

DEPARTMENT OF MENTAL HEALTH

1600 - 9TH STREET
SACRAMENTO, CA 95814
(916) 654-3551



August 12, 1998

DMH INFORMATION NOTICE NO.: 98-12

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

SUBJECT: EARLY AND PERIODIC SCREENING, DIAGNOSIS AND TREATMENT
(EPSDT) MENTAL HEALTH SERVICES BASE LINE

There has been some confusion about the base lines that are used to determine state funding for mental health services under the EPSDT Program. In addition, the Department of Mental Health's (DMHs) Information Notice 98-03 made some changes to the base line for future years. This letter is intended to provide additional clarification and specific information regarding the EPSDT base lines.

BACKGROUND

Beginning in Fiscal Year (FY)1995/96, the Department of Health Services (DHS) agreed to provide county mental health programs/Mental Health Plans with the state matching funds for non-inpatient hospital Short-Doyle/Medi-Cal (SD/MC) services that were provided to EPSDT eligible children and youth. Full-scope Medi-Cal beneficiaries under age 21 years are eligible for EPSDT. The purpose of this agreement was to expand access to these EPSDT specialty mental health services as a part of DHS' comprehensive EPSDT program.

Payment of the match for these services is a three step process which was described in the letter to county mental health directors dated January 29, 1996. A brief description of this process follows:

- **Interim Advance**
DMH negotiated with DHS to provide \$15 million in advance payments to county mental health programs to facilitate the expansion of EPSDT mental health services. DMH agreed with county mental health programs regarding a methodology to distribute these interim funds. (Existing statute limited the distribution of these funds to 95 percent of the total.) Counties receiving \$100,000 or less as an interim advance get the amount in one lump sum. Other counties receive their interim advance through quarterly payments.
- **Interim Claims Payments**
Approximately 4 months after the end of each quarter, DMH compares paid claims for EPSDT eligible services to the FY 1994/95 paid claims amount, which has been the paid claims base line amount. State funds are paid to county mental health as interim payments for the match for any paid claims that exceed the total of the interim advance and paid claims base line for that same period. As part of our monitoring effort, DMH requested information from counties regarding large increases in this program prior to payment of the interim paid claim amount.

Attachment 1
Baselines in Effect Fiscal Years 1995-96& 1996-97
(FFP and State Match)

		Baseline	
		Paid Claims	Cost Settled
1	Alameda	5,077,659	4,859,808
2	Alpine	261	275
3	Amador	64,539	100,396
4	Butte	392,042	476,252
5	Calaveras	105,592	79,916
6	Colusa	65,974	69,234
7	Contra Costa	4,000,749	3,826,509
8	Del Norte	324,457	275,110
9	El Dorado	300,560	320,516
10	Fresno	1,932,747	2,111,316
11	Glenn	52,044	58,427
12	Humboldt	322,605	257,133
13	Imperial	1,085,577	1,035,004
14	Inyo	28,179	30,135
15	Kern	2,407,077	1,913,809
16	Kings	811,220	576,410
17	Lake	114,497	96,426
18	Lassen	69,104	93,979
19	Los Angeles	25,517,869	25,569,421
20	Madera	487,149	372,892
21	Marin	355,810	306,329
22	Mariposa	37,554	42,242
23	Mendocino	246,733	352,035
24	Merced	1,369,177	1,499,230
25	Modoc	13,493	12,197
26	Mono	4,541	4,766
27	Monterey	1,075,064	1,110,600
28	Napa	492,651	549,018
29	Nevada	117,763	143,337
30	Orange	2,389,275	2,315,745

(1) Solano County baseline amounts only in effect for FY 95-96.

Attachment 2
Fiscal Year 1997-98 Baselines
(FFP and State Match)

	Paid Claims Baseline			Cost Settled Baseline		
	FY 94-95 Amount	Phase II	Total	FY 94-95 Amount	Phase II	Total
1 Alameda	5,077,659	252,829	5,330,488	4,859,808	252,829	5,112,637
2 Alpine	261	46	307	275	46	321
3 Amador	64,539	1,165	65,704	100,396	1,165	101,561
4 Butte	392,042	12,099	404,141	476,252	12,099	488,351
5 Calaveras	105,592	813	106,405	79,916	813	80,729
6 Colusa	65,974	971	66,945	69,234	971	70,205
7 Contra Costa	4,000,749	58,154	4,058,903	3,826,509	58,154	3,884,663
8 Del Norte	324,457	1,676	326,133	275,110	1,676	276,786
9 El Dorado	300,560	1,424	301,984	320,516	1,424	321,940
10 Fresno	1,932,747	38,270	1,971,017	2,111,316	38,270	2,149,586
11 Glenn	52,044	1,532	53,576	58,427	1,532	59,959
12 Humboldt	322,605	13,823	336,428	257,133	13,823	270,956
13 Imperial	1,085,577	16,060	1,101,637	1,035,004	16,060	1,051,064
14 Inyo	28,179	884	29,063	30,135	884	31,019
15 Kern	2,407,077	79,541	2,486,618	1,913,809	79,541	1,993,350
16 Kings	811,220	4,836	816,056	576,410	4,836	581,246
17 Lake	114,497	4,622	119,119	96,426	4,622	101,048
18 Lassen	69,104	2,375	71,479	93,979	2,375	96,354
19 Los Angeles ⁽¹⁾	25,517,869	701,627	27,174,551	25,569,421	701,627	27,226,103
20 Madera	487,149	2,575	489,724	372,892	2,575	375,467
21 Marin	355,810	14,558	370,368	306,329	14,558	320,887
22 Mariposa	37,554	967	38,521	42,242	967	43,209
23 Mendocino	246,733	21,615	268,348	352,035	21,615	373,650
24 Merced	1,369,177	12,152	1,381,329	1,499,230	12,152	1,511,382
25 Modoc	13,493	293	13,786	12,197	293	12,490
26 Mono	4,541	128	4,669	4,766	128	4,894
27 Monterey	1,075,064	20,538	1,095,602	1,110,600	20,538	1,131,138
28 Napa	492,651	23,326	515,977	549,018	23,326	572,344
29 Nevada	117,763	1,644	119,407	143,337	1,644	144,981
30 Orange	2,389,275	367,404	2,756,679	2,315,745	367,404	2,683,149

(1) Includes \$955,055 associated with funding for expanded access for MCP clients for FY 97-98 only.

(2) These baselines for Solano County also in effect for FY 98-97.

Attachment 3

Fiscal Year 1998-99 SD/MC Baseline and Percent of -Phase II Allocation To Be Included In Baseline (FFP and State Match)

	SD/MC Paid Claims Baseline			SD/MC Cost Settled Baseline			Percent of Phase II Allocation ⁽²⁾
	FY 94-95 Amount	FY 98-99 HHAMB Inc. ⁽¹⁾	Revised Baseline	FY 94-95 Amount	FY 98-99 HHAMB Inc. ⁽¹⁾	Revised Baseline	
1 Alameda	5,077,659	142,174	5,219,833	4,859,808	136,075	4,995,883	15.80%
2 Alpine	261	7	268	275	8	283	100.00%
3 Amador	64,539	1,807	66,346	100,396	2,811	103,207	65.00%
4 Butte	392,042	10,977	403,019	476,252	13,335	489,587	24.20%
5 Calaveras	105,592	2,957	108,549	79,916	2,238	82,154	45.40%
6 Colusa	65,974	1,847	67,821	69,234	1,939	71,173	73.30%
7 Contra Costa	4,000,749	112,021	4,112,770	3,826,509	107,142	3,933,651	26.50%
8 Del Norte	324,457	9,085	333,542	275,110	7,703	282,813	40.30%
9 El Dorado	300,560	8,416	308,976	320,516	8,974	329,490	38.50%
10 Fresno	1,932,747	54,117	1,986,864	2,111,316	59,117	2,170,433	44.00%
11 Glenn	52,044	1,457	53,501	58,427	1,636	60,063	49.90%
12 Humboldt	322,605	9,033	331,638	257,133	7,200	264,333	28.00%
13 Imperial	1,085,577	30,396	1,115,973	1,035,004	28,980	1,063,984	35.80%
14 Inyo	28,179	789	28,968	30,135	844	30,979	25.30%
15 Kern	2,407,077	67,398	2,474,475	1,913,809	53,587	1,967,396	29.90%
16 Kings	811,220	22,714	833,934	576,410	16,139	592,549	58.40%
17 Lake	114,497	3,206	117,703	96,426	2,700	99,126	46.50%
18 Lassen	69,104	1,935	71,039	93,979	2,631	96,610	27.80%
19 Los Angeles	25,517,869	714,500	26,232,369	25,569,421	715,944	26,285,365	42.00%
20 Madera	487,149	13,640	500,789	372,892	10,441	383,333	40.70%
21 Marin	355,810	9,963	365,773	306,329	8,577	314,906	7.40%
22 Mariposa	37,554	1,052	38,606	42,242	1,183	43,425	100.00%
23 Mendocino	246,733	6,909	253,642	352,035	9,857	361,892	22.30%
24 Merced	1,369,177	38,337	1,407,514	1,499,230	41,978	1,541,208	68.60%
25 Modoc	13,493	378	13,871	12,197	342	12,539	72.10%
26 Mono	4,541	127	4,668	4,766	133	4,899	30.20%
27 Monterey	1,075,064	30,102	1,105,166	1,110,600	31,097	1,141,697	34.40%
28 Napa	492,651	13,794	506,445	549,018	15,373	564,391	32.10%
29 Nevada	117,763	3,297	121,060	143,337	4,013	147,350	22.70%
30 Orange	2,389,275	66,900	2,456,175	2,315,745	64,841	2,380,586	26.90%

(1) HHAMB Price Index is 2.8%.

(2) The Phase II allocation amounts will be determined and added to the SD/MC baselines when the FY 98-99 Governor's Budget is approved.

(3) Solano County Phase II allocation not based on percentage.

Attachment 3
Fiscal Year 1998-99 SD/MC Baseline and Percent of Phase II Allocation To Be Included In Baseline
(FFP and State Match)

		SD/MC Paid Claims Baseline			SD/MC Cost Settled Baseline			Percent of Phase II Allocation ⁽²⁾
		FY 94-95 Amount	FY 98-99 HHAMB Inc. ⁽¹⁾	Revised Baseline	FY 94-95 Amount	FY 98-99 HHAMB Inc. ⁽¹⁾	Revised Baseline	
31	Placer	552,061	15,458	567,519	620,819	17,383	638,202	46.10%
32	Plumas	58,934	1,650	60,584	40,144	1,124	41,268	30.90%
33	Riverside	4,201,363	117,638	4,319,001	4,866,695	136,267	5,002,962	36.20%
34	Sacramento	1,658,665	46,443	1,705,108	1,599,504	44,786	1,644,290	21.60%
35	San Benito	179,304	5,021	184,325	120,527	3,375	123,902	58.40%
36	San Bernardino	4,911,039	137,509	5,048,548	4,544,723	127,252	4,671,975	38.00%
37	San Diego	5,665,312	158,629	5,823,941	5,015,872	140,444	5,156,316	23.50%
38	San Francisco	4,520,345	126,570	4,646,915	4,158,758	116,445	4,275,203	13.60%
39	San Joaquin	1,891,620	52,965	1,944,585	1,502,604	42,073	1,544,677	53.90%
40	San Luis Obispo	943,950	26,431	970,381	523,861	14,668	538,529	30.60%
41	San Mateo	2,735,911	0	2,735,911	2,525,528	0	2,525,528	9.90%
42	Santa Barbara	792,858	22,200	815,058	821,954	23,015	844,969	30.20%
43	Santa Clara	9,268,930	259,530	9,528,460	7,871,788	220,410	8,092,198	17.20%
44	Santa Cruz	2,381,992	66,696	2,448,688	2,021,673	56,607	2,078,280	32.00%
45	Shasta	1,014,723	28,412	1,043,135	865,140	24,224	889,364	22.80%
46	Sierra	1,859	52	1,911	1,169	33	1,202	45.60%
47	Siskiyou	209,668	5,871	215,539	157,090	4,399	161,489	38.30%
48	Solano ⁽³⁾	1,431,541	0	1,431,541	1,308,176	0	1,308,176	75.00%
49	Sonoma	1,529,242	42,819	1,572,061	848,580	23,760	872,340	19.90%
50	Stanislaus	2,727,262	76,363	2,803,625	1,883,282	52,732	1,936,014	40.70%
51	Sutter/Yuba	301,762	8,449	310,211	278,224	7,790	286,014	22.50%
52	Tehama	203,446	5,696	209,142	202,388	5,667	208,055	34.00%
53	Trinity	50,540	1,415	51,955	35,868	1,004	36,872	1.70%
54	Tulare	3,137,756	87,857	3,225,613	2,713,651	75,982	2,789,633	48.20%
55	Tuolumne	79,499	2,226	81,725	82,487	2,310	84,797	24.40%
56	Ventura	3,235,599	90,597	3,326,196	3,129,727	87,632	3,217,359	22.60%
57	Yolo	532,182	14,901	547,083	439,600	12,309	451,909	21.60%
	Total	103,479,325	2,780,733	106,260,058	96,638,299	2,598,529	99,236,828	32.90%

(1) HHAMB Price index is 2.8%.

(2) The Phase II allocation amounts will be determined and added to the SD/MC baselines when the FY 98-99 Governor's Budget is approved.

(3) Solano County Phase II allocation not based on percentage.

Attachment 2
Fiscal Year 1997-98 Baselines
(FFP and State Match)

		Paid Claims Baseline			Cost Settled Baseline		
		FY 94-95 Amount	Phase II	Total	FY 94-95 Amount	Phase II	Total
31	Placer	552,061	27,474	579,535	620,819	27,474	648,293
32	Plumas	58,934	582	59,516	40,144	582	40,726
33	Riverside	4,201,363	545,737	4,747,100	4,866,695	545,737	5,412,432
34	Sacramento	1,658,665	9,085	1,667,750	1,599,504	9,085	1,608,589
35	San Benito	179,304	2,260	181,564	120,527	2,260	122,787
36	San Bernardino	4,911,039	232,663	5,143,702	4,544,723	232,663	4,777,386
37	San Diego	5,665,312	0	5,665,312	5,015,872	0	5,015,872
38	San Francisco	4,520,345	57,502	4,577,847	4,158,758	57,502	4,216,260
39	San Joaquin	1,891,620	96,768	1,988,388	1,502,604	96,768	1,599,372
40	San Luis Obispo	943,950	12,509	956,459	523,861	12,509	536,370
41	San Mateo	2,735,911	100,540	2,836,451	2,525,528	100,540	2,626,068
42	Santa Barbara	792,858	19,329	812,187	821,954	19,329	841,283
43	Santa Clara	9,268,930	14,273	9,283,203	7,871,788	14,273	7,886,061
44	Santa Cruz	2,381,992	5,448	2,387,440	2,021,673	5,448	2,027,121
45	Shasta	1,014,723	12,168	1,026,891	865,140	12,168	877,308
46	Sierra	1,859	301	2,160	1,169	301	1,470
47	Siskiyou	209,668	5,319	214,987	157,090	5,319	162,409
48	Solano ⁽²⁾	1,431,541	75,000	1,506,541	1,308,176	75,000	1,383,176
49	Sonoma	1,529,242	21,095	1,550,337	848,580	21,095	869,675
50	Stanislaus	2,727,262	51,350	2,778,612	1,883,282	51,350	1,934,632
51	Sutter/Yuba	301,762	3,910	305,672	278,224	3,910	282,134
52	Tehama	203,446	1,343	204,789	202,388	1,343	203,731
53	Trinity	50,540	25	50,565	35,868	25	35,893
54	Tulare	3,137,756	11,748	3,149,504	2,713,651	11,748	2,725,399
55	Tuolumne	79,499	543	80,042	82,487	543	83,030
56	Ventura	3,235,599	32,477	3,268,076	3,129,727	32,477	3,162,204
57	Yolo	532,182	8,530	540,712	439,600	8,530	448,130
	Total	103,479,325	3,005,926	107,440,306	96,638,299	3,005,926	100,599,280

(1) Includes \$955,055 associated with funding for expanded access for MCP clients for FY 97-98 only.

(2) These baselines for Solano County also in effect for FY 96-97.

Attachment 1

Baselines in Effect Fiscal Years 1995-96 & 1996-97
(FFP and State Match)

		Baseline	
		Paid Claims	Cost Settled
31	Placer	552,061	620,819
32	Plumas	58,934	40,144
33	Riverside	4,201,363	4,866,695
34	Sacramento	1,658,665	1,599,504
35	San Benito	179,304	120,527
36	San Bernardino	4,911,039	4,544,723
37	San Diego	5,665,312	5,015,872
38	San Francisco	4,520,345	4,158,758
39	San Joaquin	1,891,620	1,502,604
40	San Luis Obispo	943,950	523,861
41	San Mateo	2,735,911	2,525,528
42	Santa Barbara	792,858	821,954
43	Santa Clara	9,268,930	7,871,788
44	Santa Cruz	2,381,992	2,021,673
45	Shasta	1,014,723	865,140
46	Sierra	1,859	1,169
47	Siskiyou	209,668	157,090
48	Solano ⁽¹⁾	1,431,541	1,308,176
49	Sonoma	1,529,242	848,580
50	Stanislaus	2,727,262	1,883,282
51	Sutter/Yuba	301,762	278,224
52	Tehama	203,446	202,388
53	Trinity	50,540	35,868
54	Tulare	3,137,756	2,713,651
55	Tuolumne	79,499	82,487
56	Ventura	3,235,599	3,129,727
57	Yolo	532,182	439,600
	Total	103,479,325	96,638,299

(1) Solano County baseline amounts only in effect for FY 95-96.

- Cost Settlement Amount

During the cost report settlement process, a cost settled, i.e., final base line is established based on FY 1994/95 services. The final EPSDT allowable costs for each fiscal year are determined based on the methodology described in Information Notice 98-03. The actual cost settled EPSDT amount for the fiscal year in question is compared to the EPSDT cost settled base line amount. The state match for the applicable fiscal year less the cost settled base line is the EPSDT amount due to the county. (If that amount is less than zero, no state funds are due to the county under this program.) That net cost settlement amount is compared to the amounts already paid to the county mental health program, through the interim advance and interim claims payments, and the net is paid to or refunded by the county to the state.

The above description is in effect for FY 1995/96 and FY 1996/97. (See Attachment I for specific base line amounts by county.)

INFORMATION NOTICE 98-03

This information notice did not affect many aspects of the funding for this program.

- The interim funding amount and timing did not change.
- Paid claims will continue to be compared to the paid claims base line and the cost settled amounts will be compared to the cost settled base line.

However, the following changes in the funding of the EPSDT mental health program were described in DMH Information Notice 98-03:

- Phase II Consolidation

Effective with the transfer of responsibility for Medi-Cal specialty mental health professional services, the interim and cost settled base lines for each county mental health program (now based on FY 1994/95 experience) will be increased to reflect the state funding provided in the allocation/contract for those services. Attachment 2 shows the new FY 1997/98 paid claims and cost settled base lines. The same amounts were used to increase the paid claims and cost settled base lines. For future planning purposes, the percent of your Phase II allocation that is attributable to EPSDT services and will be used to calculate future year increases in the base line due to Phase II, is also provided on Attachment 3.

- Cost of Living Increase

Beginning in FY 1998/99, the paid claims and cost settled base lines for the SD/MC services will be annually adjusted using the lesser of the most recent actual home health market basket inflation factor or realignment growth. (If realignment growth is expected to be less than zero, there will be no cost of living adjustment for that year.) Phase II consolidation funding is excluded from this calculation. For FY 1998/99, the adjustment figure is 2.8 percent. The new paid claims and cost settled base lines for the historical SD/MC components are shown on Attachment 3.

- **Other Funding Sources**

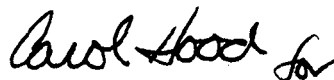
Although it has been the intent of this program since its inception that other revenues for the state/local match for EPSDT should not be paid again by the state, this information notice provided clearer procedures for increasing the base lines for determining and reporting other funding sources. These funding sources which exceed the funding level of FY1994/95 and which do not include realignment or managed care allocations from the state, will be added to the paid claims and cost settled base lines.

- **Proposals**

County mental health programs may submit annual proposals to briefly describe their expansion efforts for EPSDT mental health services. (The first of these voluntary annual proposals is due September 1, 1998.) DMH will review the proposals and advise the county if it appears reasonable. If so and the paid claims are consistent with the proposal, the state will not request additional information. The county will continue to be requested to provide information regarding reasonableness of large increases in EPSDT claims prior to payment of the interim paid claims amount if: 1) the county does not submit a proposal or DMH determines that the proposal is not reasonable and the claims are 10 percent higher than previous claims; or 2) the paid claims exceed the proposal.

If you have any questions regarding this letter, please call Nancy Mengebier, Managed Care Implementation, at (9 16) 654-3486.

Sincerely,



GARY M. PETTIGREW
Deputy Director
Systems of Care

Enclosures