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DMH INFORMATION NOTICE NO.: 01-04

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

SUBJECT: MENTAL HEALTH SERVICES AND ADULT
RESIDENTIAL TREATMENT SERVICES LOCKOUTS

The Department of Mental Health (DMH) is providing the following clarification regarding Title 9, California Code of Regulations (CCR), Section 1840.362.

Title 9, CCR, Sections 1840.215 and 1840.360 through 1840.374 describe lockouts that apply to Medi-Cal specialty mental health services. Lockouts are situations or circumstances under which federal financial participation (FFP) is not available for a specific specialty mental health service. Lockouts are generally designed to prevent duplicate claiming of FFP. Title 9, CCR, Section 1840.362, below, describes the situations in which FFP is not available for Adult Residential Treatment Services.

1840.362. Lockouts for Adult Residential Treatment Services.

Adult Residential Treatment Services are not reimbursable under the following circumstances:

(a) When Crisis Residential Treatment Services, Psychiatric Inpatient Hospital Services, Psychiatric Health Facility, or Psychiatric Nursing Facility Services are reimbursed, except for the day of admission.

(b) When beneficiaries are receiving Adult Residential and Mental Health Services under two cost centers for the same period of time.

NOTE: Authority: Section 14680, Welfare and Institutions Code.
Reference: Section 5778, Welfare and Institutions Code.

Subsection (a) clearly prohibits claiming FFP for Adult Residential Treatment Services when a beneficiary is receiving Crisis Residential Treatment Services, Psychiatric Inpatient Hospital Services, Psychiatric Health Facility, or Psychiatric Nursing Facility Services, except on the day of admission. The day of admission is exempted because a beneficiary may be living in a facility providing Adult Residential Treatment Services and receiving Adult Residential Treatment Services on that day and then require admission to another 24 hour facility. A possible conflict on the day of discharge is resolved by denying payment for the day of discharge to the facility that is discharging the beneficiary. On any day besides the day of admission and the day of discharge, the beneficiary can only be receiving one 24-hour facility service on the same day.

Beneficiaries may legitimately need and receive Mental Health Services during the time that they are in a residential facility that is providing Adult Residential Treatment Services to the beneficiary. When the provider of Mental Health Services and the provider of Adult Residential Treatment Services have separate Medi-Cal provider numbers, even if the providers are both part of the same legal entity, there are no lockouts, although the two providers should coordinate care so that the beneficiary receives maximum benefit from each service. Subsection (b), therefore, allows claiming FFP for Adult Residential Treatment Services and Mental Health on the same day, with the exception of the situation in which there would be duplicate accounting for staff time. When the provider of Mental Health Services and the provider of Adult Residential Treatment Services are the same provider, there is a lockout to prevent the cost of the staff time devoted to services to the beneficiary from being counted in the cost of both Mental Health Services and Adult Residential Treatment Services. The subsection requires that the costs for services provided by the same staff for the same time period be attributed only to one cost center.

If you have questions or need additional information, please contact your liaison in the Technical Assistance and Training Unit below.

DMH Technical Assistance and Training Liaisons

Bay Area Region	Ruth Walz	(707) 252-3168
Central Region	Kerry Catalina	(916) 651-6090
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Sincerely,

Original signed by

WM. DAVID DAWSON
Chief Deputy Director

cc: California Mental Health Planning Council
Chief, Technical Assistance and Training