



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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May 6, 2010

DMH INFORMATION NOTICE NO.: 10-11

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

SUBJECT: DUAL ELIGIBLE (MEDICARE / MEDI-CAL) CLAIMING IN SHORT
DOYLE PHASE II

This Information Notice serves as an update on the dual eligible (Medicare / Medi-Cal) claiming issue. As stated in the March 1, 2010 Department of Mental Health (DMH) All County Directors Letter (Enclosure 1), the State has pursued guidance and direction from the Centers for Medicare and Medicaid Services (CMS) regarding a determination on appropriate implementation of the requirements that Medicare be the primary payer and billed prior to Medi-Cal for services provided to dual eligible beneficiaries.

The State has worked with CMS to explain the challenges associated with billing for specialty mental health services provided to dual eligible beneficiaries. For specialty mental health services, a primary issue is that most of the services provided through the Specialty Mental Health Services Consolidation waiver are authorized by the Rehabilitation Option, which provides significant staffing and service flexibility to assure beneficiary access to appropriate community based services that may be provided in community based settings by multi-disciplinary teams. As a result, some of these services are not covered by Medicare. In some instances the services may not be covered because the rendering provider does not meet Medicare provider qualifications or because the location in which the service is provided renders the service ineligible for Medicare reimbursement.

Per direction from CMS, DMH researched authoritative Medicare resources to assess Medicare coverage of mental health services and how that coverage relates to specialty mental health services provided to Medi-Cal beneficiaries under the waiver. DMH has verified that certain specialty mental health services are not eligible for reimbursement under Medicare due to one or more of the three key components associated with service provision (service, provider type, place of service/setting) not meeting Medicare requirements. DMH has identified the following Healthcare

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Common Procedure Coding System (HCPCS) codes as representing those services not meeting Medicare requirements and which, therefore, should be billed directly to Medi-Cal without seeking a denial from Medicare:

- H2011 - Crisis Intervention
- H2013 - Psychiatric Health Facility
- H0018 - Crisis Residential Treatment Services
- H0019 - Adult Residential Treatment Services
- S9484 - Crisis Stabilization
- H2012 - Day Treatment Intensive / Day Rehabilitation
- H2019 - Therapeutic Behavioral Services
- H0046 - Administrative Day Services

Please note: For facilities that are dually licensed as a Psychiatric Health Facility and an Acute Psychiatric Hospital, Medicare must be billed since inpatient psychiatric hospital services are covered by Medicare.

DMH is in the process of implementing necessary edits to the Short-Doyle Medi-Cal (SD/MC) Phase II system to allow direct billing to Medi-Cal for these services. DMH hopes to have the edits available for county testing by early May, with full implementation of the edits occurring in mid May. Further communication of exact dates associated with testing and implementation of these edits will be communicated through the email distribution list for the weekly SD/MC Phase II Workgroup Conference Calls.

DMH understands that some Mental Health Plans have elected to delay submission of Medi-Cal claims for dual eligible clients pending resolution of this issue. To accommodate those counties who wish to delay claim submission, DMH has created a good cause delay reason code "3" to bypass the six-month timely filing period. Good cause delay reason code "3" will allow counties to submit claims for dual eligible clients that are older than six months from the month of service but less than one year from the month of service. Counties will need to manage their claims to ensure that claims for dual eligible beneficiaries are submitted within the required one year time period. Claims submitted over one year from the month of service will not be accepted. If counties are approaching the one year deadline, they should submit dual eligible claims for procedure codes not listed above to the SD/MC Phase II system for denial. DMH will issue instructions regarding resubmission of those denied claims in future correspondence, once the best option for resubmission has been identified.

In addition, per direction from CMS, DMH now has the ability to accept a rejection notification from Medicare as a denial, as long as the rejection was due to the type of service, place of service, or provider eligibility. DMH is considering the use of Adjustment

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Reason Codes to process claims through the SD/MC Phase II System that have been rejected by Medicare for specific reasons. DMH will issue further guidance regarding use of Adjustment Reason Codes once implementation and oversight strategies have been finalized.

DMH continues to review and analyze the remaining specialty mental health services and corresponding HCPCS to determine if, and under what circumstances, those services may be ineligible for Medicare reimbursement. The services currently under review are: Mental Health Services (H2015) and Medication Support Services (H2010). If the State determines that additional HCPCS may be appropriately billed directly to Medi-Cal without first billing Medicare, DMH will pursue further edits to the SD/MC Phase II system accordingly.

Finally, several counties have sought clarification on the question of whether a provider enrolled in the Medi-Cal program must be certified for participation in the Medicare program. DHCS and DMH are currently reviewing applicable statute and will issue guidance to counties in a separate communication once a decision has been reached.

We will continue to share information and provide specific timeframes for system changes as we move forward with the implementation process. Thank you for your patience as we continue to work through this very important issue to obtain a positive resolution.

Sincerely,

Original Signed by

STEPHEN W. MAYBERG, Ph.D.

Director

Enclosure

cc: Dina Kokkos-Gonzales, Chief, Waiver Analysis Section, DHCS