



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

1600 9th Street, Sacramento, CA 95814
(916) 654-2309

November 8, 2005

DMH LETTER NO.: 05-11

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

SUBJECT: REQUIREMENTS FOR SHORT-DOYLE/MEDI-CAL CLAIMS FOR
COSTS OF QUALITY ASSURANCE

REFERENCE: Welfare and Institutions Code, Section 5724 (d)
Supercedes DMH Letter 94-09

This policy letter provides county mental health plans (MHPs) with updated policy clarification for claiming Federal Financial Participation (FFP) for costs directly related to the performance of quality assurance and utilization review activities.

BACKGROUND

Since July 1, 1993, costs for Quality Assurance (QA) activities have been excluded from the calculations used to develop the Short-Doyle/Medi-Cal statewide maximum allowance schedule. The federal share of QA costs will continue to be claimed separately on a monthly basis to the Department of Mental Health (DMH) on Form MH1982-C. The federal rules for determining what percent of FFP reimbursement is allowed for different types of Medi-Cal staff and QA activities are contained in Section 1903 (a), Title XIX of the Social Security Act. The continued county MHP requirements for conducting QA and utilization review activities are specified in the fiscal year MHP contract between county MHPs and the DMH.

FFP REIMBURSEMENT FOR QUALITY ASSURANCE STAFFING

Title 42, Code of Federal Regulations (CFR), Sections 432.50 (b) (1) and 433.15 (b) (5) specify that 75 percent FFP reimbursement is available for skilled professional medical personnel (SPMP) and staff who are directly supporting SPMP. The 75 percent FFP reimbursement is available if the following criteria are met:

- SPMP must have professional education and training in the field of medical care or mental health practice. This is demonstrated by possession of a medical license, certificate, or other document issued by a recognized National or State medical

licensure or certifying organization (42 CFR 432.50 (d)). In California, such licensure organizations include the Board of Behavioral Sciences, Board of Registered Nursing, Medical Board of California, Board of Pharmacy, and the Board of Psychology;

- SPMP must be in positions that have duties and responsibilities that require the application of their professional medical knowledge and skills;
- The directly supporting staff must be secretarial, copying personnel, and records clerks who provide clerical services that are directly necessary for the completion of the responsibilities and functions of the SPMP. The SPMP must directly supervise the supporting staff and the performance of the supporting staff's work; and,
- Costs incurred must be attributable to the performance of medical and utilization review by a quality control peer review organization or entity which meets the requirements of Title XI, Section 1152 of the Social Security Act (the Act).

County staff who have not yet obtained professional licensure in the field of medical care or mental health practice are not eligible to be classified as SPMP. In accordance with Title XI, Section 1152 of the Act, review functions must be performed in an efficient and effective manner which focuses on the pattern of quality of care where actual performance is measured against objective criteria which define acceptable and adequate practice; and where the quality control peer review organization includes at least one individual who is representative of consumers. Peer review by, and under the direction of SPMP ensures that the quality of care of clinical services provided by licensed medical and mental health providers are reviewed by licensed professional county staff.

A Quality Improvement (QI) Committee serves as the MHP's utilization and quality control peer review body, and must have substantial involvement from a licensed mental health staff person. QA program standards for MHPs are established by the DMH in consultation with the California Mental Health Directors Association, as required under Section 4070 of the Welfare and Institutions (W&I) Code. These QA program standards, also known as QI Program standards, are designed to meet federal Medicaid requirements and are reviewed by the DMH annually, or whenever QI program plans are amended. These standards are described further under Title 9, California Code of Regulations, Section 1810.440 and the county MHP Contract with the DMH. MHPs must ensure that services delivered by licensed staff are within their scope of practice, as required under Section 5778(n) of the W&I Code.

A 50 percent FFP reimbursement rate is available for salaries and related costs of non-SPMP staff and staff who are not under the direct supervision of the SPMP staff, and who are involved in the administration of Medi-Cal quality assurance and utilization review activities.

REIMBURSABLE COSTS AND CLAIMING

A list of reimbursable quality assurance and utilization review tasks and activities is attached as Enclosure 1. This list excludes any administrative support costs as these are reimbursed separately (see DMH Letter 05-10). Reimbursable costs for county quality assurance activities include:

- Total salaries and wages (maximum of 75 percent FFP)
- Staff benefits (maximum of 75 percent FFP)
- Training (maximum of 75 percent FFP)
- Travel (maximum of 75 percent FFP)
- General expense (maximum of 50 percent FFP)
- Communications (maximum of 50 percent FFP)
- Facility operation (maximum of 50 percent FFP)

The form MH 1982 C, attached as Enclosure 2, should be used to bill for the actual time spent by county staff on quality assurance activities, and to summarize all staff expenditures and staff costs. County legal entities that claim FFP for utilization review activities under an approved Medi-Cal Administrative Activities (MAA) plan should not submit Short-Doyle/Medi-Cal claims for quality assurance and utilization review activities on form MH 1982 C. MAA plan claims must be submitted on Form MH 1982 D. Please refer to the *DMH Medi-Cal Administrative Activities Instruction Manual* for guidance on MAA plan claims.

QA claims may be submitted on a quarterly or on a monthly basis. If you are submitting quarterly claims, please identify the three months you are claiming for on the "MO/YR" line of the MH 1982 C. If you are preparing your claim using MIS/payroll data, you may claim on a monthly basis. The completed MH 1982 C should be submitted to:

Department of Mental Health
Local Program Financial Support
1600 9th Street, Room 120
Sacramento, CA 95814

DMH CONTACTS

MHPs are encouraged to consult with DMH, as needed, to resolve any questions or concerns regarding this letter. Please contact your Medi-Cal contract manager in the County Operations Section as listed in the enclosure to this letter.

Sincerely,

Original signed by;

STEPHEN W. MAYBERG, Ph.D.
Director

Enclosures

cc: California Mental Health Planning Council
Chief, Local Program Financial Support
Chief, County Operations Section