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

JENNIFER KENT
DIRECTOR

EDMUND G. BROWN JR.
GOVERNOR

DATE: August 11, 2016

MHSUDS INFORMATION NOTICE NO.: 16-042

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: RESIDENTIAL TREATMENT SERVICES AND RESIDENTIAL AUTHORIZATIONS IN THE DRUG MEDI-CAL ORGANIZED DELIVERY SYSTEM (DMC-ODS) PILOT PROGRAM

PURPOSE

This notice informs counties and contracted providers of the coverage for residential treatment services American Society of Addiction Medicine (ASAM) levels 3.1, 3.3, and 3.5 provided under the DMC-ODS Pilot Program.

BACKGROUND

Residential treatment services ASAM levels (3.1, 3.3, and 3.5) are provided in a continuum per the ASAM Criteria when determined medically necessary and in accordance with an individualized treatment plan. Counties participating in the DMC-ODS Pilot Program are required to provide at least one ASAM level of residential treatment services initially. All ASAM levels (3.1, 3.3, and 3.5) are to be provided within three years. Residential services can be provided in facilities of any size.

Residential services for adults may be authorized for up to 90 days in one continuous period. Reimbursement will be limited to two non-continuous regimens for adults in any one-year period. One extension of up to 30 days beyond the maximum length of stay of 90 days may be authorized for one continuous length of stay in a one-year period. Residential services for adolescents may be authorized for up to 30 days in one continuous period. Reimbursement will be limited to two non-continuous 30 day regimens in any one-year

period. One extension of up to 30 days beyond the maximum length of stay may be authorized for one continuous length of stay in a one-year period. Under the Early Periodic Screening, Diagnostic and Treatment (EPSDT) mandate, beneficiaries under age 21 are eligible to receive all appropriate and medically necessary services needed to correct and ameliorate health conditions that are coverable under Section 1905(a) Medicaid authority. The DMC-ODS Pilot does not override any EPSDT requirements.

DISCUSSION

The Department of Health Care Services (DHCS) was asked to reconsider the current limitations on episodes within residential stays. DHCS reviewed the historical data which identified clients that received more than two episodes of residential treatment within a twelve-month period. After analyzing the data, DHCS determined to leave the current policy limit in place that is established in the Standard Terms and Conditions (STCs). DHCS will analyze the county data after one year of implementation of DMC-ODS services to see if a policy shift is necessary.

The STCs require counties to have written policies and procedures for processing requests for initial and continuing authorization of residential services. Counties are responsible to track the two non-continuous stays in their residential authorization process. DHCS will monitor compliance that counties are adhering to the two non-continuous stays limit during DHCS ODS-monitoring visits. If beneficiaries require more than two non-continuous residential stays in a one-year period, DHCS encourages counties to consider the use of other funding sources.

DHCS will not hold a county responsible if a beneficiary received residential services in another county. The limit is two non-continuous stays per county managed care plan. Therefore, a beneficiary moving and establishing residency in another county does not count against the two non-continuous stays limit in the new county of residency as determined by the Medi-Cal Eligibility Data System (MEDS) file.

For questions pertaining to DMC-ODS services provided in residential facilities, please contact Crystal Sanchez at 916-327-3070 or Crystal.Sanchez@dhcs.ca.gov.

Sincerely,

Original signed by

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