



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



GAVIN NEWSOM
GOVERNOR

DATE:

Behavioral Health Information Notice No: 21-XXX

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: Criteria for beneficiary access to Specialty Mental Health Services

PURPOSE: To give notice of statutory changes for a beneficiary to access the Specialty Mental Health Services (SMHS) delivery system and align medical necessity with the federal definition.

SUPERSEDES: BHIN 20-043, in part

REFERENCES: Welfare and Institutions Code section 14184.402

BACKGROUND:

With the California Advancing and Innovating Medi-Cal (CalAIM) initiative, the Department of Health Care Services (DHCS) aims to design a coherent plan to address beneficiaries' needs across the continuum of care, ensure that all Medi-Cal beneficiaries receive coordinated services, and improve health outcomes. The goal is to ensure access to the right care in the right place at the right time.

To achieve this aim, DHCS is clarifying the responsibilities of Mental Health Plans (MHPs), including updating the criteria for access to SMHS, for both adults and

beneficiaries under age 21, except for psychiatric inpatient hospital and psychiatric health facility services, which will be addressed in forthcoming guidance. These criteria were developed based on significant feedback from stakeholders.

Assembly Bill (AB) 133¹ implements various components of the CalAIM initiative. As specified in Welfare and Institutions Code section 14184.402, the revised definitions and criteria below are effective January 1, 2022. AB 133 gives DHCS authority to implement the criteria for access to SMHS through this Behavioral Health Information Notice (BHIN) until DHCS implements new regulations by July 1, 2024.

Effective January 1, 2022, the criteria for access to SMHS (except for psychiatric inpatient hospital and psychiatric health facility services, which will be addressed in forthcoming guidance) is as established below. California Code of Regulations (CCR), title 9, sections 1830.205 and 1830.210 are no longer applicable.

This BHIN supersedes any BHIN or other guidance published prior to January 1, 2022 regarding medical necessity criteria for MHP reimbursement of SMHS, including components of [BHIN 20-043](#). This BHIN does not address criteria for psychiatric inpatient hospital and psychiatric health facility services, which will be addressed in forthcoming guidance.

POLICY:

Medical Necessity

Pursuant to [Welfare and Institutions Code section 14184.402\(a\)](#), for individuals 21 years of age or older, a service is “medically necessary” or a “medical necessity” when it is reasonable and necessary to protect life, to prevent significant illness or significant disability, or to alleviate severe pain.

For individuals under 21 years of age, a service is “medically necessary” or a “medical necessity” if the service meets the standards set forth in [Section 1396d\(r\)\(5\) of Title 42](#) of the United States Code, including all Medicaid-coverable health care services needed to correct and ameliorate mental illness and conditions. Consistent with [federal guidance](#), services need not be curative or completely restorative to ameliorate a mental health condition. Services that sustain, support, improve, or make more tolerable a mental health condition are considered to ameliorate the mental health condition and are thus covered as EPSDT services.

¹ https://ct3k1.capitoltrack.com/Bills/21Bills/asm/ab_0101-0150/ab_133_93_C_bill.pdf

Pursuant to 42 CFR §§ 456.5 and 440.230 (b), each Medi-Cal service shall be clinically appropriate to address the beneficiary's presenting condition.

In addition to the above medical necessity definitions, which apply to all Medi-Cal delivery systems, beneficiaries must meet specific criteria to access SMHS via the MHP delivery system.

Criteria for Beneficiaries to Access Specialty Mental Health Services for Adults

For beneficiaries 21 years of age or older, a county mental health plan shall provide covered specialty mental health services for beneficiaries who meet **both of the following** criteria, (1) and (2) below:

- (1) The beneficiary has **one or both** of the following:
- a. Significant impairment, where impairment is defined as distress, disability, or dysfunction in social, occupational, or other important activities.
- AND/OR**
- b. A reasonable probability of significant deterioration in an important area of life functioning.

AND

- (2) The beneficiary's condition as described in paragraph (1) is due to **either of the following**:
- a. A diagnosed mental health disorder, according to the criteria of the current editions of the Diagnostic and Statistical Manual of Mental Disorders and the International Statistical Classification of Diseases and Related Health Problems,
- OR**
- b. A suspected mental disorder that has not yet been diagnosed.²

² Welf. & Inst. Code, § 14184.402(c)

Criteria for Beneficiaries to Access Specialty Mental Health Services for Beneficiaries under Age 21

For enrolled beneficiaries under 21 years of age, a county mental health plan shall provide all medically necessary specialty mental health services required pursuant to Section 1396d(r) of Title 42 of the United States Code. Covered specialty mental health services shall be provided to enrolled beneficiaries who meet **either of the following** criteria, (1) or (2) below:

- (1) The beneficiary has a condition placing them at high risk for a mental health disorder due to experience of trauma evidenced by any of the following: scoring in the high-risk range under a trauma screening tool approved by the department, involvement in the child welfare system, juvenile justice involvement, or experiencing homelessness.³

OR

- (2) The beneficiary meets **both of the following** requirements in a) and b), below:
 - a) The beneficiary has **at least one** of the following:
 - i. A significant impairment
AND/OR
 - ii. A reasonable probability of significant deterioration in an important area of life functioning
AND/OR
 - iii. A reasonable probability of not progressing developmentally as appropriate.
AND/OR
 - iv. A need for specialty mental health services, regardless of presence of impairment, that are not included within the mental health benefits that a Medi-Cal managed care plan is required to provide.

AND

³ Please see Definitions section below for additional information. The [Pediatric ACES and Related Life-Events Screener \(PEARLS\) tool](#) is one example of a standard way of measuring trauma for children and adolescents through age 19. The [ACE Questionnaire](#) is one example of a standard way of measuring trauma for adults beginning at age 18. DHCS will explore the approval process and standards for trauma screening tools for beneficiaries under 21 years of age through continued stakeholder engagement.

- b) The beneficiary's condition as described in subparagraph (2) above is due to **one of the following**:
- i. A diagnosed mental health disorder, according to the criteria of the current editions of the Diagnostic and Statistical Manual of Mental Disorders and the International Statistical Classification of Diseases and Related Health Problems.
OR
 - ii. A suspected mental health disorder that has not yet been diagnosed.
AND/OR
 - iii. Significant trauma placing the beneficiary at risk of a future mental health condition, based on the assessment of a licensed mental health professional.⁴

Additional Coverage Requirements and Clarifications

This criteria for a beneficiary to access SMHS (except for psychiatric inpatient hospital and psychiatric health facility services) set forth above shall not be construed to exclude coverage for, or reimbursement of, a clinically appropriate and covered mental health prevention, screening, assessment, treatment, or recovery service under any of the following circumstances:

- Services were provided prior to determining a diagnosis, including clinically appropriate and covered services provided during the assessment process.
- The prevention, screening, assessment, treatment, or recovery service was not included in an individual treatment plan.
- The beneficiary has a co-occurring substance use disorder.

Per Welfare and Institutions Code section 14184.402(f)(1)(A), a mental health diagnosis is not a prerequisite for access to covered SMHS. This does not eliminate the requirement that all Medi-Cal claims, including SMHS claims, include a CMS approved ICD-10 diagnosis code.⁵ In cases where services are provided due to a suspected mental health disorder that has not yet been diagnosed or due to significant trauma as noted above, options are available in the CMS approved ICD-10 diagnosis code list. For example, these include codes for "Other specified" and "Unspecified" disorders," or "Factors influencing health status and contact with health services" (i.e., Z codes).

⁴ Welf. & Inst. Code, § 14184.402(d)

⁵ The ICD 10 Tabular (October 1st thru September 30th) at <https://www.cms.gov/medicare/icd-10/2022-icd-10-cm>

DHCS may provide additional clarification and technical assistance regarding the use of Z codes.

The portion of [BHIN 20-043](#) that limits SMHS to a list of DHCS included ICD-10 diagnoses is superseded by this BHIN, effective January 1, 2022, except for psychiatric inpatient hospital and psychiatric health facility services, which will be addressed in forthcoming guidance.

This BHIN does not change the respective responsibilities of MHPs, MCPs and the Medi-Cal Fee for Service (FFS) delivery systems. Services for symptoms or conditions solely due to a medical condition (e.g., dementia and traumatic brain injury) remain the responsibility of the MCP or the FFS delivery system. However, SMHS are reimbursable for beneficiaries with medical diagnoses if they also have mental health conditions and meet criteria for SMHS as described above.

COMPLIANCE:

MHPs shall implement the criteria for access to SMHS established above effective January 1, 2022, update MHPs policies and procedures as needed to ensure compliance with this policy effective January 1, 2022, and communicate these updates to providers as necessary.⁶

In addition, MHPs shall update beneficiary handbooks, manuals, and related materials to ensure the criteria for SMHS for individuals under 21 years of age and for adults is accurately reflected in all materials, including materials reflecting the responsibility of Medi-Cal managed care plans and the Fee for Service delivery system for covering non-specialty mental health services.

DEFINITIONS:

Involvement in child welfare: The beneficiary has an open child welfare services case, which means that the child welfare agency has opened a child welfare or prevention services case with the family to monitor and provide services. A child has an open child welfare or prevention services case if: a) the child is in foster care or in out of home care, including both court-ordered and by voluntary agreement; or b) the child has a family maintenance and/or prevention services case (pre-placement or post-reunification), including both court-ordered and by voluntary agreement. A child can

⁶ Welf. & Inst. Code, § 14184.402(i)

have involvement in child welfare whether the child remains in the home or is placed out of the home. Involvement in child welfare also includes a child whose adoption occurred through the child welfare system.

Homelessness: means the federal Department of Housing and Urban Development's (HUD) definition of homeless in Section 91.5 of Title 24 of the Code of Federal Regulations, including any subsequent amendments. The HUD definition includes four categories: 1) literally homeless; 2) imminent risk of homelessness; 3) unaccompanied youth under 25 who qualify as homeless under other Federal statutes; and 4) fleeing/attempting to flee domestic violence: see [link](#), with additional information [here](#).

Juvenile justice involvement: The beneficiary (1) has ever been detained or committed to a juvenile justice facility, or (2) is currently under supervision by the juvenile delinquency court and/or a juvenile probation agency. Beneficiaries who have ever been in custody and held involuntarily through operation of law enforcement authorities in a juvenile justice facility, including youth correctional institutions, juvenile detention facilities, juvenile justice centers, and other settings such as boot camps, ranches, and forestry/conservation camps, are included in the "juvenile justice involvement" definition. Beneficiaries on probation, who have been released home or detained/placed in foster care pending or post-adjudication, under probation or court supervision, participating in juvenile drug court or other diversion programs, and who are otherwise under supervision by the juvenile delinquency court and/or a juvenile probation agency also meet the "juvenile justice involvement" criteria.

Please direct any questions to countysupport@dhcs.ca.gov

Sincerely,

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Medi-Cal Behavioral Health