



JENNIFER KENT
DIRECTOR

State of California—Health and Human Services Agency
Department of Health Care Services



EDMUND G. BROWN JR.
GOVERNOR

June 13, 2018

Ms. Hye Sun Lee
Acting Associate Regional IX Administrator
Division of Medicaid and Children's Health Operations
Centers for Medicare and Medicaid Services
San Francisco Regional Office
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6707

STATE PLAN AMENDMENT (SPA) 18-0026

Dear Ms. Lee:

The Department of Health Care Services (DHCS) is submitting the enclosed Title XXI Children's Health Insurance Program (CHIP) State Plan Amendment (SPA) 18-0026. This proposed amendment would demonstrate DHCS' compliance with 42 CFR 457.496, the Mental Health Parity and Addiction Equity Act (MHPAEA) final rule as it relates to CHIP.

On October 2, 2017, DHCS submitted its MHPAEA Compliance Plan and parity analysis to CMS. The Compliance Plan and Summary can be found [here](#). Within the state's Compliance Plan, DHCS identified and indicated that California's State CHIP was deemed in compliance with MHPAEA, due to the state providing Early Periodic Screening, Diagnosis, and Treatment (EPSDT) Services to the entire population. The required EPSDT documentation is outlined in the Attachment G of the state's Compliance Plan. If there are any questions regarding the state's compliance plan, please contact Ms. Bambi Cisneros at Bambi.Cisneros@dhcs.ca.gov.

The State requests that this CHIP SPA have an effective date of October 1, 2017, and DHCS is prepared to collaborate with the Centers for Medicare and Medicaid Services (CMS) in order to secure prompt approval of this amendment.

In compliance with the new policy set forth by the American Recovery and Reinvestment Act of 2009, DHCS notified Indian Health Programs (IHPs) and

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Urban Indian (UI) Organizations of CA-18-0026. On May 15, 2017, IHPs and UI Organizations approved DHCS' rationale that no tribal consultation was needed for CHIP SPA CA-18-0026.

If you have any questions regarding the SPA, please contact Sandra Williams, Chief, Medi-Cal Eligibility Division, at (916) 4445-6938 or via e-mail at Sandra.Williams@dhcs.ca.gov.

Sincerely,

A large black rectangular redaction box covers the signature area. A blue ink scribble is visible above and to the right of the box.

Chief Deputy Director
Health Care Programs
State Medicaid Director

Enclosures

cc: Sandra Williams, Chief
Medi-Cal Eligibility Division
Department of Health Care Services
P.O. Box 997413
Sacramento, CA 95899-7413

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

1 8 — 00 2 6

2. STATE

CA

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)
Title XXI of Social Security Act (CHIP)

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

10/01/2017

5. TYPE OF PLAN MATERIAL (*Check One*)

NEW STATE PLAN

AMENDMENT TO BE CONSIDERED AS NEW PLAN

AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION

42 CFR Section 457.496

7. FEDERAL BUDGET IMPACT

a. FFY 17-18 \$ 0

b. FFY 18-19 \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Sections 1.4, 6.2
(see CHIP SPA Template attached)

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (*If Applicable*)

10. SUBJECT OF AMENDMENT

This proposed amendment demonstrates compliance to the Mental Health Parity and Addiction Equity Act (MHPAEA).

11. GOVERNOR'S REVIEW (*Check One*)

GOVERNOR'S OFFICE REPORTED NO COMMENT

OTHER, AS SPECIFIED

COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF



13. TYPED NAME

Mari Cantwell

14. TITLE

State Medicaid Director

15. DATE SUBMITTED

June 13, 2018

16. RETURN TO

Department of Health Care Services

Attn: State Plan Coordinator

1501 Capitol Avenue, Suite 71.326

P.O. Box 997417

Sacramento, CA 95899-7417

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED

18. DATE APPROVED

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL

20. SIGNATURE OF REGIONAL OFFICIAL

21. TYPED NAME

22. TITLE

23. REMARKS

For Box 11 "OTHER, As Specified" : Please note: The Governor's Office does not wish to review the State Plan Amendment.

- 1.4. Provide the effective (date costs begin to be incurred) and implementation (date services begin to be provided) dates for this SPA (42 CFR 457.65). A SPA may only have one effective date, but provisions within the SPA may have different implementation dates that must be after the effective date.

Original Plan

Effective Date: **July 1, 1998**

Implementation Date: **July 1, 1998**

SPA #18-0026

Purpose of SPA:

To demonstrate compliance with 42 CFR 457.496, the Mental Health Parity and Addiction Equity Act (MHPAEA) final rule as it relates to CHIP.

Proposed effective date: **October 2, 2017**

Proposed implementation date: **October 2, 2017**

- 6.2. The State elects to provide the following forms of coverage to children: (Check all that apply. If an item is checked, describe the coverage with respect to the amount, duration and scope of services covered, as well as any exclusions or limitations) (Section 2110(a)) (42 CFR 457.490)

CA RESPONSE: Unless otherwise specified, these services are provided to all four separate CHIP populations. Please see Attachment 5.

6.2.18. Vision screenings and services (Section 2110(a)(24))

6.2.19. Hearing screenings and services (Section 2110(a)(24))

6.2.26. EPSDT consistent with requirements of sections 1905(r) and 1902(a)(43) of the Act

6.2.1- MHPAEA Before completing a parity analysis, the State must determine whether each covered benefit is a medical/surgical, mental health, or substance use disorder benefit based on a standard that is consistent with state and federal law and generally recognized independent standards of medical practice. (42 CFR 457.496(f)(1)(i))

6.2.1.1- MHPAEA Please choose the standard(s) the state uses to determine whether a covered benefit is a medical/surgical benefit, mental health benefit, or substance use disorder benefit. The most current version of the standard elected must be used. If different standards are used for different benefit types, please specify the benefit type(s) to which each standard is applied. If "Other" is selected, please provide a description of that standard.

International Classification of Disease (ICD)

Diagnostic and Statistical Manual of Mental Disorders (DSM)

State guidelines (Describe: _____)

Other (Describe: _____)

6.2.1.2- MHPAEA Does the State provide mental health and/or substance use disorder benefits?

Yes

No

Guidance: If the State does not provide any mental health or substance use disorder benefits, the mental health parity requirements do not apply ((42 CFR 457.496(f)(1)). Continue on to Section 6.3.

6.2.2- MHPAEA Section 2103(c)(6)(B) of the Social Security Act (the Act) provides that to the extent a State child health plan includes coverage of early and periodic screening, diagnostic, and treatment services (EPSDT) defined in section 1905(r) of the Act and provided in accordance with section 1902(a)(43) of the Act, the plan shall be deemed to satisfy the parity requirements of section 2103(c)(6)(A) of the Act.

6.2.2.1- MHPAEA Does the State child health plan provide coverage of EPSDT? The State must provide for coverage of EPSDT benefits, consistent with Medicaid statutory requirements, as indicated in section 6.2.26 of the State child health plan in order to answer “yes.”

Yes

No

Guidance: If the State child health plan *does not* provide EPSDT consistent with Medicaid statutory requirements at sections 1902(a)(43) and 1905(r) of the Act, please go to Section 6.2.3- MHPAEA to complete the required parity analysis of the State child health plan.

If the state *does* provide EPSDT benefits consistent with Medicaid requirements, please continue this section to demonstrate compliance with the statutory requirements of section 2103(c)(6)(B) of the Act and the mental health parity regulations of 42 CFR 457.496(b) related to deemed compliance. Please provide supporting documentation, such as contract language, provider manuals, and/or member handbooks describing the state’s provision of EPSDT.

6.2.2.2- MHPAEA EPSDT benefits are provided to the following:

All children covered under the State child health plan.

A subset of children covered under the State child health plan.

Please describe the different populations (if applicable) covered under the State child health plan that are provided EPSDT benefits consistent with Medicaid statutory requirements.

CA RESPONSE: Population 2 (Unborn Option) and Population 4 (MCAIP) both have coverage that is the same as Medicaid, and its statutory requirements of EPSDT. Please see Attachment 3.

Population 1 (CCHIP) and Population 3 (MCAP) both have benchmark coverage that is State employee coverage. The screening and diagnostic services provided in this coverage meet the definition of EPSDT as defined by Section 1905(r). Please see Attachment 2.

Guidance: If only a subset of children are provided EPSDT benefits under the State child health plan, 42 CFR 457.496(b)(3) limits deemed compliance to those children only and Section 6.2.3- MHPAEA must be completed as well as the required parity analysis for the other children.

6.2.2.3- MHPAEA To be deemed compliant with the MHPAEA parity requirements, States must provide EPSDT in accordance with sections 1902(a)(43) and 1905(r) of the Act (42 CFR 457.496(b)). The State assures each of the following for children eligible for EPSDT under the separate State child health plan:

All screening services, including screenings for mental health and substance use disorder conditions, are provided at intervals that align with a periodicity schedule that meets reasonable standards of medical or dental practice as well as when medically necessary to determine the existence of suspected illness or conditions. (Section 1905(r))

All diagnostic services described in 1905(a) of the Act are provided as needed to diagnose suspected conditions or illnesses discovered through screening services, whether or not those services are covered under the Medicaid state plan. (Section 1905(r))

All items and services described in section 1905(a) of the Act are provided when needed to correct or ameliorate a defect or any physical or mental illnesses and conditions discovered by the screening services, whether or not such services are covered under the Medicaid State plan. (Section 1905(r)(5))

Treatment limitations applied to services provided under the EPSDT benefit are not limited based on a monetary cap or budgetary constraints and may be exceeded as medically necessary to correct or ameliorate a medical or physical condition or illness. (Section 1905(r)(5))

Non-quantitative treatment limitations, such as definitions of medical necessity or criteria for medical necessity, are applied in an individualized manner that does not preclude coverage of any items or services necessary to correct or ameliorate any medical or physical condition or illness. (Section 1905(r)(5))

EPSDT benefits are not excluded on the basis of any condition, disorder, or diagnosis. (Section 1905(r)(5))

The provision of all requested EPSDT screening services, as well as any corrective treatments needed based on those screening services, are provided or arranged for as necessary. (Section 1902(a)(43))

All families with children eligible for the EPSDT benefit under the separate State child health plan are provided information and informed about the full range of services available to them. (Section 1902(a)(43)(A))

Guidance: For states seeking deemed compliance for their entire State child health plan population, please continue to Section 6.3. If not all of the covered populations are offered EPSDT, the State must conduct a parity analysis of the benefit packages provided to those populations. Please continue to 6.2.3- MHPAEA.

Mental Health Parity Analysis Requirements for States Not Providing EPSDT to All Covered Populations

Guidance: The State must complete a parity analysis for each population under the State child health plan that is not provided the EPSDT benefit consistent with the requirements 42 CFR 457.496(b). If the State provides benefits or limitations that vary within the child or pregnant woman populations, states should perform a parity analysis for each of the benefit packages. For example, if different financial requirements are applied according to a beneficiary's income, a separate parity analysis is needed for the benefit package provided at each income level.

Please ensure that changes made to benefit limitations under the State child health plan as a result of the parity analysis are also made in Section 6.2.

CA RESPONSE: On October 2, 2017, DHCS provided its MHPAEA Compliance Plan which contained the parity analysis, the state's approach on conducting the analysis, the outcomes, implementation, and ongoing monitoring. California's CHIP populations are deemed MHPAEA compliant based on the provision of EPSDT and EPSDT equivalent coverage to its CHIP populations.

CHIP SPA Impact Form

State/Title/Plan Number: CA-18-0026

Federal Fiscal Impact: 0

Number of People Affected by Enhanced Coverage, Benefits or Retained Eligibility: The numbers should not change. California's coverage for its CHIP population provided EPSDT services prior to this SPA. In 18-0026, California is demonstrating compliance to MHPAEA.

Number of Potential Newly Eligible People: Numbers should not change.
or
Eligibility Simplification: N/A

Number of People Losing Medicaid Eligibility: N/A

Reduces Benefits: No

Provider Payment Increase: No

Delivery System Innovation: No
(Examples: adding new provider types to provide a covered service, managed care delivery systems or other similar type plans.)

Comments/Remarks: DHCS compliance plan can be found at:
<http://www.dhcs.ca.gov/formsandpubs/Pages/MentalHealthParity.aspx>

Attachment G is the required documentation for EPSDT.

DHCS Contact: Daryl Hightower
Daryl.Hightower@dhcs.ca.gov
(916)327-6682

Date: 5/30/18