



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

September 1, 2010

DMH INFORMATION NOTICE NO.: 10-18

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 1810.375(c), 1810.430, 1820.110, and 1820.115, Title 9,
California Code of Regulations; Section 5778(b)(8), Welfare and
Institutions Code

Supersedes DMH Information Notice No.: 09-14

EXPIRES: June 30, 2011

The purpose of this letter is to provide Mental Health Plans (MHPs) in each county with the current list of Fee-For-Service/Medi-Cal (FFS/MC) hospitals that MHPs are required to contract with in Fiscal Year (FY) 2010-11. Title 9, California Code of Regulations (CCR), requires MHPs to report the rates they have negotiated with FFS/MC hospitals to the Department of Mental Health (DMH) by June 1 of each year. DMH utilizes these rates to establish non-negotiated FFS/MC hospital rates in accordance with Title 9, CCR, §1820.115. The timely submission of these rates by the MHPs ensures that DMH can establish and publish **non-negotiated rates** by the beginning of the new fiscal year.

Also, Title 9, CCR, §1810.430(a) requires MHPs 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 Care Services in accordance with Welfare and Institutions Code, §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 is described in California Code of Regulations, Title 9, §1810.430(c) (Enclosure 1). Requests for exemptions must be in writing and must be received by June 30, 2010.

A listing of both DSH and traditional hospital providers per county based on FY 2008-09 payment data can be found in Enclosure 2.

The following information on negotiated FFS/MC hospital rates must be submitted to DMH:

- 1) Facility name.
- 2) Facility address.
- 3) National Provider Identifier (NPI) number.
- 4) Negotiated rate for any or all of the following inpatient revenue (accommodation) codes that will be used:

(Example: 114 PA - Adolescent/Child \$000; 114 PB - Adult \$000)

<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

- 5) Effective date of the negotiated rate.

The rate for code 169, Administrative Day, is not included since it is established by DMH in accordance with the regulations and need not be reported by MHPs. The current Administrative Day Rate for most hospitals as of February 24, 2010, is \$476.72 per day.

In the event that the MHP has negotiated a rate but not entered into a contract by June 1, 2010, report the negotiated rate. It is not necessary to wait until the hospital contract is finalized by the Board of Supervisors. If negotiations are pending, report the rate once it is contracted. If a hospital declines to enter into a negotiated rate contract with the MHP, please state the reason for the refusal in writing so that DMH will assign the regional rate.

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Please send the negotiated rate information to:

Department of Mental Health
Attn: Marcia Jones
Local Program Financial Support
1600 9th Street, Room 120
Sacramento, CA 95814-6414

Should you have any questions or need additional information, please call Marcia Jones at (916) 654-3254.

Sincerely,

Original Signed by

STEPHEN W. MAYBERG, Ph.D.
Director

Enclosures

cc: California Mental Health Planning Council
Chief, Local Program Support
Chief, Program Compliance