

## DMH RULEMAKING

### MED-CAL MENTAL HEALTH PLANS (MHP) CONTRACTUAL OBLIGATIONS

#### INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

The Department of Mental Health (DMH) administers the Medi-Cal Specialty Mental Health Services Consolidation Waiver Program via a federal 1915(b) waiver of specific provisions of Title XIX of the Social Security Act. The waiver was originally approved by the Centers for Medicare and Medicaid Services (CMS) in 1995 and has been renewed on an ongoing basis.

Under the Medi-Cal Specialty Mental Health Services Consolidation Waiver Program, Mental Health Plans (MHPs) are required to contract with DMH for the provision of Specialty Mental Health Services (defined at California Code of Regulations (CCR), Title 9, section 18180.247) to Medi-Cal recipients. An MHP may be a county, counties acting jointly, or another governmental or non-governmental entity. DMH and MHPs share the financial risk of providing services.

The DMH/MHP contract establishes and details the working relationship between DMH and MHPs. When an MHP contracts with DMH, all Medi-Cal beneficiaries of that county are eligible to receive Medi-Cal funded Specialty Mental Health Services only through the MHP and when the beneficiaries meet medical necessity criteria. DMH is not obligated to pay the MHP absent an executed contract.

During fiscal year (FY) 2007-2009, DMH convened a workgroup to review the contract for relevance. The workgroup had representation from the County Mental Health Directors Association (a non-profit organization comprised of county mental health directors) and DMH staff. The workgroup's chief concern was to reduce the MHPs' administrative burden by removing requirements from the contract not mandated by statute or regulation and identifying contractual requirements that would be more appropriately codified in regulation.

This DMH rulemaking amends and adopts twenty-two regulations, located in CCR, Title 9, Division 1, Chapter 11, Medi-Cal Specialty Mental Health Services.

Specifically, fourteen regulations are amended and three regulations are adopted under Subchapter 1, **General Provisions** (Administration and Standards). In addition, five regulations are amended under the remaining subchapters: Subchapter 2, **Medi-Cal Psychiatric Inpatient Hospital Services** (Provision of Services); Subchapter 3, **Specialty Mental Health Services Other Than Psychiatric Inpatient Hospital Services** (Provision of Services); Subchapter 4, **Federal Financial Participation** (General); and Subchapter 5, **Problem Resolution Processes** (Fair Hearing and Notice of Action).