



DATE: February 8, 2024

Behavioral Health Information Notice No: 24-008
Supersedes BHINs [21-032](#) and [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 and Reimbursement for Specialty Mental Health Services (SMHS), Drug Medi-Cal (DMC), and Drug Medi-Cal Organized Delivery System (DMC-ODS)

PURPOSE: To clarify the county Mental Health Plan (MHP), and the DMC and DMC-ODS counties responsible to pay claims for substance use disorder (SUD) treatment and/or SMHS provided to members who move to another county.

REFERENCE: BHIN 21-032 & BHIN 21-072

BACKGROUND:

This Behavioral Health Information Notice (BHIN) is intended to clarify distinctions between and responsibilities of the County of Residence and County of Responsibility for members who move to another county, including but not limited to individuals being released from incarceration. DHCS launched the California Advancing and Innovating Medi-Cal (CalAIM) Justice-Involved initiative to build a bridge to community-based care for justice-involved Medi-Cal members, offering them services to stabilize their condition(s) and establishing a re-entry plan for their community-based care prior to release.

Definitions:

- *County of Responsibility*: the field in the DHCS Medi-Cal Eligibility Data System (MEDS) and/or MEDSLITE, that indicates the county that has control of the case record in MEDS, and/or MEDSLITE, and can make eligibility and demographic information updates to the MEDS, and/or MEDSLITE, record. Except as described below, this county has financial responsibility for SMHS, and/or SUD treatment services, consistent with the county contract with DHCS. Providers can verify Medi-Cal eligibility in three ways: Point of Service Device, Benefits Identification Card reader, Automated Eligibility Verification System, or the Medi-Cal website.
- *County of Residence*: the field in MEDS, and/or MEDSLITE, indicating the county in which the member resides or the county in which a justice involved individual plans to reside upon their release.

DHCS uses the Short-Doyle billing system to process claims from county MHPs, and DMC/DMC-ODS counties. Eligible justice-involved populations will receive 90-day pre-release services that will be delivered, claimed, and paid for via Medi-Cal's FFS delivery system. While processing claims, the Short-Doyle billing system queries MEDS, and/or MEDSLITE, to verify Medi-Cal eligibility of the individuals' receiving services and the member's current residence. MEDS, and/or MEDSLITE, has a field labeled County of Responsibility. The County of Responsibility field indicates the county that is responsible for covering the member's SMHS, SUD treatment services, except as described below in the policy section. In general, the county indicated in the MEDS, and/or MEDSLITE, County of Residence field will be the same as the county indicated in the MEDS, and/or MEDSLITE, County of Responsibility field.

However, the county identified in MEDS, and/or MEDSLITE, as the County of Residence and the county identified in MEDS, and/or MEDSLITE, as the County of Responsibility will be different in the following circumstances: 1) during the interim period between the time an Inter-County Transfer (ICT) ([ACWDL: 18-02E](#)) is initiated and the time it is completed; 2) if a member temporarily moves, for example a member who, upon release from incarceration, establishes residence in one county, but as a condition of parole, temporarily resides in a residential treatment facility in another county, or a college student; and 3) in instances of presumptive transfer for foster care children, where there is a transfer of responsibility for providing or arranging and paying for SMHS from the county of original jurisdiction to the county in which the foster child or youth resides ([BHIN 19-041](#)). In all other circumstances, the same county should be identified as the County of Residence and the County of Responsibility in MEDS and/or MEDSLITE.

When a member moves from one county to another or is being released from incarceration into a county that is not the County of Responsibility listed in MEDS, and/or MEDSLITE, the member can request an ICT updating their address to either the county office where the member currently resides, or the office in the county to which the member is moving. During the ICT process, the County of Responsibility will update the address field in MEDS to the address where the beneficiary is moving and initiate the ICT to that county if applicable. A County Eligibility Worker in the County of Responsibility can update the County of Residence field when a beneficiary notifies either county of a change of address. The County of Residence field in MEDS, and/or MEDSLITE, is changed at the beginning of the ICT process. The County of Responsibility field is changed at the end of an ICT process.

Historically, the Short-Doyle system tied billing SUD treatment services provided in DMC-ODS counties to the County of Responsibility field. This means that the Short-Doyle system denied claims for services provided to a member during the period after the ICT process had begun, but before it was complete, and the County of Responsibility field had been changed. However, in 2021, changes to the Short-Doyle system resulted in allowances for counties to submit DMC-ODS claims based on either the County of Responsibility or the County of Residence, which allowed for greater flexibility in situations such as ICTs and temporary moves. Historically, the Short-Doyle system did not tie billing for SUD treatment services in DMC counties to the County of Responsibility field in MEDS. However, in 2023, with implementation of Cal AIM Behavioral Health Payment Reform, the Short-Doyle System began tying billing for SUD Treatment Services in DMC counties to the County of Responsibility or County of Residence field in MEDS, similar to billings for SUD treatment services in DMC-ODS counties.

POLICY:

The County of Responsibility field in MEDS and MEDSLITE is the official source for determining which county MHP and/or DMC /DMC-ODS is responsible to pay claims for medically necessary SMHS and/or SUD treatment services provided to an eligible member, no matter where the member is located or residing, unless or until an ICT has been initiated to change the address of a member's residence to another county.

The County, listed in the County of Responsibility field in MEDS and/or MEDSLITE is responsible to provide authorizations for SMHS, and/or SUD treatment services and to pay claims for services provided. The only exceptions to this policy are when an ICT is initiated because the member: provided notice of a change of residence; or is being released from a prison, jail, or a youth correctional facility. In these cases, once the County of Residence field is updated in MEDS, and/or MEDSLITE, the county listed in the County of Residence field is responsible for payment of SMHS, and/or SUD

treatment services claims. The county indicated in the County of Residence field shall pay for SUD treatment services and shall not impose prior authorization. However, the county identified in the County of Residence field shall impose prior authorization for Residential Treatment Services if that county is participating in the DMC-ODS program.¹ The county indicated in the County of Residence field shall pay for covered SMHS services and may not impose prior authorization except for Intensive Home-Based Services, Day Treatment Intensive, Day Rehabilitation, Therapeutic Behavioral Services, or Therapeutic Foster care as these services require prior authorization or referral. However, the county indicated in the County of Residence field shall utilize referral and/or concurrent review processes for Adult Residential Treatment Services and Crisis Residential Treatment Services². Concurrent review is required for psychiatric inpatient hospital services, and psychiatric health facility services. This information notice supersedes Title 9, California Code of Regulations, section 1810.228, to the extent that they conflict.³

For those services described in the preceding paragraph where referral, prior authorization or concurrent review is required, if a provider requests an authorization for SMHS or a SUD treatment service from a county MHP, DMC-ODS, and/or DMC County for a member that has initiated an ICT to another county, the County of Responsibility must notify the provider that an ICT has been initiated, and the provider must then request the authorization from the County of Residence. Once the County of Residence field is updated in MEDS, and/or MEDSLITE, the provider may request authorization from the new county MHP, DMC, and/or DMC-ODS listed in the County of Residence field, and the County of Residence shall review the authorization.

The Short-Doyle system has been modified to allow a MHPs, DMC and/or DMC-ODS county to submit SMHS, and/or SUD treatment claims when that county is identified as either the County of Responsibility or the County of Residence in MEDS, and/or MEDSLITE. Previously denied claims may be resubmitted if they meet the following criteria:

- The original claim was submitted within twelve months of the service provision and denied by Short-Doyle, and;
- At the time of resubmission, the claim is no older than 24 months from the date of service provision

Claims that do not meet these criteria will not be retroactively reimbursed.

¹ [BHIN 24-001](#)

² [BHIN 22-016](#); [BHIN 22-017](#).

³ The Department has bulletin authority to make this change pursuant to Welfare & Institutions Code section 10003 and Penal Code section 4011.11.

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As a reminder, prior to delivering services, providers should always verify both Medi-Cal eligibility and which county is required to reimburse for that member's care as described above.

MHP Responsibility for SMHS Pending Resolution of a Dispute:

A dispute regarding the MHP of the member shall not delay medically necessary services to members. (Cal. Code Regs. tit. 9, § 1850.420.) The MHP of the member as identified in MEDS and/or MEDSLITE 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 MCBHOMDMonitoring@dhcs.ca.gov.

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.

Questions regarding this BHIN may be directed to the County Monitoring Section at CountySupport@dhcs.ca.gov.

Sincerely,

Original signed by

Ivan Bhardwaj, Chief
Medi-Cal Behavioral Health Policy Division