligible children who are in the foster care and child welfare system. This Letter clarifies DMH Letter 06-05, originally distributed in conjunction with the lawsuit known as *Katie A. v. Bonta*.

I. Clinical Practice with Evidence Based or Promising Practices Models

MHPs and providers who are combining traditional clinical practice with evidence based or promising practices models, including but not limited to Wraparound, Full Service Partnership, Multi-Dimensional Treatment Foster Care, Intensive Treatment Foster Care, Functional Family Therapy, Family-to-Family Team Decision Making, and Family Finding and Engagement must ensure that the mental health service activities meet the conditions for Medi-Cal reimbursement. For children in any of these models, the service components can be provided in a coordinated manner, and certain service components are reimbursable under Medi-Cal, if Medi-Cal criteria are met. While this letter addresses Medi-Cal billing for children in the foster care and the child welfare system, it does not preclude the delivery and reimbursement of appropriate services to other Medi-Cal eligible children.

II. Medi-Cal Criteria for Federal Financial Participation (FFP)

In order to receive FFP reimbursement for services rendered by a provider or for services rendered directly by the MHP, the MHP must ensure that the following Medi-Cal criteria are met for all service activities:

- A. Provider Eligibility** - The provider must meet the standards for participation in the Medi-Cal Program as established under Titles XVIII and XIX of the Social Security Act (must be a Medi-Cal eligible provider).
- B. Beneficiary Eligibility** - The beneficiary must be eligible for a full array of Medi-Cal benefits without restrictions or limitations. Foster children will generally be eligible for a full array of Medi-Cal benefits without restrictions or limitations.
- C. Medical Necessity** - The mental health services provided must be medically necessary to address the mental health needs of the beneficiary. A medical necessity criterion has three components: diagnosis, impairment and intervention. Medical Necessity is determined through the assessment process by the following factors (Title 9, Section 1830.205):
1. The child has an included diagnosis.
 2. The child has at least one the following impairments as a result of the included diagnosis:
 - a. A significant impairment in an important area of life functioning,
 - b. A reasonable probability of significant deterioration in an important area of life functioning, or
 - c. A reasonable probability that the child will not progress developmentally as individually appropriate.
 3. The service meets both of the following intervention criteria:
 - a. The focus of the proposed intervention is to address the condition identified, and
 - b. An expectation that the proposed intervention will do one of the following:
 - i) Significantly diminish the impairment,
 - ii) Prevent significant deterioration in an important area of life functioning, or
 - iii) Allow the child to progress developmentally as individually appropriate.

If the beneficiary does not qualify for services under the Title 9 impairment/intervention criteria, the child may be eligible to receive Medi-Cal specialty mental health services from the County MHPs under Early and Periodic Screening Diagnosis and Treatment (EPSDT) program when such services are necessary to correct or ameliorate a defect, mental illness or condition as described in Title 9, 1830.210 and up and Title 22 Section 51340 (e) (3).

EPSDT means individual or group therapies and interventions that are designed to provide a reduction of mental disability and restoration, improvement or maintenance of functioning consistent with the goals of learning, development, independent living, and enhanced self-sufficiency. The services cannot be provided as a component of

adult residential services, crisis residential treatment services, crisis intervention, crisis stabilization, day rehabilitation, or day treatment intensive.

If the child meets neither the medical necessity described in items one (1) through three (3) above, nor the expanded EPSDT medical necessity criteria necessary for specialty mental health services provided by the MHP or the MHP's provider, then the child's primary care physician shall coordinate and provide for the mental health services.

- D. Provider Qualifications** - Services must be provided within the scope of practice of the person delivering the service, if professional licensure is required for the service.
- E. Provider Qualifications** - Services must be provided under the direction of a Licensed Professional of the Healing Arts (LPHA). The LPHA direction may include, but is not limited to being the person directly providing the service, acting as a clinical team leader, direct or functional supervision of service delivery, or approval of client plans. Individuals are not required to be physically present at the service site to exercise direction.
- F. Contacts with significant support persons** in the beneficiary's life must be directed exclusively to the mental health needs of the beneficiary. This means that if time is spent addressing the mental health needs of the beneficiary and time was spent addressing non mental health needs of the beneficiary, only the time spent addressing the mental health needs could be reimbursed. A significant support person is a person who in the opinion of the beneficiary, or the person providing the services, has or could have a significant role in the successful outcome of treatment. Significant support persons would include but would not be limited to the parents, legal guardians, and caregivers of a foster child who would be involved in assisting the child meet the goals established in the client plan.
- G. When appropriate, more than one MHP-certified Medi-Cal mental health provider** may bill for a child on a particular day. The total time claimed shall not exceed the actual time utilized for claimable services. Such billing requires documentation for each provider's service activity provided and the exact number of minutes used.

III. Specialty Mental Health Services

Specialty Mental Health Services delivered to eligible children are reimbursable provided that medical necessity and other Medi-Cal criteria are met. Specialty Mental Health Services are claimed using the SD/MC system using DMH local data codes. Mode of Service describes a classification of services types, i.e. Outpatient, Day Services, 24 hour. The service function codes identify the specific type of service, e.g. TBS, mental health service, and collateral, received under the Mode of Service. The following services are reimbursable:

- A. **Assessment** is a service activity designed to evaluate the current status of a beneficiary's mental, emotional, or behavioral health. Assessment includes but is not limited to one or more of the following: mental status determination, analysis of the beneficiary's clinical history, analysis of relevant cultural issues and history, diagnosis, and the use of testing procedures. The assessment documents will be used to support the determination of medical necessity and will be used to develop the client care plan. Assessment is provided by or authorized by MHPs and claimed through the Short-Doyle Medi-Cal (SD/MC) system utilizing DMH local data codes and Mode of Service. Assessment services would be claimed using Mode 15 (Outpatient Services), and service function codes 30 – 57 (Mental Health Service).
- B. **Plan development** is a service activity consisting of development of client plans, approval of client plans and/or monitoring of a beneficiary's progress. Plan development is provided by or authorized by MHPs and claimed through the SD/MC system utilizing DMH local data codes and Mode of Service. Plan Development would be claimed using Mode 15 (Outpatient Services) and service function codes 30 – 57 (Mental Health Service).
- C. **Rehabilitation** is a service activity that includes but is not limited to assistance in improving, maintaining, or restoring a beneficiary's or group of beneficiaries functional skills, daily living skills, social and leisure skills, grooming and personal hygiene skills, meal preparation skills, and support resources and/or medication education. "Personal Care Activities" are not considered Rehabilitation and are not Medi-Cal reimbursable. Rehabilitation is provided by or authorized by MHPs and claimed through the SD/MC system utilizing DMH local data codes and Mode of Service. Rehabilitation would be claimed using Mode 15 (Outpatient Services), and service function codes 30 – 57 (Mental Health Service).
- D. **Collateral** is a service activity to a significant support person in a beneficiary's life for the purpose of meeting the needs of the beneficiary in terms of achieving the goals of the beneficiary's client plan. Collateral may include consultation and training of the significant support person(s) to assist in better utilization of specialty mental health services by the beneficiary; consultation and training of the significant support

person(s) to assist in better understanding of the foster child's mental illness, and family counseling with the significant support person(s) in achieving the goals as documented in the foster child's client plan. The beneficiary may or may not be present for this service activity. Collateral is provided by or authorized by MHPs and claimed through the SD/MC system utilizing DMH local data codes and Mode of Service. Collateral would be claimed using Mode 15 (Outpatient Services) and service function codes 10 -18 (Collateral).

- E. **Medication Support Services** include prescribing, administering, dispensing and monitoring psychiatric medications or biologicals that are necessary to alleviate the symptoms of mental illness. Service activities include but are not limited to evaluation of the need for medication; evaluation of clinical effectiveness and side effects; the obtaining of informed consent, instructions to the use, risks, and benefits of and alternatives for medication, and collateral and plan development related to the delivery of the service and/or assessment of the beneficiary. This means that Instructions for use as given to the beneficiary by the provider are reimbursable. Instructions given to the parent by the provider to assist the parent in the appropriate response to the child's questioning of the need to take the medication is also reimbursable. Medication support services are provided by or authorized by MHPs and claimed through the SD/MC system utilizing DMH local data codes and Mode of Service. Medication Support would be claimed using Mode 15 (Outpatient Services) and service function codes 60-68 (Medication Support Services).
- F. **Targeted Case Management (TCM)** is a service that assists a beneficiary to access needed medical, educational, social, prevocational, vocational, rehabilitative, or other community services. The service activities may include, but are not limited to, communication, coordination, and referral; monitoring the beneficiary's progress; placement services; and plan development. It is necessary that TCM be the linkage and brokerage to service---not the provision of the service itself. To obtain Medi-Cal reimbursement for TCM the linkage and brokerage activities must be related to addressing the child's mental health needs. TCM is provided by or authorized by the MHPs and claimed through the SD/MC system utilizing DMH local data codes and Mode of Service. Targeted Case Management would be claimed using Mode 15 (Outpatient Services) and service function codes 01-09 (Linkage/Brokerage (TCM)).
- G. **EPSDT Supplemental Specialty Mental Health Services** as mental health related diagnostic and treatment services, other than physical health care, are available under the Medi-Cal program only to persons under 21 years of age pursuant to Title 42, Section 1396 (d) (r) of the United States Code, that meet the criteria of Title 22, Section 11340(e)(3) or 9 (f), and that are not otherwise covered by county MHPs under the specialty mental health waiver. This category of service includes Therapeutic Behavioral Services (TBS). TBS is an intensive one-to-one, short- term,

outpatient treatment intervention for Medi-Cal beneficiaries under age 21 with serious emotional problems or mental illness who are experiencing a stressful transition or life crisis and need additional short-term, specific support services.

Eligibility criteria for TBS is as follows: (1) living in or being considered for placement in a foster care group home with a Rate Classification Level of 12 or above, (2) at-risk of hospitalization in an acute care psychiatric facility, or (3) having undergone at least one emergency psychiatric hospitalization with the preceding 24 months; (4) or transition from any of the placements described in one (1) through three (3) to a lower level of care. TBS is provided by or authorized by MHPs and claimed through the SD/MC system.

IV. Specialty Mental Health Services With Claiming Limitations

Specialty Mental Health Services provided as a component of crisis residential treatment services, crisis stabilization, crisis intervention, day rehabilitation, and day treatment intensive cannot be claimed separately for the same beneficiary during the actual time that these services are being provided except for the day of admission. MHPs must require providers to request prior authorization for mental health services such as counseling, psychotherapy, or other therapeutic interventions that will be provided on the same day as Day Treatment Intensive or Day Rehabilitation.

- A. **Crisis Stabilization** is a service lasting less than 24 hours to, or on behalf of, a beneficiary for a condition that requires more timely response than a regularly scheduled visit. Crisis Stabilization is provided on-site at a licensed 24-hour health care facility or hospital based outpatient program or a provider site certified by the DMH or MHP to perform crisis stabilization. Crisis Stabilization is provided by or authorized by MHPs and claimed through the SD/MC system utilizing DMH local data codes and Mode of Service Crisis Stabilization would be claimed using Mode 10 (Day Services) and service function codes 20-29 (Crisis Stabilization).

- B. **Crisis Intervention** is a service lasting less than 24 hours to, or on behalf of, a beneficiary for a condition that requires more timely response than a regularly scheduled visit. Crisis Intervention may be either face to face or by telephone with the beneficiary or significant support persons and may be provided anywhere in the community. Crisis Intervention is provided by or authorized by MHPs and claimed through the SD/MC system utilizing DMH local data codes and Mode of Service. Crisis Intervention would be claimed using Mode 15 (Outpatient Services) and service function code 70-78 (Crisis Intervention).

- C. **Day Rehabilitation Services** (1/2 day and full day) is a structured program of rehabilitation and therapy to improve, maintain or restore personal independence and functioning, consistent with requirements for learning and development, which provides services to a distinct group of individuals. Services are available at least three hours and less than 24 hours each day the program is open. Day Rehabilitation Services are provided by or authorized by MHPs and claimed through the SD/MC system utilizing DMH local data codes and Mode of Service. Day Rehabilitation Services would be claimed using Mode 10 (Day Services) and service function code 91-94 (Day Rehabilitation 1/2 day) and 95-99 (Day Rehabilitation full day).
- D. **Day Treatment Intensive** (1/2 day and full day) is a structured multi-disciplinary program of therapy, which may be an alternative to hospitalization, to avoid placement in a more restrictive setting, or to maintain the individual in a community setting, which provides service to a distinct group of individuals. Services are available at least 3 hours and less than 24 hours each day the program is open. Day Treatment Intensive services are provided by or authorized by MHPs and claimed through the SD/MC system utilizing DMH local data codes and Mode of Service. Day Treatment Intensive would be claimed using Mode 10 (Day Services) and service function codes 81-84 (Day Treatment Intensive 1/2 day) and 85-89 (Day Treatment Intensive full day).

V. Team Planning Mental Health Service Function

The team planning process drives the identification of treatment and service needs, and ultimately transitions the child once the goals are achieved. The mental health service function occurs within this context, and several activities can be appropriately characterized to qualify for Medi-Cal reimbursement subject to the Medi-Cal criteria. Examples of mental health service activities that could be performed as part of the team planning phases are:

A. Engagement of the Child and Family and Significant Support Persons

The engagement phase typically involves team interactions that occur as part of the initial conversations about a child's strengths, needs, mental health status, behavior, and culture of the family. The engagement of the child and family continues throughout the provision of specialty mental health services. Engagement activities that include therapeutic meetings with a child and significant support persons to address the child's mental health needs that are Medi-Cal reimbursable include but are not limited to the following:

1. **The Strengths and Needs Assessment** activities involve the clinical analysis of the history and current mental health status of the child's emotions

or behavior, relevant cultural issues and history, diagnosis, including the use of testing, and strengths focused conversation with the child. The team facilitator or care coordinator may be the individual designated to be responsible for gathering information that identifies the unique skills, talents, interests, and resources of the child and family. This information is used to build a strength-based and individualized service plan (mental health client plan). These activities are reimbursable as mental health services (assessment, plan development, collateral) or TCM depending on the specific activity that is provided and by whom, provided that the Medi-Cal criteria are met. The MHP contract with DMH includes the minimum standards for the content of the assessment and mental health client plan.

- 2. The Team Formation** activities may be reimbursable as mental health services or TCM, specifically if there is interagency and intra-agency consultation, coordination, and referrals. When a teacher is asked to merely read a chart or a plan, such activity is not reimbursable. In addition to the child, parent or guardian, or mental health provider, the team facilitator or care coordinator may invite other significant support persons such as family and friends to participate because they are relevant to the child's mental health treatment goals. Activities conducted or facilitated by the coordinator or the mental health provider participating on the team are reimbursable as mental health services or TCM provided that the Medi-Cal criteria are met.
- 3. Immediate Crisis Needs** may be identified during the initial assessment process. Crisis intervention actions taken to address immediate concerns about safety and security are Medi-Cal reimbursable as mental health services, TCM, crisis intervention, or crisis stabilization depending on the specific activities. Additionally, medication support, day rehabilitative, day treatment intensive, depending on the specific activities being performed, may also be reimbursable. A facilitator attempts to assist the child and family to predict potential areas of crisis and to clearly identify ways to resolve any crisis. These safety issues must be related to mental health needs such as severe psychiatric symptoms or behaviors of a child in order be Medi-Cal reimbursable.

B. Service Plan Development

The service plan describes the needs, long-range vision and short-term objectives for the child, and the services that will best meet the child's needs. This is a mental health service function, which consists of not only the development but includes the approval of the plan and/or monitoring of the child's ongoing progress. Modifications of the service plan will occur when appropriate. These service activities are Medi-Cal reimbursable.

During the team meetings, the facilitator will often coordinate the assignment of tasks with team members based on what is in the service plan. Activities by certain professionals on this team may be Medi-Cal reimbursable as mental health services or TCM, provided that the Medi-Cal criteria are met.

C. Plan Implementation/Tracking and Adapting the Service Plan

Once the service plan is established, the team members carry out their assigned responsibilities within the agreed-upon timeframes. The services are tailored to the needs of the child. The activities can occur before, during and after the plan is developed. A mental health professional is responsible for ensuring access to mental health services and monitoring accordingly. A facilitator typically tracks team assignments for completion. The mental health provider will routinely update the child's mental health plan, and track/log all mental health encounters, as well as the child and family's progress. Activities provided by a mental health staff person on the team who meets the provider qualifications are reimbursable as specialty mental health services including assessment, plan development, collateral or TCM, provided that the Medi-Cal criteria are met.

The formal services that are provided may include diagnostic intellectual evaluations, comprehensive neurological evaluations, therapeutic behavioral support services, individual and family crisis planning and intervention services, parent coaching and education, medication monitoring, intensive-in-home, individual, group, and family therapy services; interactive psychotherapy using play equipment, physical device, or other mechanisms of non-verbal communication; individual rehabilitation services; day treatment intensive; and day rehabilitation. These activities are reimbursable as mental health services or TCM, provided that the Medi-Cal criteria are met. Other activities that are not reimbursable through the MHPs may be Medi-Cal reimbursable services through Fee for Service (FFS) Medi-Cal.

1. Ongoing Crisis and Safety Planning

A facilitator and the team attempt to address ways to resolve emerging or immediate crisis or any safety issues. Medi-Cal reimbursable activities by the mental health professional must be related to the psychiatric symptoms or behaviors that created the safety risk or crisis. These activities are reimbursable as mental health services or TCM, provided that the Medi-Cal criteria are met.

D. Transition

The team ensures that the child is appropriately transitioned from the services, once the goals are achieved. The child is released from the mental health system when he/she no longer needs the formal support and has been sufficiently linked to resources and natural supports. Medi-Cal reimbursable activities might be associated with needs for less intense supports. Activities are reimbursable as mental health services or TCM provided that the Medi-Cal criteria are met.

VI. Submission of Claims for Reimbursement and Certification

When all the Medi-Cal criteria have been met for services rendered, each MHP is required to certify Medi-Cal claims to DMH to ensure program integrity. Each MHP shall comply with all state and federal statutory and regulatory requirements for certification of claims, including Title 42, Code of Federal Regulations Sections 438.604, 438.606, and Section 438.608. On a monthly basis, each MHP shall certify to DMH in writing, each claim prior to submission to the State for reimbursement.

The certification shall include attestation to the following for each beneficiary with services included in the claim:

- an assessment of the beneficiary was conducted in compliance with the requirements established in the MHP contract with DMH;
- the claim is based on actual, total expenditures for services to eligible beneficiaries;
- the beneficiary was eligible to receive Medi-Cal services at the time the services were provided to the beneficiary;
- the services included in the claim were actually provided to the beneficiary;
- medical necessity was established for the beneficiary (Title 9, Sections 1830.205 and 1830.210) for the timeframe in which the services were provided;
- a client plan was developed and maintained for the beneficiary that met all client plan requirements established in the MHP contract with DMH; and
- for each beneficiary with day rehabilitation, day treatment intensive, or EPSDT supplemental specialty mental health services included in the claim, all requirements for MHP payment authorization in the MHP contract for such services were met; and any reviews for such services were conducted prior to the initial authorization and any re-authorization periods as established in the MHP contract with DMH.

MHPs are subject to disallowances and other penalties if these conditions are not met during a state or federal audit. MHPs may hold their respective providers at risk as well.

VII. Related Guidance on Medi-Cal Billing

Related guidance on Medi-Cal reimbursement of Specialty Mental Health Services including limitations, code service crosswalks, and coding requirements are included in the DMH Mental Health Billing Manual at:

http://www.dmh.ca.gov/MedCCC/docs/Mental_Health_Medi-Cal_Billing_Manual_v1-0_07-17-08.pdf

Information regarding EPSDT documentation is provided by the California Institute for Mental Health (CIMH) Early and Periodic Screening Diagnosis and Treatment (EPSDT) Chart Documentation Manual at:

http://www.cimh.org/downloads/EPSDT_Chart_Documentation_Manual_9-5-071.pdf

For any questions regarding this letter, please contact your County Contract Manager listed at: <http://www.dmh.ca.gov/docs/CoOpRoster.pdf>

Sincerely,

Original signed by

STEPHEN W. MAYBERG, Ph.D.
Director