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

TOBY DOUGLAS
DIRECTOR

EDMUND G. BROWN JR.
GOVERNOR

DATE: June 12, 2014

MHSUDS INFORMATION NOTICE NO.: 14-021

SUBJECT: PROPOSED DRUG MEDI-CAL RATES FOR FISCAL YEAR 2014-15

PURPOSE

This bulletin transmits the proposed Fiscal Year (FY) 2014-15 reimbursement rates for Drug Medi-Cal (DMC) services, effective July 1, 2014 through June 30, 2015.

DISCUSSION

Starting January 1, 2014, as part of the Affordable Care Act the Department of Health Care Services (DHCS) renamed the Day Care Rehabilitative service to Intensive Outpatient Treatment (IOT) and made it available to eligible Medi-Cal beneficiaries, in addition to the current pregnant, postpartum, or early Periodic Screening, Diagnosis and Treatment-eligible beneficiaries that can receive the service today. The existing rates developed for the DCR service will be used for the renamed IOT service.

DHCS is waiting for approval from the Centers for Medicare and Medicaid Services (CMS) of California's State Plan Amendment covering the IOT service for the expanded population. Please note that reimbursement for these services may not be available until CMS approves the State Plan Amendment. While DHCS anticipates ultimate CMS approval for these proposed changes, service providers choosing to deliver such services before DHCS receives CMS approval, do so at their own risk.

County administrative cost has been removed from the development of the FY 2014-15 DMC rates. Relating to a pending State Plan Amendment, CMS instructed that DHCS remove county administrative cost so that the reimbursement rate is only for the certified direct treatment service expense. DHCS is developing a new separate process through which DHCS will reimburse counties for DMC county administrative expenses.

These proposed rates effective July 1, 2014, were developed in accordance with the Welfare and Institutions Code, Sections 14021.51, 14021.6 and 14021.9. For FY 2014-15, the cumulative growth in the Implicit Price Deflator used to develop the proposed rates was 10.6 percent, as reported by the Department of Finance. These rates reflect DHCS's analysis of costs for the non-NTP dosing DMC treatment modalities.

The Exhibit displays the proposed reimbursement rates for FY 2014-15.

For billing DMC services for service dates on or after July 1, 2014, please refer to the following table when populating the procedure and modifiers on the 837P electronic claim file of DMC claims submitted for adjudication. Note that the former Day Care Rehabilitative service is now renamed to Intensive Outpatient Treatment service.

Non-Perinatal Service Groups, Types and Billing Codes

Service Group	Service Type	Billing Codes		
		Procedure Code	Modifier	Modifier
IOT	Intensive Outpatient Treatment	H0015		
NAL	Naltrexone (NAL) generic	S5000	HG	
NAL	Naltrexone (NAL) brand name	S5001	HG	
NTP	NTP – Individual Counseling	H0004	HG	
NTP	NTP - Group Counseling	H0005	HG	
NTP	NTP - Methadone	H0020	HG	
ODF	ODF – Individual Counseling	H0004		
ODF	ODF – Group Counseling	H0005		

Perinatal Service Groups, Types and Billing Codes

Service Group	Service Type	Billing Codes		
		Procedure Code	Modifier	Modifier
IOT	Intensive Outpatient Treatment	H0015	HD	
NTP	NTP – Individual Counseling	H0004	HD	HG
NTP	NTP - Group Counseling	H0005	HD	HG
NTP	NTP - Methadone	H0020	HD	HG
ODF	ODF – Individual Counseling	H0004	HD	
ODF	ODF – Group Counseling	H0005	HD	
RES	Residential - Short-Term	H0018	HD	
RES	Residential – Long-Term	H0019	HD	

REFERENCES

Sections 51516.1, Title 22, California Code of Regulations
Sections 14021.51, 14021.6 and 14021.9, Welfare and Institutions Code

HISTORY

Section 51516.1, Title 22, California Code of Regulations

QUESTIONS/MAINTENANCE

Questions regarding the DMC rates may be directed to Jim Jacobson at (916) 445-5539 or Jim.Jacobson@dhcs.ca.gov.

EXHIBIT

Exhibit: Proposed Drug Medi-Cal Rates for Fiscal Year 2014-15

Additional copies of this notice and its exhibits may be downloaded from the DHCS website at: http://www.dhcs.ca.gov/formsandpubs/Pages/MHSUDS-InfoNotices.aspx

Sincerely,

Original Signed By

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

Enclosure