

State/Territory: California

Citation

Condition or Requirement

REIMBURSEMENT FOR DRUG MEDI-CAL SERVICES

The policy of the State Agency is that reimbursement for Drug Medi-Cal (DMC) services shall be limited to the lowest of the county or contract provider's published or customary charge to the general public for providing the same or similar services, the provider's allowable costs of rendering these services, or the Statewide Maximum Allowances (SMA). For Narcotic Treatment Programs, reimbursement is limited to the lower of the provider's published or customary charge to the general public for the same or similar services, or the uniform statewide monthly reimbursement rate established in Section D below, as defined by the State Department of Alcohol and Drug Programs (ADP) and approved by the Department of Health Services (DHS). In no case shall payments exceed SMA.

A. DEFINITIONS

"Published charges" are usual and customary charges prevalent in the alcohol and drug treatment services sector that are used to bill the general public, insurers, and other non-Title XIX payers. (42 CFR 447.271 and 405.503(a)).

"Statewide maximum allowances" (SMA) are upper limit rates, established for each type of service, for a unit of service.

"Actual cost" is reasonable and allowable cost, based on year-end cost reports and Medicare principles of reimbursement as described at 42 CFR Part 413 and in HCFA Publication 15-1.

"Provider of Services" means any private or public agency that provides direct substance abuse treatment services and is certified by the State as meeting applicable standards for participation in the DMC Program, as defined in the Drug Medi-Cal Certification Standards for Substance Abuse Clinics.

"Unit of service" (UOS) means a face-to-face contact on a calendar day for Outpatient Drug Free, Day Care Rehabilitative, Perinatal Residential Substance Abuse Services, and Naltrexone Treatment Program services. For these services, only one unit of service per day is covered by DMC except for emergencies when additional face-to-face contact may be covered for unplanned crisis intervention. To count as a unit of service, the second contact shall not duplicate the services provided on the first contact, and the contact shall clearly be documented in the beneficiary's patient record. For Narcotic Treatment Program services,

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"Unit of Service" means each calendar day a client receives services, including take-home dosing.

"Legal entity" means each county alcohol and drug department or agency and each of the corporations, sole proprietors, partnerships, agencies, or individual practitioners providing alcohol and drug treatment services under contract with the county alcohol and drug department or agency or with ADP.

B. REIMBURSEMENT METHODOLOGY

I. The reimbursement methodology for providers of DMC Outpatient Drug Free, Day Care Rehabilitative, Perinatal Residential Substance Abuse Services, and Naltrexone Treatment Program services, is based on the lowest of:

- a. The provider's published or customary charge to the general public for providing the same or similar services;
- b. The provider's allowable costs of rendering these services; or
- c. The SMA established in Section C below, as defined by ADP and approved by DHS.

The above reimbursement limits are applied at the time of settlement of the year-end cost reports. Reimbursement is based on comparisons to each provider's total, aggregated allowable costs after application of SMA to total aggregated published charges, by legal entity.

2. The reimbursement methodology for providers of DMC Narcotic Treatment Program services is based on the lower of:

- a. The provider's published or customary charge to the general public for the same or similar services, or
- b. The uniform statewide monthly reimbursement rate established in Section D below, as defined by ADP and approved by DHS.

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- C. SMA METHODOLOGY FOR DMC OUTPATIENT DRUG FREE TREATMENT, DAY CARE REHABILITATIVE TREATMENT, NALTREXONE TREATMENT, AND PERINATAL RESIDENTIAL SUBSTANCE ABUSE SERVICES

"SMA" are based on the statewide median cost of each type of service as reported in the year-end cost reports submitted by providers for the fiscal year, which is two years preceding the year for which SMA are published.

- D. UNIFORM STATEWIDE MONTHLY REIMBURSEMENT RATE METHODOLOGY FOR DMC NARCOTIC TREATMENT PROGRAMS

The uniform statewide monthly reimbursement rate is based on the averaged daily cost of dosing and ingredients and ancillary services described in Section E, based on the annual cost per patient and a 365-day year, using the most recent and accurate data available, and in consultation with DHS, narcotic treatment providers, and county alcohol and drug program administrators.

- E. ALLOWABLE SERVICES

Allowable services and units of service are as follows:

<u>Service</u>	<u>Unit of Service</u>
Day Care Rehabilitative Treatment	Minimum of three hours per day, three days per week.
Outpatient Drug Free Treatment	Individual (50-minute minimum session) or group (90-minute minimum session) counseling.
Perinatal Residential Substance Abuse Treatment	24-hour structured environment (excluding room and board).
Naltrexone Treatment	Face-to-face contact per calendar day for counseling and/or medication services

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Narcotic Treatment Programs (aggregate rate consisting of four (4) components)	
1. Core	Intake assessment, treatment planning, physical evaluation, drug screening, and physician supervision.
2. Laboratory Work	Tuberculin and syphilis tests, monthly drug screening, and monthly pregnancy tests of female LAAM patients.
3. Dosing	Ingredients and dosing fee for methadone and LAAM patients.
4. Counseling	Minimum of fifty (50) minutes to be provided and billed in ten (10) minute increments, up to a maximum of 200 minutes based on the medical needs of the patient.

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