



MICHELLE BAASS  
DIRECTOR

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



GAVIN NEWSOM  
GOVERNOR

DATE: September 7, 2022

Behavioral Health Information Notice No: 22-049

TO: California Alliance of Child and Family Services  
California Association for Alcohol/Drug Educators  
California Association of Alcohol & Drug Program Executives, Inc.  
California Association of DUI Treatment Programs  
California Association of Social Rehabilitation Agencies  
California Consortium of Addiction Programs and Professionals  
California Council of Community Behavioral Health Agencies  
California Hospital Association  
California Opioid Maintenance Providers  
California State Association of Counties  
Coalition of Alcohol and Drug Associations  
County Behavioral Health Directors  
County Behavioral Health Directors Association of California  
County Drug & Alcohol Administrators

SUBJECT: Updated Requirements and Forms for Specialty Mental Health Services Quality Assurance & Utilization Review (QA/UR) and County Administrative Claims

PURPOSE: To inform county Mental Health Plans (MHPs) of updates to Specialty Mental Health Services (SMHS) county administrative and QA/UR forms, changes to claiming frequency, and to remind MHPs of the requirements for supporting documentation of SMHS QA/UR costs.

REFERENCE: Welfare and Institutions (W&I), Section 5724 (d)  
[DMH Letter 05-11](#)  
Title 42 Code of Federal Regulations (CFR) 432.50

**BACKGROUND:**

*Proposition 30 Costs Reported on Administrative Claims*

Currently, SMHS county administrative and QA/UR forms do not contain language for Proposition 30. Approved by the voters in 2012, Proposition 30 requires the state to share part of the costs associated with future federal law changes. This legislation was

enacted after September 30, 2012, and has an overall effect on increasing the costs already sustained by local agency for programs or levels of service mandated by 2011. Pursuant to realignment, local agencies must implement the policy outlined by/below only to the extent that the state provides annual funding for the cost increase.

**Proposition 30 Costs - State Requirement:** Proposition 30 requires the state to reimburse counties 100% of the non-federal share for increased costs to implement realigned programs that result from new requirements the state imposed after September 30, 2012 (e.g., Performance Outcome System [POS] requirements).

**Proposition 30 Costs - Federal Requirements:** Proposition 30 requires the state to reimburse counties 50% of the non-federal share of increased costs to implement realigned programs that result from new requirements the federal government imposed after September 30, 2012.

#### POLICY:

##### *Proposition 30 Costs Reported on POAdministrative Claims*

The SMHS county administrative and QA/UR forms have been updated to include language for Proposition 30 state and federal mandates, with detail of claimable areas on the Instruction tab:

- SMHS County Administrative (MC 1982B):
  - Line 2 has been updated to read “Prop 30 State.”
  - Line 3 has been updated to read “Prop 30 Federal.”
  - Line 6 has been updated to include language for Prop 30 expenses.
- SMHS QA/UR (MC 1982C):
  - Lines 9-11 (POS costs) and Line 12 (Foster Family Agency costs) have been merged into one line, Line 9. Line 9 has been updated to read “Prop 30 State.”
  - With the consolidated lines, the previous Line 13 (Final Rule and Parity Rule Administrative Costs) has been moved to Line 10. Line 10 has been updated to read “Prop 30 Federal.”

The updated MC 1982B and MC 1982C claim forms are located in the [MedCCC Library](#) of the DHCS website.

Behavioral Health Information Notice No.: 22-049  
Page 3  
September 7, 2022

*Federal Requirements for SPMP Claiming and SPMP Supporting Documentation  
Reminder*

Claiming requirements for QA/UR expenses can be found at Title 42 CFR 432.50(c) and (d). Costs incurred for compensation, fringe benefits, travel, per diem, and training of Skilled Professional Medical Personnel (SPMP) costs is eligible for federal reimbursement at 75% if the Title 42 CFR 432.50(c) and (d) criteria are met. Please ensure costs submitted on the SMHS QA/UR claim on the SPMP line meet those criteria.

Additionally, according to Title 42 CFR 432.50, DHCS may request SPMP license and certification information from counties for SMHS QA/UR claims.

Lastly, QA program standards for MHPs are established by DHCS in consultation with the California Behavioral Health Directors Association, as required under W&I Section 4070. These standards are described further under Title 9, California Code of Regulations, Section 1810.440 and the county MHP Contract with DHCS. MHPs must ensure that services delivered by licensed staff are within their scope of practice, as required under W&I Section 5778(n).

*Claiming Frequency for Mental Health QA/UR*

Effective immediately, DHCS will no longer accept SMHS QA/UR claims on a monthly basis. Counties must submit SMHS QA/UR claims on a quarterly or annual basis. This aligns SMHS QA/UR claiming with the requirements for all other behavioral health administrative claiming. Form MC 1982C has been updated to reflect quarterly or annual claiming.

QUESTIONS:

Questions regarding this Behavioral Health Information Notice as well as SMHS county administrative and QA/UR claiming may be directed to [BHFSOps@dhcs.ca.gov](mailto:BHFSOps@dhcs.ca.gov).

Sincerely,

Original signed by

Brian Fitzgerald, Chief  
Local Governmental Financing Division

Enclosures