



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

June 17, 2004

DMH INFORMATION NOTICE NO.: 04-02

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

SUBJECT: COMPLIANCE PROTOCOL FOR CONSOLIDATED SPECIALTY  
MENTAL HEALTH SERVICES AND OTHER FUNDED SERVICES

REFERENCE Supercedes DMH Information Notice No. 03-04

EXPIRES: Retain until rescinded

Enclosed please find the following: 1) The Annual Compliance Review Protocol to be used by the Department of Mental Health (DMH) in review of Consolidated Specialty Mental Health Services and other Funded Services for Fiscal Year (FY) 04-05; 2) Medi-Cal Oversight Review Schedule for FY 04-05, and 3) Reason for Recoupment. In the event of any changes to the Review Schedule, affected counties will be notified by Medi-Cal Oversight.

Effective FY 04-05, DMH will conduct reviews of Specialty Mental Health Services in a three-year cycle, which will include a review of protocol compliance and interviews with the Mental Health Plan's (MHP) direct and support services staff. This could result in a finding of partial compliance by the MHP when practices are not consistent with written policies. As in the past, DMH will be reviewing non-hospital charts as part of this review process. However, the chart selection will be limited to adult charts.

On a related matter and independent cycle, DMH will conduct a review of Early and Periodic Screening, Diagnosis and Treatment (EPSDT) services provided during April-June, 2004, by legal entities (not just counties) meeting yet to be confirmed selection criteria. The current Therapeutic Behavior Services (TBS) reviews will be discontinued in FY 04-05 and folded into the EPSDT reviews.

Utilizing a statistically valid and randomly drawn sample, DMH will extrapolate the recoupment percentage finding to all claims by the legal entity during the April-June 2004, review period. Both Federal Financial Participation (FFP) and State General Fund (SGF) dollars will be recouped. DMH will utilize the "Chart Review—Non-Hospital Services" (Section J) and TBS (Section I) instruments within the FY 04-05 Compliance Protocol as well as the FY 04-05 Reasons for Recoupment.

It is expected that the EPSDT reviews will commence in January 2005. Counties will be provided with more specific information later.

The protocol was developed with consultation and collaboration from the Compliance Advisory Committee, which includes representatives from California Mental Health Directors Association, the California Mental Health Planning Council, the Association of Local Mental Health Boards and Commissions, the Consumer/Family Task Force, and other interested parties and stakeholders.

DMH intends to review and update the protocol by the end of FY 04-05 (June 30, 2005) and will seek input from interested parties for changes or revisions. If you have any questions or comments regarding this matter, please contact Frank Salmon, Chief, Medi-Cal Oversight Northern Region at (916) 654-3607, or Tom Burke, LCSW, Chief, Medi-Cal Oversight Southern Region at (562) 868-2275.

Sincerely,

*(Original Signed By)*

STEPHEN W. MAYBERG, Ph.D.

Director

Enclosures

cc: California Mental Health Planning Council  
Jim Featherstone, President, CMHDA  
Compliance Advisory Committee