



JENNIFER KENT  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

DATE: August 4, 2016

MHSUDS INFORMATION NOTICE NO.: 16-023

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

SUBJECT: DRUG MEDI-CAL CLAIMS ADJUDICATION AND CERTIFIED PUBLIC EXPENDITURE TRANSITION FROM COUNTY OF SERVICES TO COUNTY OF RESPONSIBILITY

### PURPOSE

This notice informs counties and contracted providers of the Drug Med-Cal claims adjudication and certified public expenditure (CPE) transition from county of service to county of responsibility. This change will apply to Drug Medi-Cal (DMC) state plan services and Drug Medi-Cal Organized Delivery System (DMC-ODS) Pilot Program services.

This notice serves as guidance to begin the first step in the transition from DMC claims being adjudicated based on county of service to claims being adjudicated based on the county of Medi-Cal eligibility determination and responsibility.

### BACKGROUND

Currently DMC claims are submitted, certified, and adjudicated by Short Doyle 2 based on the county in which the service was delivered to the beneficiary, regardless of the county of responsibility. County of responsibility data is tracked and indicated by a unique county code in the Medi-Cal Eligibility Data System (MEDS). In order to establish a link between the county of responsibility and the DMC services being delivered to the beneficiary, DMC claims must be submitted, certified, and adjudicated by Short Doyle 2 based on the county of responsibility for the beneficiary.

## DISCUSSION

The Department of Health Care Services (DHCS) plans to implement this transition in stages.

DHCS has begun the process of preparing each counties' data to be available with: 1) a list of DMC providers located in other counties who are currently serving their beneficiaries (county of responsibility based on MEDS); and 2) a list which will identify where a county's beneficiaries are being served in other counties. This data will assist counties in determining where their DMC beneficiaries are accessing services and which DMC certified providers are serving those beneficiaries. Counties will then need to determine whether or not they already have contracts with the certified providers that are serving their beneficiaries and/or if new contracts should be established. Each county of responsibility will be required to establish contracts, as appropriate, with certified DMC providers serving their beneficiaries within six months of the receipt of the data. The county will be responsible for assuring that the provider contracts meet current certification and compliance requirements as outlined in the state/county DMC contract.

The next stage following local contract assessment and transition will be to implement and test the necessary Short Doyle 2 claims adjudication business rule changes. Counties will be informed through a separate, forthcoming information notice of the timeframe and specifications for this change, including the testing protocol, courtesy dosing, updating beneficiary Medi-Cal eligibility, etc.

Full implementation of this transition will also require modification of the current DMC CPE protocol to reflect the change in 2011 Behavioral Health Realignment expenditure requirements and federal funds reimbursements. Once this transition is complete, the counties will be responsible for contracting for and reimbursing DMC services for Medi-Cal beneficiaries who are linked to their county through MEDS, regardless of the county of service.

Questions regarding this Information Notice should be addressed to Marco Zolow, Ph. D, Health Program Specialist, SUD Program, Policy and Fiscal Division at [Marco.zolow@dhcs.ca.gov](mailto:Marco.zolow@dhcs.ca.gov)

Sincerely,

Original signed by

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