



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



EDMUND G. BROWN JR.
GOVERNOR

DATE: July 27, 2017

MHSUDS INFORMATION NOTICE NO.: 17-006

TO: COUNTY BEHAVIORAL HEALTH 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
CALIFORNIA OPIOID MAINTENANCE PROVIDERS

SUBJECT: MENTAL HEALTH PLAN CLAIMING FOR INCREASED COSTS TO CERTIFY FOSTER FAMILY AGENCIES TO PROVIDE MEDI-CAL SPECIALTY MENTAL HEALTH SERVICES

REFERENCE: ASSEMBLY BILL (AB) 403 (STATUTES OF 2015)

EXPIRES: Retain until superseded

County Mental Health Plans (MHP) will need to certify additional foster family agencies (FFA) to provide Medi-Cal Specialty Mental Health Services (SMHS) as a result of Assembly Bill (AB) 403 (Chapter 773, Statutes of 2015). This Information Notice provides guidance on how MHPs may determine costs incurred to certify FFAs to render Medi-Cal SMHS and describes the Department of Health Care Services' (Department's) approach on how MHPs will claim and be reimbursed for these increased costs. The Department has recognized this activity will result in increased cost under Proposition 30; therefore, pursuant to Section 36, Article XIII of the California Constitution, the Department will fund the non-federal share to reimburse MHPs for the cost of these certifications. The Budget Act of 2017 appropriated \$242,000 to reimburse the costs incurred by MHPs to certify FFAs for Fiscal Year 2016-17 and Fiscal Year 2017-18.

Claiming

The Department considers the certification of providers to render Medi-Cal SMHS a Utilization Review/Quality Assurance cost. These costs are currently claimed on the

MC 1982 C claim form. The Department has amended the MC 1982 C claim form to allow MHPs to claim reimbursement for costs specifically incurred to certify FFAs not otherwise certified, to render Medi-Cal SMHS.¹ The MC 1982 C claim form is available via the link below, under the title, *Certification Forms*.

<http://www.dhcs.ca.gov/services/MH/Pages/MedCCC-Library.aspx>

MHPs may claim reimbursement for staff time spent preparing and assisting FFAs to come into compliance with all of the certification criteria. The Department expects the costs associated with certifying FFAs to fall into the following three separate categories:

1. Preparation: Includes the time MHP staff spends preparing for the onsite visit to certify the facility.
2. Onsite review: Includes the time MHP staff spends onsite to ensure the FFA meets all of the criteria that must be met for the FFA to be certified.
3. Travel Time: Includes the time MHP staff spends traveling to and from the FFA to conduct the onsite review.

Interim Reimbursement

Each MHP will receive an interim reimbursement, up to the amount allocated to the MHP, for the total amount claimed on the MC 1982 C form for certifying FFAs. Enclosure 1 displays the amount allocated to each MHP for Fiscal Year 2017-18. The amount allocated to each county is the maximum amount of State General Fund that DHCS will pay each county on an interim basis. DHCS determined the proportion of the appropriation that will be allocated to each county based upon the number of children in each county in an FFA placement in Fiscal Year 2016-17, as provided by the California Department of Social Services.

Cost Settlement

Each MHP will determine the actual cost incurred to certify FFAs in Fiscal Year 2016-17 and Fiscal Year 2017-18 and report that amount on the FY 2016-17 and Fiscal Year 2017-18 cost reports respectively. The FY 2016-17 and FY 2017-18 cost reports will determine the amount of Federal Financial Participation (FFP) and General Fund (GF) paid to each county based upon the county's actual costs. DHCS will reconcile interim payments of FFP and GF to the amount of actual costs determined in the cost report and will make additional payments if actual costs exceed interim reimbursement or recoup funds from the MHP if interim reimbursements exceed actual costs.

¹MHPs may claim reimbursement for costs incurred to certify FFAs for the provision of SMHS provided through the TFC service model.

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For any questions regarding this information notice, please contact Moses Ndungu, Chief, Fiscal Policy Section, Mental Health Management and Outcomes Reporting Branch, Mental Health Services Division, at Moses.Ndungu@dhcs.ca.gov.

Sincerely,

Original signed by

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

Enclosures