



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



EDMUND G. BROWN JR.  
GOVERNOR

DATE: March 4, 2014

MHSUDS INFORMATION NOTICE NO.: 14-008

TO: COUNTY ALCOHOL AND DRUG PROGRAM ADMINISTRATORS  
DRUG MEDI-CAL PROVIDERS

SUBJECT: DRUG MEDI-CAL CLAIMS WITH STATE GENERAL FUNDING

REFERENCE: SHORT-DOYLE/MEDI-CAL CLAIMS PROCESSING

This Information Notice provides information regarding Drug Medi-Cal (DMC) claims submitted for the expansion of services with any State General Fund (SGF) component.

**Background**

As part of the Affordable Care Act, and the implementation of SBX 1-1 Medi-Cal eligibility legislation, SGF is included as one of the payment components for specific services starting January 1, 2014. The affected DMC services with a SGF payment component are for the expansion of services for the previously named Day Care Rehabilitative (DCR) service now named Intensive Outpatient Treatment (IOT) and the new Non-Perinatal Residential service. The expanded IOT and new Non-Perinatal Residential service changes are pending approval of State Plan Amendments (SPA) 09-022 and 13-038 from the Centers for Medicare and Medicaid Services (CMS).

**DMC Billing for the Expansion of Services**

As noted above, CMS has not approved the expanded services, however, the Short Doyle Medi-Cal (SDMC) system has been programmed to accept and adjudicate claims for the expanded IOT and Non-Perinatal Residential services.

Post adjudication in the SDMC system, the approved claims are forwarded to the Short-Doyle Medi-Cal ADP Remediation Technology (SMART) system for payment processing.

Please note the following regarding payment of DMC claims for expanded services:

- For any claim file that contains a service associated with a SGF payment component, the entire claim file will be processed in SDMC; however, no

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payment for the entire claim file can be made from the SMART system at this time. This is because the State-County contracts for Fiscal Year 2013-14 have not been fully executed and CMS has not yet approved State Plan Amendments (SPA) 09-022 and 13-038;

- For any claim file that contains services associated with a Federal Financial Participation payment component only, including expanded services, the claim file will be processed for payment. The payment amount is at risk without CMS approval of SPAs 09-022 and 12-038; and
- Claims submitted for services prior to January 1, 2014, the file will be processed in the usual manner;

Questions regarding the content of this information notice or its enclosure may be directed to Francine Manas at (916) 322-4847 or email [SUDFMAB@dhcs.ca.gov](mailto:SUDFMAB@dhcs.ca.gov).

Sincerely,



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

Enclosure

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