



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



EDMUND G. BROWN JR.
GOVERNOR

DATE: May 24, 2016

MHSUDS INFORMATION NOTICE NO.: 16-024

TO: COUNTY BEHAVIORAL HEALTH PROGRAM DIRECTORS
COUNTY DRUG & ALCOHOL ADMINISTRATORS
COUNTY BEHAVIORAL HEALTH DIRECTORS' ASSOCIATION OF CALIFORNIA
CALIFORNIA COUNCIL OF COMMUNITY BEHAVIORAL HEALTH AGENCIES
COALITION OF ALCOHOL AND DRUG ASSOCIATIONS
CALIFORNIA ASSOCIATION OF ALCOHOL & DRUG PROGRAM EXECUTIVES, INC.
CALIFORNIA ALLIANCE OF CHILD AND FAMILY SERVICES

SUBJECT: INSTRUCTIONS FOR REPORTING RATES NEGOTIATED FOR PSYCHIATRIC INPATIENT HOSPITAL SERVICES CONTRACTS FOR FISCAL YEAR 2016-17

REFERENCE: California Code of Regulations (CCR), Title 9, §1810.375, §1810.430, §1820.110, and §1820.115

The purpose of this 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) 2016-17. Title 9, CCR §1810.375(c) requires MHPs to report the rates they have negotiated with FFS/MC hospitals to the Department of Health Care Services (DHCS) by June 1 of each year. DHCS utilizes these rates to establish non-negotiated FFS/MC hospital rates in accordance with Title 9, CCR §1820.115.

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 DHCS grants the MHP an exemption from contracting. The process for requesting an exemption is described in Title 9, CCR §1810.430(c),

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which can be found in Enclosure 1. DSH providers serve a disproportionate share of low-income people as determined annually by DHCS. 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. A listing of both DSH and traditional hospital providers per county based on FY 2014-15 payment data can be found in Enclosure 2.

The following information on negotiated FFS/MC hospital rates must be submitted to DHCS:

- 1) Facility name.
- 2) Facility address.
- 3) National Provider Identifier 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:

CODE	DESCRIPTION
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 DHCS in accordance with the regulations and need not be reported by MHPs. The current Administrative Day Rate for most hospitals as of August 1, 2015, is \$554.66 per day.

In the event that the MHP has negotiated a rate but not entered into a contract by June 1, 2016, 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 DHCS may assign the regional rate.

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Please email the negotiated rate information to Danette McReynolds at danette.mcreynolds@dhcs.ca.gov.

Should you have any questions or need additional information, please email or call Danette McReynolds at (916) 440-7470.

Sincerely,

Original signed by

Karen Baylor, Ph.D., LMFT, Deputy Director
Mental Health & Substance Use Disorder Services

Enclosures