



C A L I F O R N I A   D E P A R T M E N T   O F

# Mental Health

1600 9th Street, Sacramento, CA 95814  
(916) 654-2309

December 2, 2003

DMH LETTER NO.: 03-08

TO: LOCAL MENTAL HEALTH DIRECTORS  
LOCAL MENTAL HEALTH PROGRAM CHIEFS  
LOCAL MENTAL HEALTH ADMINISTRATORS  
COUNTY ADMINISTRATIVE OFFICERS  
CHAIRPERSONS, LOCAL MENTAL HEALTH BOARDS

SUBJECT: CHANGES IN MEDI-CAL REIMBURSEMENT CRITERIA FOR  
EMERGENCY ADMISSIONS FOR PSYCHIATRIC INPATIENT  
HOSPITAL SERVICES

Effective with dates of services on or after August 13, 2003, mental health plans (MHPs) may no longer deny treatment authorization requests (TARs) for psychiatric hospital inpatient services for a hospital's failure to notify the MHP of an emergency admission as required by Title 9, California Code of Regulations (CCR), Section 1810.225, "MHP Payment Authorization for Emergency Admissions by Point of Authorization," subsection (d)(1), which provides that TARs will be approved "when a hospital notifies the Point of Authorization within 24 hours of admission of a beneficiary to the hospital or within the time required by contract." This provision of Title 9 has been superseded by a new federal Medicaid managed care regulation that must be applied to the Medi-Cal managed mental health care programs on August 13, 2003.

The relevant provision is Title 42, Code of Federal Regulations, Section 438.114(d)(ii), which provides that prepaid inpatient health plans (PIHPs) may not refuse to cover emergency services based on the emergency room provider, hospital, or fiscal agent not notifying the enrollee's PIHP of the enrollee's screening and treatment within 10 calendar days of presentation for emergency services. MHPs are PIHPs under the regulations. Enrollees are the Medi-Cal beneficiaries of the MHP's county. Effective for dates of service on or after August 13, 2003, TARs may be denied for failure of timely notification only if the notification is provided more than 10 calendar days from the presentation for emergency services.

New Medicaid managed care regulations issued by the Centers for Medicare and Medicaid Services (CMS) became effective August 13, 2002, with a required implementation date of August 13, 2003. These regulations apply to the Medi-Cal mental health managed care program and create new procedural requirements that affect the Department of Mental



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Health (DMH) and MHPs. These new federal regulations supersede the regulations governing the Medi-Cal managed mental health care (Title 9, California Code of Regulations, Division 1, Chapter 11) when there is a conflict.

DMH is currently working with the California Mental Health Directors Association (CMHDA), the DMH Client and Family Member Task Force (CFMTF) and other stakeholders to bring DMH and MHPs into full compliance with new regulations no later than June 30, 2004. Out of this process, DMH is identifying needed changes in the DMH/MHP contract and in state regulation. In addition, these groups are working with DMH to establish reasonable timelines for implementation of these changes, including instances where action may need to be immediate. The change identified in this letter was determined to require immediate implementation because it is essential that MHPs and DMH address hospital appeals of TAR denials based on the federal requirements in effect at the time the services are rendered.

If you have questions or need additional information, please contact your Medi-Cal contract manager in the County Operations Sections below.

**DMH County Operations Medi-Cal Contract Managers**

**Bay Region**

Ruth Walz (Regional Lead) (707) 252-3168  
Contra Costa, San Francisco, San Mateo, Solano

Douglas Mudgett (916) 654-3623  
Marin, Santa Clara, Santa Cruz, Sonoma

Peter Best (916) 657-3487  
Alameda, Monterey, Napa, San Benito

**Northern Region**

Jake Donovan (Regional Lead) (916) 651-9867  
Lassen, Modoc, Plumas, Shasta, Siskiyou, Trinity

Kathleen Carter (916) 651-6613  
Del Norte, Inyo, Lake, Mendocino, Nevada, Sierra

Stacy Hoang (916) 654-4016  
Glenn, Humboldt, Tehama

Jacqui Naud (916) 654-2996  
Butte, Colusa

**Central Region**

Vivian Lee (Regional Lead) (916) 651-6281  
Fresno, Madera, Mariposa, Sacramento, Kings, San Joaquin, Tulare, Tuolumne

Lori Hokerson (916) 651-6296  
Amador, El Dorado, Merced, Placer, Stanislaus, Sutter-Yuba, Yolo

Joseph Kim (916) 651-6339  
Alpine, Calaveras, Mono

**Southern Region**

Eddie Gabriel (Regional Lead) (916) 654-3263  
Orange, Los Angeles, San Diego, Ventura

Linda Brophy (916) 654-7357  
Imperial, San Luis Obispo

Troy Konarski (916) 654-2643  
Kern, Riverside, Santa Barbara, San Bernardino

Sincerely,

*(Original Signed By)*

STEPHEN W. MAYBERG, Ph.D.  
Director

Enclosure

cc: California Mental Health Planning Council  
Chief, County Operations, North/Bay  
Chief, County Operations, South/Central