



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



GAVIN NEWSOM  
GOVERNOR

DATE: December 9, 2021

Behavioral Health Information Notice No: 21-072

TO: California Alliance of Child and Family Services  
California Association for Alcohol/Drug Educators  
California Association of Alcohol & Drug Program Executives, Inc.  
California Association of DUI Treatment Programs  
California Association of Social Rehabilitation Agencies  
California Consortium of Addiction Programs and Professionals  
California Council of Community Behavioral Health Agencies  
California Hospital Association  
California Opioid Maintenance Providers  
California State Association of Counties  
Coalition of Alcohol and Drug Associations  
County Behavioral Health Directors  
County Behavioral Health Directors Association of California  
County Drug & Alcohol Administrators

SUBJECT: County of Responsibility for Specialty Mental Health Services (SMHS) and Arbitration Between Mental Health Plans (MHPs)

PURPOSE: To remind counties of existing regulations concerning the MHP of the beneficiary, MHP responsibility for out-of-county SMHS including hospitalizations, and the arbitration process for dispute resolution between MHPs, as well as the requirement for MHPs to submit arbitrator information to DHCS.

REFERENCE: California Code of Regulations, Title 9, Sections 1810.228, 1850.405, 1850.415, 1850.420.

**BACKGROUND:**

This Behavioral Health Information Notice is intended to remind MHPs of the existing regulations concerning the MHP of the beneficiary and prevent disagreements about the county of responsibility for authorization and reimbursement of SMHS, including inpatient psychiatric services.

**POLICY:**

MHPs identified as responsible in the Medi-Cal Eligibility Data System (MEDS) file are responsible for authorizing and reimbursing out-of-county SMHS, including hospitalizations, until any dispute is fully resolved and another county becomes responsible.

The MHP of the beneficiary means the MHP responsible for providing or arranging and paying for the SMHS for a beneficiary. The MEDS identifies the MHP of the beneficiary in a field labeled "County of Responsibility." The MHP for the county listed as the "County of Responsibility" in the MEDS is the MHP responsible for providing or arranging and paying for a particular beneficiary's SMHS, including out-of-county hospitalizations. The "County of Responsibility" field controls and determines which MHP is responsible for the beneficiary.

If MHPs cannot reach agreement, and the MHP of the beneficiary identified in the MEDS file disputes their responsibility, that MHP must nevertheless continue providing or arranging and paying for the beneficiary's medically necessary SMHS, until another MHP is determined to be responsible and the dispute is fully resolved. DHCS encourages MHPs to resolve issues at the lowest level possible before invoking the arbitration process. Options may include Memoradums of Understanding or agreements among counties under which a county other than the MEDS county assumes responsibility for coordinating, authorizing, and paying for a beneficiary's care prior to completion of an intercounty transfer. Any such agreements among MHPs may be communicated to a hospital or provider to enable the hospital or provider to coordinate with, and seek payment from the appropriate MHP.

In the event of a dispute that cannot be resolved between the MHPs, the regulations discussed below address arbitration between MHPs and require implementation of an arbitrator's decision within 14 calendar days. Regulations also require MHPs to identify individuals available to serve as arbitrators.

*Other Guidance on County of Responsibility:*

Inter-county transfer of Medi-Cal eligibility is addressed separately in the [All County Welfare Directors \(ACWD\) Letter No.: 18-02E](#). When a Medi-Cal beneficiary permanently moves from one county to another, the beneficiary is responsible for promptly notifying the county from which they move or the county to which they move of the change in residence. (Welfare & Institutions Code § 10003, subd. (a), ACWD Letter No. 18-02E.)

Nothing in this Notice changes existing coverage obligations or payment processes for youth under 21 who may be subject to presumptive transfer. Please refer to [BHIN 18-027](#) for guidance on responsibility for specialty mental health services, including psychiatric hospitalization for this population.

## **REGULATIONS:**

### MHP of Beneficiaries

The County of Responsibility listed in MEDS, MEDSLITE, and Automated Eligibility Verification System (AEVS) file determines which county's MHP is responsible for providing or arranging SMHS, approving care, and paying claims for medically necessary services for eligible beneficiaries. As such, in the event of a dispute that must be resolved through arbitration, the MHP of the county identified in MEDS, MEDSLITE, and AEVS as responsible shall provide or arrange and pay for the medically necessary SMHS provided to eligible beneficiaries, no matter where the beneficiary is located or residing, until the dispute is resolved and another MHP is determined responsible pursuant to Section 1850.405. (Cal. Code Regs. tit. 9, §§ 1810.228, 1850.420.)

### MHP Responsibility for SMHS Pending Resolution of a Dispute

A dispute regarding the MHP of the beneficiary shall not delay medically necessary services to beneficiaries. (Cal. Code Regs. tit. 9, § 1850.420.) The MHP of the beneficiary as identified in MEDS, MEDSLITE, or AEVS file shall be responsible for providing or authorizing and paying for the service until the dispute is resolved. (Id.)

### Arbitration Process for Disputes Between MHPs

[Please refer to California Code of Regulations, Title 9, sections 1850.405](#)

### Implementation of the Arbitrators' Decision

[Please refer to California Code of Regulations, Title 9, sections 1850.415.](#)

### MHP's Annual Submission of Arbitrator Information

Each MHP shall provide the Department with at least one individual available to serve as an arbitrator. Submission should include the individual's name, title, phone number, email address, and mailing address.

MHPs shall submit arbitrator information annually in order for DHCS' to provide a list of available individuals by October 1. The MHP shall confirm or update the available individuals annually thereafter, preferably by August 31 of each year for publication of a list of available individuals by October 1. Submission of arbitrator information should be made in writing to [MCBHDmonitoring@dhcs.ca.gov](mailto:MCBHDmonitoring@dhcs.ca.gov).

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Listing of Available Arbitrators

Based on the information submitted by the MHPs, the Department will provide a list of the available individuals to the MHPs annually by October 1.

If you have questions, please contact [countysupport@dhcs.ca.gov](mailto:countysupport@dhcs.ca.gov).

Sincerely,

Original signed by

Shaina Zurlin, PsyD, LCSW, Chief  
Medi-Cal Behavioral Health Division