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

TOBY DOUGLAS
DIRECTOR

EDMUND G. BROWN JR.
GOVERNOR

August 17, 2012

MHSD INFORMATION NOTICE NO. MHSD 12-05

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

SUBJECT: ANNUAL REVIEW PROTOCOL FOR CONSOLIDATED SPECIALTY MENTAL HEALTH SERVICES AND OTHER FUNDED SERVICES for FISCAL YEAR 2012-2013

SUPERSEDES: DMH Information Notice No.: 11-09

REFERENCE: Retain until rescinded

Pursuant to the responsibilities of the Department of Health Care Services, Program Oversight and Compliance Branch, Compliance Section, as outlined in Welfare and Institutions Code, Section 5614, this Information Notice provides the specifics of the Program Oversight and Compliance annual review of Mental Health Plans (MHPs) in Fiscal Year (FY) 2012-2013. Enclosed are the following:

- Annual Review Protocol for Consolidated Specialty Mental Health Services and Other Funded Services for FY 2012-2013 – Enclosure 1;
- County Mental Health Plan Attestation for FY 2012-2013 – Enclosure 2;
- Program Oversight and Compliance Review Schedule for FY 2012-2013 – Enclosure 3; and
- Reasons for Recoupment for FY 2012-2013 – Enclosure 4

Annual Review Protocol for Consolidated Specialty Mental Health Services and Other Funded Services for FY 2012-2013

In accordance with oversight authority contained in the California Code of Regulations, title 9, chapter 11, section 1810.380, DHCS shall review program and fiscal operations of each MHP to verify that medically necessary services are provided in compliance with State and Federal laws and regulations and/or the terms of the contract between DHCS and the MHP.

The MHP will receive an Announcement Letter approximately 30 days in advance of its scheduled system review or hospital review. The letter will provide instructions for the MHP to follow in preparation for the review. The MHP representative(s) involved in the onsite review shall provide sufficient evidence to demonstrate compliance with State and Federal laws and regulations and/or contractual requirements. If during the onsite review DHCS determines that an MHP is out of compliance, DHCS will provide a description of the finding(s), a description of any corrective action(s) required by DHCS, and the time limits for compliance. A Plan of Correction (POC) is required for all items found to be out of compliance.

County Mental Health Plan Attestation for FY 2012-2013

The purpose of the Attestation is for the MHP to certify compliance with specified Medi-Cal requirements. The submittal of the Attestation to DHCS is required of all MHPs who are scheduled to be reviewed during FY 2012-2013. The signed Attestation is due to DHCS Compliance Section 60 days prior to the start of the MHPs scheduled triennial system review. MHPs are to submit the Attestation to:

Carol Sakai, LCSW, Chief
Department of Health Care Services
Compliance Section
Program Oversight and Compliance Branch
Mental Health Services Division, MS 2300
P. O. Box 997413
Sacramento, CA 95899-7413

NOTE: The MHP is in full compliance when the MHP certifies that all 25 items contained in the Attestation are in place and are maintained in accordance with regulations. During the onsite review the corresponding, supporting documents and records required by the Attestation shall be accessible and made available for review upon request by DHCS reviewers.

In the instance in which the MHP is unable to certify compliance to all 25 items contained in the Attestation, the MHP is to submit to DHCS (via an addendum to the Attestation) the identification of the item(s) found to be in non-compliance, provide an explanation of the reason for the non-compliance of the item(s), and specify a date when all items will be in full compliance. Once the MHP is able to certify compliance to all 25 items in the Attestation, the MHP is to resubmit a signed Attestation with the box checked "Amended" to DHCS.

MCO Review Schedule for FY 2012-2013

The schedule includes MHP system reviews, non-hospital chart reviews, and Short-Doyle/ Medi-Cal (SD/MC) hospital reviews.

Plan of Correction

The MHP is required to submit a POC for all System and Chart review items found out of compliance within 60 days after receipt of the final report. If the MHP chooses to appeal any of the out of compliance items, the MHP may do so by submitting an appeal in writing within 15 working days after receipt of the final report.

Reasons for Recoupment for FY 2012-2013

DHCS will review a random sample of beneficiary charts and recoup Federal Financial Participation (FFP) dollars in accordance with the FY 2012-2013 Reasons for Recoupment. DHCS will review the medical necessity criteria and chart documentation to determine Medi-Cal reimbursement of specialty mental health services. This review includes all charts associated with the beneficiary's care during the review period.

- *Chart Review – Non-Hospital Services*

  Depending on the size of the county (small or large), DHCS will review 10 to 20 Adult/EPSDT beneficiary medical records. The random sample will be drawn from a floating three month period commencing twelve months prior to the on-site chart review or from a specified time period as determined by the Department. The MHP will be provided with the beneficiary names one week before the review.

- *Chart Review – SD/MC Hospital Services*

  DHCS will review a sample of adult and/or children's medical records. The random sample will be drawn from paid claims from the twelve month period prior to the date of the review or from a specified time period as determined by the Department.

This Protocol was developed in collaboration with the Compliance Advisory Committee, which includes representatives from the California Mental Health Directors Association, the California Mental Health Planning Council, the California Hospital Association, the National Alliance on Mental Illness, Consumer and Family Member Representatives, Disability Rights California, and other stakeholders.

If you have any questions regarding this Information Notice, please contact Carol Sakai, LCSW, Chief, Compliance Section, at Carol.Sakai@dhcs.ca.gov or (916) 319-9641.

Sincerely,

Vanessa M. Baird
Deputy Director
Mental Health & Substance Use Disorder Services

Enclosures

cc: California Mental Health Planning Council
1600 9th Street, Room 100
Sacramento, CA 95814

Patricia Ryan, Executive Director
2125 19th Street, 2nd Floor
Sacramento, CA 95818