Title 9, California Code of Regulations (CCR), Section 1810.430
Contracting for Psychiatric Inpatient Hospital Service Availability

(a) A MHP shall contract with DSH and Traditional Hospitals when:

(1) The DSH or Traditional Hospital meets the hospital selection criteria described in the MHP's Implementation Plan as required by Section 1810.310(a)(4).

(2) The DSH is located:

(A) In the same county as the MHP, or

(B) In a different county than the MHP and according to the latest historical Medi-Cal paid claims data, the DSH provides services to beneficiaries of the MHP that account for five percent or twenty thousand dollars, whichever is more, of the total fiscal year Fee-For-Service/Medi-Cal psychiatric inpatient hospital service payments for beneficiaries of the MHP.

(b) Prior to the beginning of each State fiscal year, the Department shall notify all MHPs of the DSH and Traditional Hospitals for that fiscal year.

(c)(1) If an MHP determines not to contract with a DSH or Traditional Hospital, it shall submit a Request for Exemption from Contracting to the Department with its Implementation Plan. The MHP shall submit Requests for Exemption initiated after the submission of the Implementation Plan to the Department as a separate submission. The Request for Exemption from Contracting shall address the projected effect on beneficiaries. At a minimum, the Request for Exemption from Contracting shall include:

(A) The name of the hospital for which the Request for Exemption from Contracting is requested.

(B) An analysis of the most recently available data from the Office of Statewide Health Planning and Development (OSHPD) on the availability, within an accessible geographic area, of hospital beds for psychiatric inpatient hospital services with and without a contract. Other data may be substituted if OSHPD data are not available or if equally reliable data are more comprehensive.

(C) The estimated impact on maximum and average travel time and distances for beneficiaries to obtain psychiatric inpatient hospital services, from hospitals either with or without a contract.

(2) An MHP shall notify the DSH or Traditional Hospital of the Request for Exemption from Contracting at the same time that the Request for Exemption is sent to the Department.

(3) The Department shall approve or deny in writing the MHP's Request for Exemption from Contracting within 30 calendar days of its receipt and shall notify both the MHP and the DSH or Traditional Hospital of its decision. The Department shall deny any Request for Exemption from Contracting when failure to contract is likely to result in hardship to beneficiaries as measured by local community standards.

(d) At a minimum, a contract between a MHP and a provider of psychiatric inpatient hospital services shall meet federal contracting requirements as provided in Title 42, Code of Federal Regulations, Section 438.6(*l*), and shall include the following provisions:

(1) Treatment requirements, as a condition for reimbursement for psychiatric inpatient hospital services, that ensure beneficiaries will receive the same level of services as provided to all other patients served.

(2) Assurances that beneficiaries will not be discriminated against in any manner, including admission practices, placement in special wings or rooms, or provision of special or separate meals.

(3) Specifics of how the hospital shall make records available for authorized review for fiscal audits, program compliance and beneficiary complaints.

(4) Language specifying that the per diem rate included in the contract is considered to be payment in full, subject to third party liability and patient share of costs, for psychiatric inpatient hospital services to a beneficiary.

(5) Language specifying that the rate structure in the contract includes all services defined as psychiatric inpatient hospital services in this Chapter and that the rate structure does not include psychiatric inpatient hospital professional services rendered to a beneficiary covered under the contract unless the hospital is a Short-Doyle/Medi-Cal Hospital.

(6) Requirements that a hospital adheres to Title XIX of the Social Security Act and conforms to federal and State statutes and regulations.

(e) No provision of a contract shall be construed to replace or conflict with the duties of county patients' rights advocates described in Section 5520 of the Welfare and Institutions Code.

(f) A formal contract between an MHP and a hospital is not required when the MHP owns or operates the hospital.