



BRADLEY P. GILBERT, MD, MPP
DIRECTOR

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



GAVIN NEWSOM
GOVERNOR

DATE: June 11, 2020

Behavioral Health Information Notice No: 20-031

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: Specialty Mental Health and Drug Medi-Cal Organized Delivery System Reimbursement Modifications during the COVID-19 Public Health Emergency

REFERENCE: [State Plan Amendment \(SPA\) 20-0024](#); and Specialty Mental Health Services (SMHS) Certified Public Expenditure (CPE) Protocol; and Drug Medi-Cal Organized Delivery System (DMC-ODS) Certified Public Expenditure Protocol

PURPOSE: This Behavioral Health Information Notice (BHIN) notifies Mental Health Plans about additional payment flexibility approved by the Centers for Medicare and Medicaid (CMS) for SMHS provided during the COVID-19 public health emergency (PHE).

BACKGROUND

The Department of Health Care Services (DHCS) recognizes that the COVID-19 PHE and resulting widespread stay-at-home orders have created challenges for counties' delivery of SMHS. This includes reimbursement and cash flow challenges as counties report utilization decreases, without a commensurate decrease in cost to provide those services. CMS approved SPA 20-0024 and amendments to the SMHS CPE Protocol to

authorize DHCS to implement the following modifications to the reimbursement methodology for Specialty Mental Health Services.

POLICY

For SMHS 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 county interim rate increased by 100 percent. At cost settlement, DHCS will settle interim payments to allowable cost, rather than the lower of allowable cost or usual and customary charges, for services provided during the same period of time.

DHCS is currently deploying updated county interim rates in the Short Doyle Medi-Cal claiming system. Counties will need to replace SMHS claims that were submitted to Short Doyle prior to the date the COVID-related interim rates are updated in the system in order to receive the additional reimbursement for certified public expenditures. DHCS will e-mail all Short Doyle users when the rates are updated and will publish a subsequent IN to inform counties when the PHE and these payment modifications have ended.

CMS also approved DHCS' request to allow DMC state plan services to be provided via telehealth. DMC State Plan counties may need to purchase equipment and training for staff to provide DMC State Plan services via telehealth. Counties may claim reimbursement for these costs if incurred on or after March 1, 2020, and before the end of the PHE. Please claim reimbursement for these costs separately from other administrative costs using the normal administrative cost claim form (MC 5312). Please enter actual costs on line 4 and write "Telehealth Ancillary Costs" on the top of the form.

DHCS has also requested amendments to the DMC-ODS CPE Protocol to mirror the reimbursement changes for SMHS. DHCS will publish a subsequent BHIN to inform counties when this amendment has been approved.

For questions on specific county interim rates deployed in Short Doyle, please e-mail MedCCC@dhcs.ca.gov.

Sincerely,

Original signed by

Lindy Harrington
Deputy Director
Health Care Financing