



1600 9th Street, Sacramento, CA 95814
(916) 654-2309

DATE: August 31, 2011

DMH INFORMATION NOTICE NO.: 11-11

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.: 10-18

EXPIRES: June 30, 2012

The purpose of this Information Notice 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) 2011-12. Title 9, California Code of Regulations (CCR), §1810.375(c) 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).

A listing of both DSH and traditional hospital providers per county based on FY 2009-10 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) Effective date of the negotiated rate.
- 5) Negotiated rate for any or all of the following inpatient revenue/accommodation codes that will be used and indicate whether the rate is adolescent/child and/or adult:

<u>CODE</u>	<u>DESCRIPTION</u>
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 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 August 1, 2010, is \$511.85 per day.

In the event that the MHP has negotiated a rate but not entered into a contract by June 1, 2011, 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: Don Larson
Local Program Financial Support
1600 9th Street, Room 120
Sacramento, CA 95814-6414

Should you have any questions or need additional information, please call Don Larson at (916) 651-0686.

Sincerely,

Original signed by

CLIFF ALLENBY
Acting Director

Enclosures

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