



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

May 17, 2004

DMH INFORMATION NOTICE NO.: 04-01

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

SUBJECT: INSTRUCTIONS FOR REPORTING RATES NEGOTIATED FOR  
PSYCHIATRIC INPATIENT HOSPITAL SERVICES CONTRACTS

REFERENCE Sections 1820.110, 1820.115, 1810.375(c), and 1810.430, Title 9,  
California Code of Regulations; Section 5778(o), Welfare and  
Institutions Code; supersedes DMH Information Notice No. 02-02

EXPIRES: June 30, 2005

The purpose of this letter is to apprise Mental Health Plans (MHPs) in each county of the current list of Fee-For-Service/Medi-Cal (FFS/MC) hospitals with which MHPs will need to contract in Fiscal Year (FY) 2004-2005. Also, as required by Section 1810.375(c) of Title 9, California Code of Regulations (CCR), MHPs must report the rates they have negotiated with FFS/MC hospitals to the Department of Mental Health (DMH) by June 1 of each year. DMH relies on the information from the negotiated rates reported by MHPs to establish non-negotiated FFS/MC hospital rates according to Title 9, CCR, Section 1820.115. Timely submission of negotiated rate information by MHPs assists DMH in establishing non-negotiated rates expeditiously, so that non-negotiated rate FFS/MC hospitals can be notified of their rates by the beginning of the new fiscal year.

According to Title 9, CCR, Section 1810.430(a), MHPs are required to contract with Disproportionate Share Hospitals (DSH) and traditional hospital providers that meet provider selection criteria as defined in the regulations, unless DMH grants the MHP

an exemption from contracting. DSH providers serve a disproportionate share of low-income people as determined annually by the Department of Health Services in accordance with Welfare and Institutions Code, Section 14105.98. Traditional hospitals are defined in regulation as accounting for five percent or \$20,000, whichever is more, of the total FFS/MC psychiatric inpatient hospital payments for the MHP's beneficiaries. The process for requesting an exemption from contracting is described in Title 9, CCR, Section 1810.430(c). The enclosed table provides a listing of both DSH and traditional providers for your county based on FY 2002-2003 payment data.

The following information on negotiated FFS/MC hospital rates will be needed:

- 1) Name of facility
- 2) HSM provider number and facility address
- 3) Negotiated rate for any or all of the following accommodation codes that will be used:

<u>CODE</u>	<u>DESCRIPTION</u>
097	Psychiatric Acute (Adolescent and Child)
114	Room and Board - Private, Psychiatric
124	Room and Board - Semi-Private 2 Bed, Psychiatric
134	Room and Board - Semi-Private 3 or 4 Bed, Psychiatric
154	Room and Board - Ward (Medical or General), Psychiatric
204	Intensive Care, Psychiatric

The rate for code 169, Administrative Day, is established by DMH in accordance with the regulations and need not be reported by MHPs. The current rate for most hospitals as of August 1, 2003 is \$296.03.

In the event that the MHP has negotiated a rate but not entered into a contract by June 1, 2004, please report the negotiated rate. If negotiations are incomplete, please report the status of negotiations no later than June 14, 2004. DMH must finalize the regional rates for non-negotiated rate hospitals prior to July 1, 2004 to ensure proper payment. Information on negotiated rates received after June 14, 2004 may not be considered in developing these regional rates.

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Please send the negotiated rate information to Ms. Lana Teves at the Department of Mental Health, Medi-Cal Policy and Support Section, 1600 9th Street, Room 100, Sacramento, California 95814, or fax this information to Ms. Teves at (916) 654-5591. If you should have any questions or need additional information, please call Ms. Teves at (916) 654-2528.

Sincerely,

*(Original signed by)*

STEPHEN W. MAYBERG, Ph.D.  
Director

Enclosure

cc: California Mental Health Planning Council  
Chief, County Operations