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

MICHELLE BAASS
DIRECTOR

GAVIN NEWSOM
GOVERNOR

DATE: March 16, 2022

Behavioral Health Information Notice No: 22-009

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: Mental Health Plan and Managed Care Plan Responsibility to Provide Services to Beneficiaries with Eating Disorders

PURPOSE: To provide Mental Health Plans (MHPs) with clarification and guidance regarding their responsibility to provide medically necessary covered specialty mental health services (SMHS) to beneficiaries who are diagnosed with feeding and eating disorders (hereafter referred to as eating disorders).[1] Corresponding guidance to Medi-Cal Managed Care Health Plans (MCPs) is contained in All Plan Letter (APL) 22-003.[2]

REFERENCE: Behavioral Health Information Notice 21-034: Dispute Resolution Process Between Mental Health Plans and Medi-Cal Managed Care Plans

BACKGROUND:

[1] The Diagnostic and Statistical Manual of Mental Disorders Fifth Edition states, "feeding and eating disorders are characterized by a persistent disturbance of eating or eating-related behavior that results in the altered consumption or absorption of food and that significantly impairs physical health or psychosocial functioning."
[2] APLs can be found on the DHCS website.

Eating disorders are complex conditions involving both physical and psychological components. As such, effective treatment of eating disorders involves a combination of physical and mental health interventions, often provided through an integrated therapeutic modality, program, or setting.

Coordinating appropriate and effective services and treatment for beneficiaries with eating disorders involves unique complexities and is a shared responsibility between MHPs and MCPs. MHPs are required to provide and cover all medically necessary SMHS in accordance with their contracts with the Department of Health Care Services (DHCS). MCPs are required to provide and cover all medically necessary physical health and non-specialty mental health services, excluding those services that are carved out of the MCP's contract with DHCS. MCPs are contractually responsible for providing Comprehensive Medical Case Management Services, including coordination of care, to ensure the provision of all medically necessary services, whether those services are delivered within or outside of the MCP's provider network. These services are provided through either basic case, complex case, or Enhanced Care Management activities based on the medical needs of the beneficiary.[3] MCPs are also responsible for non-specialty mental health services (NSMHS) provided to beneficiaries. MHPs are required to provide and cover all medically necessary SMHS in accordance with their contracts with DHCS.

The Early and Periodic Screening, Diagnostic, and Treatment Medicaid mandate entitles beneficiaries under the age of 21 to any medically necessary services coverable under Medicaid to correct or ameliorate identified conditions. Eating disorders are common among adolescents and young adults, and MCPs and MHPs are obligated to provide services necessary to correct or ameliorate eating disorders for beneficiaries under age 21, whether or not such service is generally only available to adults over age 21. Therefore, if it is medically necessary for a youth under age 21 to receive residential treatment or day treatment intensive services to treat the eating disorder, the MCP and MHP need to provide or arrange and pay for such services.

POLICY:

MHPs and MCPs share a joint responsibility to provide medically necessary services to Medi-Cal beneficiaries with eating disorders. Some treatment for eating disorders (both inpatient and outpatient SMHS) are covered by MHPs. Some treatment for eating disorders is also covered by MCPs. Since eating disorders are complex conditions involving both physical and psychological symptoms and complications, the treatment

[3] MCP boilerplate contracts are available on the DHCS website.

typically involves blended physical health and mental health interventions, which MCPs and MHPs are jointly responsible to provide.[4]

As stated previously, MCPs are responsible for the physical health components of eating disorder treatment and NSMHS, and MHPs are responsible for the SMHS components of eating disorder treatment, specifically:

- MHPs must provide, or arrange and pay for, medically necessary psychiatric inpatient hospitalization and outpatient SMHS;
- MCPs must provide inpatient hospitalization for beneficiaries with physical health conditions, including those who require hospitalization due to physical complications of an eating disorder and who do not meet criteria for psychiatric hospitalization. MCPs must also provide or arrange for NSMHS for beneficiaries requiring these services;
- MCPs must cover and pay for emergency room professional services as described in Section 53855 of Title 22 of the California Code of Regulations. This includes all professional physical, mental, and substance use treatment services, including screening examinations necessary to determine the presence or absence of an emergency medical condition and, if an emergency medical condition exists, for all services that are medically necessary to stabilize the beneficiary. Emergency services include professional services and facility charges claimed by emergency departments.
- For partial hospitalization and residential eating disorder programs, MHPs are responsible for the medically necessary SMHS components, and MCPs are responsible for the medically necessary physical health components.

As stated above, MCPs are contractually responsible for providing Comprehensive Medical Case Management Services, including coordination of care, to ensure the provision of all medically necessary services, whether those services are delivered within or outside of the MCP's provider network. These services are provided through either basic case, complex case, or Enhanced Care Management activities based on the medical needs of the beneficiary. As a result, MCPs must coordinate all medically necessary care for beneficiaries, including locating, arranging, and following up to ensure services were rendered for partial hospitalization and residential eating disorder programs, when such treatment is medically necessary for a beneficiary.

DHCS does not require a specific funding split for MHPs and MCPs to share the cost of services provided in partial hospitalization and residential eating disorder programs.

[4] Welf. & Inst. Code § 14184.402, subds. (b)-(d), (f), (i)(1)

Instead, DHCS recommends that both parties mutually agree upon an arrangement to cover the cost of these medically necessary services. DHCS recommends that MHPs and MCPs proactively come to an agreement on the bundle of services, unit costs, and total costs associated with an episode or case of eating disorder treatment. DHCS recommends that MHPs and MCPs agree on the division of financial responsibility.

DHCS requires that MHPs and MCPs have a memorandum of understanding (MOU) in place. The division of financial responsibility agreement should be documented in the MOU between the MCP and MHP, inclusive of details about which plan will be responsible for establishing contracts detailing payment mechanisms with providers. If the MHP and the MCP cannot agree on how to divide financial responsibility for those services, DHCS recommends that the MOU require the MCP and the MHP to split the costs equally.

The MOU should also include a requirement that any medically necessary service requiring shared responsibility (such as partial hospitalization and residential treatment for eating disorders) requires coordinated case management and concurrent review by both the MCP and the MHP. In addition, the MOU must specify procedures to ensure timely and complete exchange of information by both the MHP and the MCP for the purposes of medical and behavioral health care coordination to ensure the beneficiary's medical record is complete and the MCP can meet its care coordination obligations.

Should disputes arise between parties that cannot be resolved at the MHP and MCP level, MHPs are required to follow the dispute resolution process contained in BHIN 21-034 ("Dispute Resolution Process Between Mental Health Plans and Medi-Cal Managed Care Health Plans"), including subsequent revisions to BHIN 21-034. MCPs are required to follow a parallel dispute resolution process contained in APL 21-013. Nonetheless, MHPs must not delay the case management and care coordination, as well as the coverage of, medically necessary SMHS pending the resolution of a dispute.

MHPs are responsible for ensuring that their subcontractors and network providers comply with all applicable state and federal laws and regulations, contract requirements, and other DHCS guidance, including BHINs. These requirements must be communicated by each MHP to all subcontractors and network providers.

Questions regarding this BHIN may be directed to the County/Provider Operations and Monitoring Sections at CountySupport@dhcs.ca.gov.

Sincerely,

Original signed by

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