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DIRECTOR

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



GAVIN NEWSOM
GOVERNOR

DATE: May 29, 2020

Behavioral Health Information Notice No: 20-023

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 Consortium of Addiction Programs and Professionals
California Council of Community Behavioral Health Agencies
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: Increase in Drug Medi-Cal Reimbursement Rates for Fiscal Years
2019-20 and 2020-21 during the COVID-19 Public Health Emergency

REFERENCE: [California State Plan Amendment \(SPA\) 20-0024](#)
[MHSUDS Information Notice 19-036](#)

PURPOSE

This Behavioral Health Information Notice explains the temporary increase in Drug Medi-Cal (DMC) rates for non-Narcotic Treatment Program (non-NTP) services in State Plan counties during the COVID-19 public health emergency (PHE).

DISCUSSION

The Department of Health Care Services recognizes that the COVID-19 PHE and resulting widespread stay-at-home orders has created challenges for counties delivery of DMC services. This includes reimbursement and cash flow challenges as counties report utilization decreases, without a commensurate decrease in cost to provide those services. In recognition of those challenges, on May 13, 2020, the federal Centers for Medicare & Medicaid Services (CMS) approved State Plan Amendment 20-0024, including DHCS' request for interim payment flexibilities. As a result, for DMC non-NTP

services provided on or after March 1, 2020, until the COVID-19 public health emergency ends, DHCS will provide interim reimbursement equal to the lower of the county's billed amount or the Statewide Maximum Allowance (SMA) increased by 100 percent. At cost settlement, DHCS will settle payments to allowable cost for services provided during the same period of time. CMS has waived the usual and customary charge and the SMA limitation for this period. The temporary rate increases are retroactive to services provided on March 1, 2020, through the end of the public health emergency. Counties will need to replace DMC claims that were submitted to Short Doyle prior to the date the rates are updated in the system in order to receive the additional reimbursement for certified public expenditures authorized under SPA 20-024. DHCS will e-mail all Short Doyle users when the rates are updated. The federal authority for the increased SMA rates authorized under the SPA expire at the end of the PHE. DHCS will send a subsequent IN to inform counties when the PHE has been declared over and that the SMA will revert to the rates prior to the PHE.

Exhibits A and B list the COVID-related SMA rates for DMC non-NTP services for Fiscal Year (FY) 2019-20 and FY 2020-21. The FY 2020-21 COVID rates are effective July 1, 2020, assuming the public health emergency is still in effect.

QUESTIONS

E-mail MedCCC@dhcs.ca.gov any questions regarding this information notice.

Sincerely,

Original signed by

Lindy Harrington
Deputy Director
Health Care Financing

Enclosures