DEPARTMENT OF HEALTH CARE SERVICES
NOTICE OF GENERAL PUBLIC INTEREST
RELEASE DATE: MARCH 8, 2023

PROPOSED STATE PLAN AMENDMENT TO SEEK NECESSARY APPROVALS TO MODIFY THE METHODOLOGY IN WHICH THE DEPARTMENT OF HEALTH CARE SERVICES REIMBURSES COUNTY BEHAVIORAL HEALTH PLANS (BHP) FOR MEDI-CAL BEHAVIORAL HEALTH SERVICES.

This notice provides information of public interest regarding a proposed State Plan Amendment (SPA) by the Department of Health Care Services (DHCS). To advance the Behavioral Health Payment Reform initiative under California Advancing and Innovating and Innovating Medi-Cal (CalAIM)[1] Section 1115 demonstration and the CalAIM 1915 (B) waivers, SPA 23-0015 will remove current reimbursement methodologies that include interim rates, interim payments, cost reporting submission, and interim & final settlement for behavioral health services including but not limited to:

- Outpatient services
- Psychiatric Inpatient services
- Narcotic Treatment Programs
- Inpatient Withdrawal Management
- Day Treatment Intensive & Rehabilitation
- Partial Hospitalization
- Drug Medi-Cal 24 Hour Services
- Specialty Mental Health 24 Hour Services
- Ambulatory Withdrawal Management
- Crisis Stabilization
- Therapeutic Foster Care
- Mobile Crisis

SPA 23-0015 will allow reimbursement to county BHP's through a county specific fee for allowable Medi-Cal behavioral health services. Counties will continue to be required to negotiate appropriate rates with network providers and are not required to pay the same amount to providers that they are reimbursed by DHCS. Counties will also continue to be required to claim for services through DHCS's Short-Doyle Claiming System. DHCS requests input from beneficiaries, providers, and other interested stakeholders concerning the proposed SPA 23-0015, which is attached.

DHCS estimates that the annual aggregate Medi-Cal expenditures for Specialty Mental Health (SMH), Drug Medi-Cal State Plan (DMC), and Drug Medi-Cal Organized Delivery Systems (DMC-ODS) services will be budget neutral as this is not an addition of services but replacement of current reimbursement methodologies for existing services.

[1] Welfare & Institution Code § 14184.403

The effective date of the proposed SPA is July 1, 2023. All proposed SPAs are subject to approval by the Federal Centers for Medicare and Medicaid Services (CMS).

PUBLIC REVIEW AND COMMENTS

The proposed changes included in draft SPA 23-0015 are enclosed in this notice for public comment. DHCS is requesting stakeholder input on the impact, if any, on access to services as a result of the proposed action.

Upon submission to CMS, a copy of the proposed SPA 23-0015 will be published at the following internet address:

https://www.dhcs.ca.gov/formsandpubs/laws/Pages/Pending-2023.aspx

If you would like to view the SPA in person once it becomes available, please visit your local county welfare department. You may also request a copy of proposed SPA 23-0015 or a copy of submitted public comments related to SPA 23-0015 by requesting it in writing to the mailing or email addresses listed below. Please indicate SPA 23-0015 in the subject line or message.

Written comments may be sent to the following address:

Department of Health Care Services
Local Governmental Financing Division
Attn: Brian Fitzgerald
P.O. Box 997413, MS 2692
Sacramento, California 95899-7417

Comments may also be emailed to PublicInput@dhcs.ca.gov. Please indicate SPA 23-0015 in the subject line or message.

To be assured consideration prior to submission of the SPA to CMS, comments must be received no later than Friday, April 7, 2023. Please note that comments will continue to be accepted after Friday, April 7, 2023, but DHCS may not be able to consider those comments prior to the initial submission of SPA 23-0015 to CMS.

State/Territory: California

Citation | Condition or Requirement

REIMBURSEMENT OF PSYCHIATRIC INPATIENT HOSPITAL SERVICES PROVIDED BY SHORT-DOYLE/MEDI-CAL HOSPITALS

Psychiatric inpatient hospital services will be provided as part of a comprehensive program that provides rehabilitative mental health and targeted case management services to Medicaid (Medi-Cal) beneficiaries that meet medical necessity criteria established by the State.

A. GENERAL APPLICABILITY
Short-Doyle/Medi-Cal Hospitals will be eligible to be reimbursed under this segment for the provision of Psychiatric Inpatient Hospital Services.

B. DEFINITIONS

"Acute Psychiatric Hospital" means a hospital that is licensed by the State as an Acute Psychiatric Hospital.

"Acute Psychiatric Inpatient Hospital Services" means those services provided by a hospital to beneficiaries for whom the facilities, services, and equipment are medically necessary for diagnosis or treatment of a mental disorder.

"Allowable Days" means Acute Psychiatric Inpatient Hospital Services days provided to Medi-Cal beneficiaries.

"Administrative Day Services" means Psychiatric Inpatient Hospital Services provided to a beneficiary who has been admitted to the hospital for Acute Psychiatric Inpatient Hospital Services, and the beneficiary's stay at the hospital must be continued beyond the beneficiary's needs for Acute Psychiatric Inpatient Hospital Services due to a temporary lack of residential placement options at non-acute residential treatment facilities that meet the needs of the beneficiary.

"General Acute Care Hospital" means a hospital that is licensed by the State as a General Acute Care Hospital.

"Hospital-Based Ancillary Services" means services other than Routine Hospital Services and Psychiatric Inpatient Hospital Professional Services that are received by a beneficiary admitted to a SD/MC Hospital.

"Psychiatric Inpatient Hospital Services" means Acute Psychiatric Inpatient Hospital Services and Administrative Day Services provided by a SD/MC Hospital, which are reimbursed a per diem rate that includes the cost of Routine Hospital Services and all Hospital-Based Ancillary Services.

"Reasonable and Allowable Cost" means cost based on year-end CMS 2552 hospital cost reports and supplemental schedules; and Medicare principles of reimbursement as described at 42 CFR 413; the CMS Provider Reimbursement Manual, Publication 15-1; and other applicable federal directives that establish principles and standards for determining allowable costs and the methodology for allocating and apportioning those expenses to the Medicaid program.

"Routine Hospital Services" means bed, board, and all medical, nursing, and support services usually provided to an inpatient by a hospital. Routine services do not include Hospital-Based Ancillary Services, psychiatrist or other physician services, or psychologist services.

"Short-Doyle/Medi-Cal Hospital (SD/MC) Hospitals" means hospitals that claim reimbursement for Psychiatric Inpatient Hospital services through the SD/MC claiming system and are the hospitals listed on page 40.1 of this segment.

"Usual and Customary Charge" means the regular rates that providers charge both Medi-Cal beneficiaries and other paying patients for the services furnished to them (42 CFR 413.13).

C. REIMBURSEMENT METHODOLOGY AND PROCEDURES

SD/MC Hospitals will be reimbursed the lower of the SD/MC Hospital's usual and customary charge or the State's per diem rate for Psychiatric Inpatient Hospital Services. The State will follow the steps below to calculate the per diem rate for Psychiatric Inpatient Hospital Services.

a. Administrative Day Services – All SD/MC Hospitals

The State calculates one statewide per diem rate for Administrative Day Services that is applied to all SD/MC Hospitals that provide Administrative Day Services. The statewide per diem rate for Administrative Day Services is calculated, to be effective from August 1st to July 31st of each rate year, using the following steps.

1. Gather hospital specific data regarding skilled nursing facility rates calculated for all hospitals in the State that operate a distinct part nursing facility for the prospective nursing facility rate year, which runs from August 1st through July 31st.
2. Identify the median rate among all hospitals that operate a distinct part nursing facility.
3. Multiply the median rate by 1.16 to incorporate Hospital-Based Ancillary Services.

b. Acute Psychiatric Inpatient Hospital Services – Acute Psychiatric Hospitals

The State will use the following steps to calculate one per diem rate for each county where SD/MC Acute Psychiatric Hospitals are located in California.

1. Gather hospital specific data regarding the total allowable Medi-Cal Acute Psychiatric Inpatient Hospital Service costs and total allowable Medi-Cal Acute Psychiatric Inpatient days as determined and reported in the most current CMS 2552 hospital cost report and supplemental schedules on file with the State as of July 1, 2022 for each SD/MC Hospital.
2. Adjust each SD/MC Hospital's total allowable Medi-Cal-Acute Psychiatric Inpatient Hospital Service costs to account for prior year audit adjustments.
3. Sum the total allowable costs, after applying the audit adjustment, and total allowable days for all SD/MC Hospitals located in each county.
4. Divide the sum of total allowable costs by the sum of total allowable days to calculate a cost per day for SD/MC Hospitals located in each county.
5. Multiply the result in Step 3 above by one plus the percentage change from the four quarter average of the cost reporting fiscal year to the four quarter average of fiscal year 2023-24 from the IHS Global Inc. CMS Market Basket Index Level for Inpatient Psychiatric Health Facilities. This will result in the per diem rate for each county for the fiscal year 2023-24.
6. On an annual basis, increase the per diem rate for each county by the percentage change in the IHS Global Inc. CMS Market Basket Index Levels for Inpatient Psychiatric Facilities from the four quarter average of the last updated rate fiscal year to the four quarter average of the fiscal year for which the rates are being calculated.

D. Acute Psychiatric Inpatient Hospital Services – General Acute Care Hospitals

The State will use the following steps to calculate one per diem rate for each county where SD/MC General Acute Care Hospitals are located in California.

1. Gather hospital specific data regarding the total allowable Medi-Cal Acute Psychiatric Inpatient Hospital Service costs and total allowable Medi-Cal Acute Psychiatric Inpatient days as determined and reported in the most current CMS 2552 hospital cost report and supplemental schedules on file with the State as of July 1, 2022 for each SD/MC Hospital.
2. Adjust each SD/MC Hospital's total allowable Medi-Cal-Acute Psychiatric Inpatient Hospital Service costs to account for prior year audit adjustments.
3. Sum the total allowable costs, after applying the audit adjustment, and total allowable days for all SD/MC Hospitals located in each county.
4. Divide the sum of total allowable costs by the sum of total allowable days to calculate a cost per day for SD/MC Hospitals located in each county.
5. Multiply the result in Step 3 above by one plus the percentage change from the four quarter average of the cost reporting fiscal year to the four quarter average of fiscal year 2023-24 from the IHS Global Inc. CMS Market Basket Index Level for Inpatient Psychiatric Health Facilities. This will result in the per diem rate for each county for the fiscal year 2023-24.
6. On an annual basis, increase the per diem rate for each county by the percentage change in the IHS Global Inc. CMS Market Basket Index

7. Levels for Inpatient Psychiatric Facilities from the four quarter average of the last updated rate fiscal year to the four quarter average of the fiscal year for which the rates are being calculated.

E. PROVIDERS OF PSYCHIATRIC INPATIENT HOSPITAL SERVICES
SD/MC Hospitals are eligible to provide services under this segment.

Short-Doyle/Medi-Cal Hospitals

1. Santa Barbara County Psychiatric Health Facility
2. San Mateo County Medical Center
3. Gateways Hospital and Community Mental Health Center
4. Riverside County Regional Medical Center
5. Kedren Hospital and Community Mental Health Center
6. Natividad Medical Center
7. LAC/USC Medical Center
8. Contra Costa Regional Medical Center
9. Harbor/UCLA Medical Center
10. Olive View/UCLA Medical Center
11. San Francisco General Hospital
12. Sempervirens Psychiatric Health Facility
13. Ventura County Medical Center
14. Santa Clara Valley Medical Center
15. Alameda County Medical Center
16. Arrowhead Regional Medical Center
17. Rady Children Adolescent Psychiatric Services
18. Mills Peninsula Hospital
19. Stanford University
20. Shasta Psychiatric Hospital

State/Territory: California

REIMBURSEMENT OF INPATIENT WITHDRAWAL MANAGEMENT SERVICES

A. DEFINITIONS

"Hospital-Based Ancillary Services" means services other than routine hospital services and inpatient hospital professional services that are received by a beneficiary admitted to a hospital for Inpatient Withdrawal Management Services.

"Inpatient Hospital Professional Services" means Substance Use Disorder Treatment Services and Expanded Substance Use Disorder Treatment Services, as those terms are defined in Supplement 3 to Attachment 3.1-A of this State Plan, provided to a beneficiary by a Licensed Practitioner of the Healing Arts, as defined in Supplement 3 to Attachment 3.1-A of this State Plan, with hospital admitting privileges while the beneficiary is in a hospital receiving Inpatient Withdrawal Management Services. Inpatient Hospital Professional Services do not include all Substance Use Disorder Treatment Services or Expanded Substance Use Disorder Treatment Services, as those terms are defined in Supplement 3 to Attachment 3.1-A of this State Plan, provided in an inpatient setting. Inpatient Hospital Professional Services includes only those services provided for the purposes of evaluating and managing the Substance Use Disorder that resulted in the need for Inpatient Withdrawal Management Services. Inpatient Hospital Professional Services do not include Routine Hospital Services or Hospital-Based Ancillary Services.

"Inpatient Withdrawal Management Services" means Level 3.7 and Level 4.0 Withdrawal Management as defined in section 13.d.6 of Supplement 3 to Attachment 3.1-A of this State Plan when provided in an acute care hospital.

"Per Diem Rate" means a daily rate for Routine Hospital Services and Hospital-Based Ancillary Services provided to a beneficiary admitted to a hospital for Inpatient Withdrawal Management Services.

"Routine Hospital Services" means bed, board, and all medical, nursing, and support services usually provided to an inpatient by a hospital. Routine hospital services do not include Hospital-Based Ancillary Services or Inpatient Hospital Professional Services.

B. REIMBURSEMENT METHODOLOGY AND PROCEDURES

A hospital shall be paid a Per Diem Rate set by the State for Inpatient Withdrawal Management Services. The State will set one Per Diem Rate for each county where hospitals are located that provide Inpatient Withdrawal Management Services. All hospitals located in a county will be paid the same Per Diem Rate for Inpatient Withdrawal Management Services.

a. The State will use the following methodology to set the Per Diem Rate for each county for Fiscal Year 2023-24.
   i. The State will identify all hospitals enrolled in Medi-Cal on December 31, 2022 to provide Inpatient Withdrawal Management Services.
   ii. The State will obtain the number of days, direct expenses within the Chemical Dependency cost center, and costs allocated to the Chemical Dependency cost center from non-revenue producing cost centers for each hospital identified in (i) above from each hospital's audited Fiscal Year 2019-20 Hospital Annual Disclosure Report filed with the Department of Health Care Access and Information.
   iii. The State will calculate a weighted average Per Diem Rate for each county using the data obtained in (ii) above. The weighted average Per Diem Rate will be equal to the direct expenses within the Chemical Dependency Cost Center plus the costs allocated to the Chemical Dependency cost center from non-revenue producing cost centers summed across all hospitals located within the county divided by the number of days within the Chemical Dependency cost center summed across all hospitals located within the county.
   iv. The State will trend the Per Diem Rates calculated in (iii) above from Fiscal Year 2019-20 to Fiscal Year 2023-24 by the percentage change from the 2019-20 four quarter average to the 2023-24 four quarter average in the IHS Global Ince CMS Market Basket Index Levels for Psychiatric Inpatient Facilities.

b. For Fiscal Year 2024-25 and onwards, the State will use the following methodology to annually update the Per Diem Rates calculated in (a) above.
   i. The State will identify all hospitals that enrolled in Medi-Cal to provide Inpatient Withdrawal Management Services after December 31st of the prior fiscal year and through December 31st prior to the beginning of the fiscal year for which Per Diem Rrates are being calculated.
   ii. If the State identifies one or more hospitals pursuant to step i., the State will recalculate the rate for the county or counties where the hospital or hospitals are located pursuant to the methodology described in a. above, using the most recent Hospital Annual Disclosure Report filed with the Department of Health Care Access and Information.
   iii. If the State does not identify a hospital pursuant to step i. for any county, the State will trend the Per Diem Rate calculated in (a) above by the percentage change from the prior fiscal year four quarter average to the rate year four quarter average IHS Global Inc. CMS Market Basket Index Levels for Inpatient Psychiatric Facilities.

REIMBURSEMENT OF REHABILITATIVE MENTAL HEALTH AND TARGETED CASE MANAGEMENT SERVICES

A. GENERAL APPLICABILITY

Reimbursement of rehabilitative mental health and targeted case management services provided by eligible private providers will be limited to the lower of the provider's reasonable and allowable cost, as determined in the CMS-reviewed State-developed cost report, or usual and customary charge for the type of service provided for the reporting period. Reimbursement of rehabilitative mental health and targeted case management services provided by county owned and operated providers and county owned and operated hospital-based providers will be based upon the provider's certified public expenditures pursuant to Section 433.51 of Title 42 Code of Federal Regulations.

B. Definitions

"Day Services" means Day Treatment Intensive, Day Rehabilitation, and Crisis Stabilization Services as those services are defined in Supplement 3 to Attachment 3.1-A.

"Eligible Provider" means a public or private provider enrolled in the Medi-Cal program and certified to provide one or more Rehabilitative Mental Health or Targeted Case Management service as those services are defined in Supplement 1 and Supplement 3 to Attachment 3.1-A of this State Plan.

"Full-day" means a beneficiary received faced-to-face services in a program with services available for more than four hours.

"Half-day" means a beneficiary received face-to-face service in a program with services available from three to four hours.

"Home Health Agency Market Basket Index" means the IHS Global Inc. CMS Market Basket Index Levels for Home Health Agencies.

"Licensed Practitioner of the Health Arts (LPHA)" means Licensed Clinical Social Worker (LCSW), Waivered/Registered LCSW, Licensed Professional Clinical Counselor (LPCC), Waivered/Registered LPCC, Marriage and Family Therapist (MFT), and Waivered/Registered MFT as those terms are defined in Supplement 3 to Attachment 3.1-A.

"Outpatient Services" means Mental Health Services, Medication Support Services, Crisis Intervention Services, and Targeted Case Management Services as those

services are defined in Supplement 3 and Supplement 1 to Attachment 3.1-A.

"Provider Type" means Physician, Psychologist, Waivered Psychologist, Registered Nurse (RN), Licensed Vocational Nurse (LVN), Psychiatric Technician (PT), Mental Health Rehabilitative Specialist (MHRS), Physician Assistant (PA), Nurse Practitioner (NP), Certified Nurse Specialist (CNS), Pharmacist, Occupational Therapist (OT), Peer Support Specialists, and Other Qualified Provider as those terms are defined in Supplement 3 to Attachment 3.1-A of this State Plan; and Licensed Practitioner of the Healing Arts.

"Rehabilitative Mental Health and Targeted Case Management Services" means Outpatient Services, Day Services, and Twenty-Four Hour Services.

"Services Provided in a Treatment Foster Home" means a bundle of rehabilitative mental health services provided to children and youth up to 21 years of age who have been placed in a Residential Treatment Foster Home and who meet medical necessity criteria for this service as established by the State. The bundle of rehabilitative mental health services includes plan development, rehabilitation, and crisis intervention, as those services are defined in Supplement 3 to Attachment 3.1-A of this State Plan.

"Twenty-Four Hour Services" means Adult Residential Treatment, Crisis Residential Treatment, and Psychiatric Health Facility Services as those services are defined in Supplement 3 to Attachment 3.1-A and Services Provided in a Treatment Foster Home.

C. Outpatient Services Reimbursement Methodology

1. The State reimburses all eligible providers of Outpatient Services on a fee for service basis pursuant to a fee schedule established by the State. Eligible providers claim reimbursement for Outpatient Services using appropriate Current Procedural Terminology (CTP®) or Healthcare Common Procedure Coding System (HCPCS) codes. The fee schedule contains a rate for each County where the provider is located and combination of Provider Type and CPT®/HCPCS code.
2. The fee schedule that is effective July 1, 2023, and annually thereafter, is posted to the following webpage.
3. The State will annually increase the per-unit rates for HCPCS and CPT Codes effective July 1, 2023 by the percentage change in the four quarter average Home Health Agency Market Basket Index. The updated rates will be posted to the following webpage annually.

D. Day Services Reimbursement Methodology

1. The State reimburses all eligible providers of Day Services on a fee for service basis pursuant to a fee schedule established by the State. Day Treatment Intensive and Day Rehabilitation are reimbursed a Half-Day rate when the beneficiary participates in the day treatment intensive or day treatment program for at least 3 hours and less than 4 hours. Day Treatment Intensive and Day Rehabilitation services are reimbursed a Full-Day rate when the beneficiary participates in the Day Treatment Intensive or Day Rehabilitation Program for at least 4 hours. Crisis Stabilization Services are reimbursed an hourly rate not to exceed twenty hours of service in one day. The fee schedule contains a rate for each County where the provider is located and each Day Service.
2. The fee schedule for day services that is effective July 1, 2023, and annually thereafter, is posted to the following webpage.
3. The State will annually increase the day service rates effective July 1, 2023 by the percentage change in the four quarter average Home Health Agency Market Basket Index. The updated rates will be posted to the following webpage annually.

E. Twenty-Four Hour Services Rate Methodology

1. The State reimburses all eligible providers of Twenty-Four Hour Services on a fee for service basis pursuant to a fee schedule established by the State. Twenty-Four Hour Services are reimbursed a per diem rate. The fee schedule contains a rate for each County where the provider is located and each Twenty-Four Hour Service.
2. The fee schedule for Twenty-Four Services that is effective July 1, 2023, and annually thereafter, is posted to the following webpage.
3. The State will annually increase the per-unit rates for 24 hour services effective July 1, 2023 by the percentage change in the four quarter average Home Health Agency Market Basket Index. The updated rates will be posted to the following webpage annually.

F. Community-Based Mobile Crisis Intervention Services Rate Methodology

1. Community-Based Mobile Crisis Intervention Encounters
    a. The State establishes a county-based bundled rate for each encounter. The county-based bundled rates effective July 1, 2023, and annually thereafter, are posted to the following webpage.
    b. The State reimburses all eligible providers the county-based bundled rate based upon the county where the provider is located.
    c. The county-based bundled rate is reimbursed for the following service components as those components are defined in Attachment 3.1-A of this State Plan:
        - Assessment
        - Mobile crisis response
        - Crisis planning

- Referral to ongoing supports
- Follow up check ins

d. A provider must render at least one of the following service components during an encounter to be reimbursed the bundled rate:
    - Assessment
    - Mobile crisis response
    - Crisis planning
    - Referral to ongoing supports

e. The state will annually increase the county-based bundled rates effective July 1, 2023 by the percentage change in the four quarter average Home Health Agency Market Basket Index. The updated rates will be posted to the following webpage annually.

2. Facilitation of a warm handoff
    a. The State will reimburse providers for Facilitation of a warm handoff, as that service component is defined in Attachment 3.1-A of this State Plan, pursuant to a fee schedule established by the State. The fee schedule will include a rate for each county and the following aspects of the service component:
        - Providing and/or arranging for a beneficiary's transportation to an alternative setting to receive urgent treatment. The State will reimburse providers the standard mileage rate per mile for use of an automobile for medical care as established by the Internal Revenue Service.
        - Staff time spent providing and/or arranging for transportation to an alternative setting to receive urgent treatment. The rates for this aspect of Facilitation of a Warm Handoff effective July 1, 2023, and annually thereafter, are posted to the following webpage.
3. The State will annually increase the fee schedules described in paragraphs 1 and 2 by the percentage change in the four quarter average Home Health Agency Market Basket Index. The updated rates will be posted to the following webpage annually.

REHABILITATIVE SERVICES: REIMBURSEMENT FOR DRUG MEDI-CAL PROGRAM

Section 1: Reimbursement for Substance Use Disorder Treatment Services

This segment of the State Plan describes the reimbursement methodology for Substance Use Disorder Treatment Services covered under the rehabilitation benefit and rendered by qualified providers as described in Supplement 3 to Attachment 3.1 A to this State Plan. Qualified providers are DMC certified providers that must be licensed, registered, enrolled, and/or approved in accordance with all applicable state laws and regulations; abide by the definitions, rules, and requirements for stabilization and rehabilitation services established by the Department of Health Care Services; and sign a provider agreement with a county or the Department of Health Care Services. During the period beginning October 1, 2020 and ending September 30, 2025, MAT for OUD services are exclusively covered and reimbursed under the 1905(a)(29) benefit.

A. Definitions

"Narcotic Treatment Program Services" means Narcotic Treatment Program Daily Dosing Services and Individual Counseling, Group Counseling and Peer Support Services as those services are defined in Section 13.d.5 of Supplement 3 to Attachment 3.1-A of this State Plan.

"Narcotic Treatment Program Daily Dosing Services" means NTP Core Services, NTP Laboratory Work, MAT for AUD Medications, and MAT for OUD Medications.

"NTP Core Services" means Assessment, Medical Psychotherapy, Medication Services, Patient Education, and SUD Crisis Intervention Services as those services are defined in Section 13.d.5 of Supplement 3 to Attachment 3.1-A of this State Plan.

"NTP Laboratory Work" means Turberculin and Syphilis tests, monthly drug screening, and monthly pregnancy tests of female methadone patients.

"Medication for Addiction Treatment for Opioid Use Disorder (MAT for OUD) Medications" means all forms of drugs approved to treat opioid use disorder under Section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. § 355) and all biological products licensed to treat opioid use disorder under Section 351 of the Public Health Services Act (42 U.S.C. § 262).

"Outpatient Services" means Assessment, Group Counseling, Individual Counseling, Medication Services, Patient Education, MAT for OUD, and SUD Crisis Intervention Services when provided in an Outpatient Treatment Services Level of Care or Intensive Outpatient Treatment Services Level of Care; and Peer Support Services, when provided in any Substance Use Disorder Treatment Level of Care as those services and levels of care are defined in Section 13.d.5 in Supplement 3 to Attachment 3.1-A of this State

Plan.

“Eligible Provider” means a public or private provider enrolled in the Medi-Cal program and certified to provide one or more Expanded Substance Use Disorder Services” service as those services are defined in Section 13.d.6 in Supplement 3 to Attachment 3.1-A of this State Plan.

“Home Health Agency Market Basket Index” means the IHS Global Inc. CMS Market Basket Index Levels for Home Health Agencies.

“Licensed Practitioner of the Health Arts (LPHA)” means Licensed Clinical Social Worker (LCSW), Waivered/Registered LCSW, Licensed Professional Clinical Counselor (LPCC), Waivered/Registered LPCC, Marriage and Family Therapist (MFT), and Waivered/Registered MFT as those terms are defined in Supplement 3 to Attachment 3.1-A.

“Provider Type” means Physician, Psychologist, Waivered Psychologist, Registered Nurse (RN), Licensed Vocational Nurse (LVN), Psychiatric Technician (PT), Mental Health Rehabilitative Specialist (MHRS), Physician Assistant (PA), Nurse Practitioner (NP), Certified Nurse Specialist (CNS), Pharmacist, Occupational Therapist (OT), Peer Support Specialists, and Other Qualified Provider as those terms are defined in Supplement 3 to Attachment 3.1-A of this State Plan; and Licensed Practitioner of the Healing Arts.

“Substance Use Disorder Treatment Services” means Outpatient Services, Twenty-Four Hour Services, and Narcotic Treatment Program Services.

“Twenty-Four Hour Services” means Perinatal Residential Substance Use Disorder Treatment as defined in Section 13.d.6 in Supplement 3 to Attachment 3.1-A of this State Plan.

B. Outpatient Services Reimbursement Methodology

a. The State reimburses all eligible providers of Outpatient Services on a fee for service basis pursuant to a fee schedule established by the State. Eligible providers claim reimbursement for Outpatient Services using appropriate Current Procedural Terminology (CTP®) or Healthcare Common Procedure Coding System (HCPCS) codes. The fee schedule contains a rate for each County where the Eligible Provider is located and combination of Provider Type and CPT®/HCPCS code.
b. The fee schedule that is effective July 1, 2023, and annually thereafter, is posted to the following webpage.
c. The State will annually increase the county specific per-unit rates for HCPCS and CPT Codes effective July 1, 2023 by the percentage change in the four quarter average Home Health Agency Market Basket Index. The updated rates will be posted to the following webpage annually.

C. Twenty-Four Hour Services Reimbursement Methodology

1. The State reimburses all eligible providers of Twenty-Four Hour Services on a fee for service basis pursuant to a fee schedule established by the State. Twenty-Four Hour Services are reimbursed a per diem rate. The fee schedule contains a rate for each County where the provider is located and each Twenty-Four Hour Service.
2. The fee schedule for Twenty-Four Services that is effective July 1, 2023, and annually thereafter, is posted to the following webpage.
3. The State will annually increase the county specific per-unit rates for 24 hour services effective July 1, 2023 by the percentage change in the four quarter average Home Health Agency Market Basket Index. The updated rates will be posted to the following webpage annually.

D. Narcotic Treatment Program Reimbursement Methodology

1. The State reimburses all eligible providers of Narcotic Treatment Program Services on a fee for service basis pursuant to a fee schedule established by the State. Narcotic Treatment Program Daily Dosing Services are reimbursed a daily rate. An Eligible Provider must administer a MAT for OUD Medication or MAT for AUD Medication to be reimbursed for Narcotic Treatment Program Daily Dosing Services. The fee schedule contains a daily rate for each County where the Eligible Provider is located.
2. The State reimburses all Eligible Providers for Group Counseling, Individual Counseling, and Peer Support Services provided in a Narcotic Treatment Program pursuant to the fee schedule established in Section B of this segment of the State Plan.
3. The fee schedule for Narcotic Treatment Program Daily Dosing Services that is effective July 1, 2023, and annually thereafter, is posted to the following webpage.
4. The State will annually increase the county specific daily rates for Narcotic Treatment Program Daily Dosing Services effective July 1, 2023 by the percentage change in the four quarter average Home Health Agency Market Basket Index. The updated rates will be posted to the following webpage annually.

E. Community-Based Mobile Crisis Intervention Services Reimbursement Methodology

1. Community-Based Mobile Crisis Intervention Encounters
    a. The State establishes a county-based bundled rate for each encounter. The county-based bundled rates effective July 1, 2023, and annually thereafter, are posted to the following webpage.
    b. The State reimburses all eligible providers the county-based bundled rate based upon the county where the provider is located.

c. The county-based bundled rate is reimbursed for the following service components as those components are defined in Attachment 3.1-A of this State Plan:
   - Assessment
   - Mobile crisis response
   - Crisis planning
   - Referral to ongoing supports
   - Follow up check ins

d. A provider must render at least one of the following service components during an encounter to be reimbursed the bundled rate:
   - Assessment
   - Mobile crisis response
   - Crisis planning
   - Referral to ongoing supports

d. The state will annually increase the county-based bundled rates effective July 1, 2023 by the percentage change in the four quarter average Home Health Agency Market Basket Index. The updated rates will be posted to the following webpage annually.

2. Facilitation of a warm handoff
   a. The State will reimburse providers for Facilitation of a warm handoff, as that service component is defined in Attachment 3.1-A of this State Plan, pursuant to a fee schedule established by the State. The fee schedule will include a rate for each county and the following aspects of the service component:
      - Providing and/or arranging for a beneficiary's transportation to an alternative setting to receive urgent treatment. The State will reimburse providers the standard mileage rate per mile for use of an automobile for medical care as established by the Internal Revenue Service.
      - Staff time spent providing and/or arranging for transportation to an alternative setting to receive urgent treatment. The rates for this aspect of Facilitation of a Warm Handoff effective July 1, 2023, and annually thereafter, are posted to the following webpage.
3. The State will annually increase the fee schedules described in paragraphs 1 and 2 by the percentage change in the four quarter average Home Health Agency Market Basket Index. The updated rates will be posted to the following webpage annually.

Section 2: Reimbursement for Expanded Substance Use Disorder Treatment Levels of Care

This segment of the State Plan describes the reimbursement methodology for Expanded Substance Use Disorder Treatment Services covered under the rehabilitation benefit and rendered by qualified providers as described in Supplement 3 to Attachment 3.1 A to this State Plan. Qualified providers are DMC certified providers that must be licensed, registered, enrolled, and/or approved in accordance with all applicable state laws and regulations; abide by the definitions, rules, and requirements for stabilization and rehabilitation services established by the Department of Health Care Services; and sign a provider agreement with a county. During the period beginning October 1, 2020 and ending September 30, 2025, MAT for OUD services are exclusively covered and reimbursed under the 1905(a)(29) benefit.

A. Definitions

“Narcotic Treatment Program Services” means Narcotic Treatment Program Daily Dosing Services and Care Coordination, Individual Counseling, Group Counseling, Peer Support Services, and Recovery Services as those services are defined in Section 13.d.6 of Supplement 3 to Attachment 3.1-A of this State Plan.

“Narcotic Treatment Program Daily Dosing Services” means NTP Core Services, NTP Laboratory Work, MAT for AUD Medications, and MAT for OUD Medications.

“NTP Core Services” means Assessment, Family Therapy, Medical Psychotherapy, Medication Services, Patient Education, and SUD Crisis Intervention Services as those services are defined in Section 13.d.6 of Supplement 3 to Attachment 3.1-A of this State Plan.

“NTP Laboratory Work” means Turberculin and Syphilis tests, monthly drug screening, and monthly pregnancy tests of female methadone patients.

“Medication for Additional Treatment for Opioid Use Disorder (MAT for OUD) Medications” means all forms of drugs approved to treat opioid use disorder under Section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. § 355) and all biological products licensed to treat opioid use disorder under Section 351 of the Public Health Services Act (42 U.S.C. § 262).

“Medication for Addiction Treatment for Alcohol Use Disorder and Other Non-Opioid Use Disorders (MAT for AUD) Medications"

“Day Services” means Level 1 – WM, Level 2 – WM, and Partial Hospitalization as those terms are defined in Section 13.d.6 in Supplement 3 to Attachment 3.1-A of this State Plan.

“Outpatient Services” means Assessment, Care Coordination, Family Therapy, Group Counseling, Individual Counseling, Medication Services, Patient Education, and SUD

Crisis Intervention Services when provided in an Outpatient Treatment Services Level of Care, Intensive Outpatient Treatment Services Level of Care, or Partial Hospitalization Level of Care; and Peer Support Services, Recovery Services, MAT for AUD, Mat for AUD Medication, MAT for OUD, and MAT for OUD Medication provided in any Expanded Substance Use Disorder Level of Care as those services and levels of care are defined in Section 13.d.6 in Supplement 3 to Attachment 3.1-A of this State Plan.

"Eligible Provider" means a public or private provider enrolled in the Medi-Cal program and certified to provide one or more Expanded Substance Use Disorder Services" service as those services are defined in Section 13.d.6 in Supplement 3 to Attachment 3.1-A of this State Plan.

"Home Health Agency Market Basket Index" means the IHS Global Inc. CMS Market Basket Index Levels for Home Health Agencies.

"Licensed Practitioner of the Health Arts (LPHA)" means Licensed Clinical Social Worker (LCSW), Waivered/Registered LCSW, Licensed Professional Clinical Counselor (LPCC), Waivered/Registered LPCC, Marriage and Family Therapist (MFT), and Waivered/Registered MFT as those terms are defined in Supplement 3 to Attachment 3.1-A.

"Provider Type" means Physician, Psychologist, Waivered Psychologist, Registered Nurse (RN), Licensed Vocational Nurse (LVN), Psychiatric Technician (PT), Mental Health Rehabilitative Specialist (MHRS), Physician Assistant (PA), Nurse Practitioner (NP), Certified Nurse Specialist (CNS), Pharmacist, Occupational Therapist (OT), Peer Support Specialists, and Other Qualified Provider as those terms are defined in Supplement 3 to Attachment 3.1-A of this State Plan; and Licensed Practitioner of the Healing Arts.

"Expanded Substance Use Disorder Treatment Services" means Outpatient Services, Twenty-Four Hour Services, NTP Services, and Withdrawal Management Services.

"Twenty-Four Hour Services" means Level 3.1 – Clinically Managed Low-Intensity Residential Services, Level 3.2 – WM, Level 3.3. – Clinically Managed Population-Specific High Intensity Residential Services, and Level 3.5 – Clinically Managed High Intensity Residential Services as those services are defined in Section 13.d.6 in Supplement 3 to Attachment 3.1-A of this State Plan.

"Regional County" means Humboldt County, Lake County, Lassen County, Mendocino County, Modoc County, Shasta County, Siskiyou County, and Solano County.

"Non-Regional County" means all counties in California except for Regional Counties.

B. Reimbursement Methodology – Non-Regional Counties

This segment of the State Plan describes the reimbursement methodology for providers located in non-regional counties.

1. Outpatient Services Reimbursement Methodology

   a. The State reimburses all eligible providers of Outpatient Services in Non-Regional Counties on a fee for service basis pursuant to a fee schedule established by the State. Eligible providers claim reimbursement for Outpatient Services using appropriate Current Procedural Terminology (CTP®) or Healthcare Common Procedure Coding System (HCPCS) codes. The fee schedule contains a rate for each County where the Eligible Provider is located and combination of Provider Type and CPT®/HCPCS code.
   b. The fee schedule that is effective July 1, 2023, and annually thereafter, is posted to the following webpage.
   c. The State will annually increase the per-unit rates for HCPCS and CPT Codes effective July 1, 2023 by the percentage change in the four quarter average Home Health Agency Market Basket Index. The updated rates will be posted to the following webpage annually.

2. Day Services Reimbursement Methodology

   a. The State reimburses all eligible providers of Day Services in Non-Regional Counties on a fee for service basis pursuant to a fee schedule established by the State. Level 1 – WM and Level 2 – WM are reimbursed an hourly rate. Partial Hospitalization is reimbursed a daily rate. The fee schedule contains a rate for each County where the provider is located and each Day Service.
   b. The fee schedule for day services that is effective July 1, 2023, and annually thereafter, is posted to the following webpage.
   c. The State will annually increase the day service rates effective July 1, 2023 by the percentage change in the four quarter average Home Health Agency Market Basket Index. The updated rates will be posted to the following webpage annually.

3. Twenty-Four Hour Services Reimbursement Methodology

   a. The State reimburses all eligible providers of Twenty-Four Hour Services in Non-Regional counties on a fee for service basis pursuant to a fee schedule established by the State. Twenty-Four Hour Services are reimbursed a per diem rate. The fee schedule contains a rate for each County where the provider is located and each Twenty-Four Hour Service.
   b. The fee schedule for Twenty-Four Services that is effective July 1, 2023, and annually thereafter, is posted to the following webpage.
   c. The State will annually increase the per-unit rates for 24 hour services effective July 1, 2023 by the percentage change in the four quarter average Home Health Agency Market Basket Index. The updated rates will be posted to the following webpage annually.

4. Narcotic Treatment Program Reimbursement Methodology

a. The State reimburses all eligible providers of Narcotic Treatment Program Services on a fee for service basis pursuant to a fee schedule established by the State. Narcotic Treatment Program Daily Dosing Services are reimbursed a daily rate. An Eligible Provider must administer a MAT for OUD Medication or MATR for AUD Medication to be reimbursed for Narcotic Treatment Program Daily Dosing Services. The fee schedule contains a daily rate for each County where the Eligible Provider is located.
b. The State reimburses all Eligible Providers for Care Coordination, Individual Counseling, Group Counseling, Peer Support Services, and Recovery Services provided in a Narcotic Treatment Program pursuant to the fee schedule established in Section B of this segment of the State Plan.
c. The fee schedule for Narcotic Treatment Program Daily Dosing Services that is effective July 1, 2023, and annually thereafter, is posted to the following webpage.
d. The State will annually increase the daily rates for Narcotic Treatment Program Daily Dosing Services effective July 1, 2023 by the percentage change in the four quarter average Home Health Agency Market Basket Index. The updated rates will be posted to the following webpage annually.

5. Community-Based Mobile Crisis Intervention Services Reimbursement Methodology

a. Community-Based Mobile Crisis Intervention Encounters
   i The State reimburses all eligible providers for Community-Based Mobile Crisis Intervention Encounters a county-based bundled rate for each encounter. The county-based bundled rates effective July 1, 2023, and annually thereafter, are posted to the following webpage.
   ii The State reimburses all eligible providers the county-based bundled rate based upon the county where the provider is located.
   iii The county-based bundled rate is reimbursed for the following service components as those components are defined in Attachment 3.1-A of this State Plan:
      - Assessment
      - Mobile crisis response
      - Crisis planning
      - Referral to ongoing supports
      - Follow up check ins
   iv A provider must render at least one of the following service components during an encounter to be reimbursed the bundled rate:
      - Assessment
      - Mobile crisis response
      - Crisis planning
      - Referral to ongoing supports
   v The state will annually increase the county-based bundled rates effective July 1, 2023 by the percentage change in the four quarter average Home Health Agency Market Basket Index. The updated rates will be posted to the following webpage annually.

b. Facilitation of a warm handoff
   i The State will reimburse all eligible providers for Facilitation of a warm handoff, as that service component is defined in Attachment 3.1-A of this State Plan, pursuant to a fee schedule established by the State. The fee schedule will include a rate for each county and the following aspects of the service component:
      - Providing and/or arranging for a beneficiary's transportation to an alternative setting to receive urgent treatment. The State will reimburse providers the standard mileage rate per mile for use of an automobile for medical care as established by the Internal Revenue Service.
      - Staff time spent providing and/or arranging for transportation to an alternative setting to receive urgent treatment. The rates for this aspect of Facilitation of a Warm Handoff effective July 1, 2023, and annually thereafter, are posted to the following webpage.
   ii The State will annually increase the fee schedules described in paragraphs 1 and 2 by the percentage change in the four quarter average Home Health Agency Market Basket Index. The updated rates will be posted to the following webpage annually.

C. Reimbursement Methodology for Regional Counties

1. The reimbursement methodology for all eligible providers of Outpatient Services, Day Services, and Twenty-Four Hour services in Regional Counties is equal to the prevailing charges for the same or similar services in the county where the provider is located. If prevailing charges are not available, the State will use the best available alternative data, subject to CMS review, that would serve as a reasonable proxy, including the use of trended historical data.
2. The State reimburses all eligible providers of Narcotic Treatment Program Services pursuant to Section B.4 above.
3. The State reimburses all eligible providers of Community-Based Mobile Crisis Intervention Services pursuant to Section B.5 above.