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



EDMUND G. BROWN JR.  
GOVERNOR

**DATE:**

MMCD POLICY LETTER 14-XXX

**TO:** ALL MEDI-CAL MANAGED CARE PLANS

**SUBJECT:** REQUIREMENTS FOR COVERAGE OF EARLY AND PERIODIC SCREENING, DIAGNOSTIC, AND TREATMENT (EPSDT) SERVICES FOR MEDI-CAL BENEFICIARIES UNDER THE AGE OF TWENTY ONE

**PURPOSE:**

This Policy Letter (PL) clarifies the responsibilities of Medi-Cal managed care plans (MCPs) to provide Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) services to eligible children under the age of 21. This policy applies to all children enrolled in MCPs. This guidance is intended to reinforce existing state and federal law regarding the provision of Medi-Cal services, including EPSDT, and does not represent any change in policy. This PL supersedes PL 00-006.

**BACKGROUND:**

In 1967, Congress expanded the EPSDT benefit for children under age 21. The EPSDT benefit provides comprehensive screening, diagnosis, treatment and preventive health care services for children under age 21 who are enrolled in Medi-Cal, and is key to ensuring that children with EPSDT eligibility receive appropriate preventive, dental, mental health, developmental and specialty services.

Section 1905(r) of the Social Security Act (the Act) defines the EPSDT benefit to include a comprehensive array of preventive, diagnostic, and treatment services for low-income children under age 21. States are required to provide coverage to EPSDT-eligible children any services listed in section 1905(a) of the Act, when the services are determined to be medically necessary to correct or ameliorate any physical or behavioral conditions. Services must also be provided when medically necessary to “prevent disease, disability, and other health conditions or their progression,” “[p]rolong life,” and “[p]romote physical and mental health and efficiency” (42 C.F.R. §440.130(c)). The EPSDT benefit is more robust than the Medi-Cal benefit package provided to adults and is designed to ensure that EPSDT-eligible children receive early detection and preventive care in addition to medically necessary treatment services, so that health problems are averted or diagnosed and treated as early as possible.

42 U.S.C. section 1396d(r) requires MCPs to provide the following EPSDT services:

1. Screening services provided “at intervals that meet standards of medical and dental practice, and at such other medically necessary intervals to determine the existence of physical or mental illnesses or conditions.” Screening services must at a minimum include: A comprehensive health and developmental history (including assessment of both physical and mental health development); a comprehensive unclothed physical exam; appropriate immunizations; laboratory tests (including blood lead level taking into account age and risk factors); and health education (including anticipatory guidance). In addition, 22 California Code of Regulations (CCR) section 51184(a)(3) provides that screening services include “[a]ny other encounter with a licensed health care provider that results in the determination of the existence of a suspected illness or condition or a change or complication in a condition...”
2. Vision services provided at intervals which meet reasonable standards of medical practice and that shall at a minimum include diagnosis and treatment for defects in vision, including eyeglasses.
3. Dental services provided at intervals which meet reasonable standards of dental practice to determine the existence of a suspected illness or condition, and at a minimum includes treatment for relief of pain and infections, restoration of teeth, and maintenance of dental health.
4. Hearing services provided at intervals which meet reasonable standards of medical practice to determine the existence of a suspected illness or condition and, at a minimum, includes diagnosis and treatment for defects in hearing, including hearing aids.
5. Other necessary health care, diagnostic services, treatment, and other measures described in 42 U.S. Code 1396d(a) including private duty nursing to correct or ameliorate defects and physical and mental illnesses and conditions discovered by the screening services, whether or not such services or items are listed in the state plan or are covered for adults.

### EPSDT in California

The EPSDT benefit in California is codified under 22 CCR section 51184. Medi-Cal EPSDT services are all medically necessary services that “correct or ameliorate” eligible children’s illnesses and conditions, regardless of whether those services are offered to adults (W&I Code §14132(v); 22 CCR §51340; 22 CCR §51184). EPSDT services include all medically necessary services available to EPSDT-eligible children under age 21, including the services that are referred to as “EPSDT Supplemental Services” in the MCPs’ contracts with the Department.

If a MCP determines that case management services are medically necessary and not otherwise available, the MCP shall provide, or arrange and pay for, the case management services for its EPSDT-eligible children (22 CCR §51340(k)). Additionally, where a diagnostic, treatment or other EPSDT services are provided in a home or

community-based setting, the total costs incurred by the Medi-Cal program for the service must be less than what the total costs would be for the provision of “medically equivalent services” in an appropriate institutional level of care (22 CCR §51340(m)). “Medically equivalent services” includes services to address developmental needs that otherwise would be addressed in the home or other community setting. In addition, MCPs must comply with the Americans with Disabilities Act (ADA)’s mandate to provide services in the most integrated setting appropriate to the individuals (*Olmstead v. L.C. ex rel. Zimring* (1999) 527 U.S. 581), and with Government Code section 11135.

Pursuant to 22 CCR section 51340.1, MCPs may utilize additional authorization criteria when approving EPSDT services including, but not limited to, the following: dental services, orthodontic services, hearing services, onsite investigations to detect the source of lead contamination, and pediatric day health care services.

**POLICY:**

MCPs are required to provide and cover all medically necessary services to the EPSDT-eligible children under age 21, except as described below. For individuals over age 21, “[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.” (W&I Code § 14059.5).

This PL consolidates the terms EPSDT and EPSDT supplemental services. There is no distinction between these services in practice, thus, the use two separate terms is not necessary. A contract amendment will be forthcoming regarding this change in terminology use.

For EPSDT-eligible children under age 21, however, MCPs must provide a broader range of medically necessary services. 42 U.S.C. section 1396d(r) provides that EPSDT benefit includes “[s]uch other necessary health care, diagnostic services, treatment, and other measures described in [42 U.S.C. section 1396d(a)] to correct or ameliorate defects and physical and mental illnesses and conditions discovered by the screening services, whether or not such services or items are covered under the state plan” (42 U.S. Code 1396d(r)(5)).

Pursuant to 22 CCR section 51340, speech therapy, occupational therapy, and physical therapy services are not subject to the benefit limitations set forth under 22 CCR section 51304. In addition, MCPs are required to provide speech therapy, occupational therapy, and physical therapy services when medically necessary to correct or ameliorate defects discovered by the screening services, whether or not such services or items are covered under the state plan.

Furthermore, MCPs are required to provide appointment scheduling assistance and necessary transportation to and from medical and dental appointments for the medically necessary services that MCPs are responsible for providing pursuant to their contracts with the Department of Health Care Services (Department).

MCPs must ensure that EPSDT-eligible children under age 21 and their parents or guardians know what services are available and have access to the health care resources they need. MCPs have a responsibility to provide health education including anticipatory guidance to enrollees under age 21 and their parents or guardians to effectively use those resources, including screenings and treatment (42 U.S. Code § 1396d(r)(1)(B)(v); Centers for Medicare & Medicaid Services, *EPSDT – A Guide for States: Coverage in the Medicaid Benefit for Children and Adolescents*, p. 4)).

Specifically, for children under age 21, MCPs are required to provide and cover all medically necessary services **with the following exceptions**:

- A. Dental services provided by dental personnel shall be covered by the Medi-Cal Denti-Cal program (MMCD Policy Letter 13-002);
- B. Specialty mental health services for conditions as described in Title 9, CCR Sections 1820.205 and 1830.210 (including EPSDT supplemental specialty mental health services) which must be provided by a mental health plan (MMCD All Plan Letters 13-018 and 13-021);
- C. California Children's Services (CCS) services not included in the MCP capitated rate (these EPSDT services determined to be medically necessary for treatment or amelioration of the CCS-covered condition, including private duty nursing related to a CCS eligible condition, shall be case managed and prior authorized by the CCS program (on a fee-for-service basis)) (22 CCR section 51013);<sup>1</sup>
- D. Services for which prior authorization is required but are provided without obtaining prior authorization; and
- E. Other services listed as services that are not "Covered Services" under the MCPs' contracts with the Department.

Where another entity—such as a LEA, Regional Center, or local governmental health program—has overlapping responsibility for providing services to a child under age 21, MCPs must assess what level of medically necessary services the child requires, determine what level of service (if any) is being provided by the other entity, and then coordinate the provision of services with the other entity to ensure that MCPs and another entity are not providing duplicative services. In any event, MCPs have the primary responsibility to provide all medically necessary services including services which exceed the amount provided by LEAs, Regional Centers, or local governmental

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<sup>1</sup> See CMS Information Bulletin #322, revised 3/15/2013, <http://www.dhcs.ca.gov/services/ccs/cmsnet/Documents/thiscomputes322.pdf>. For children enrolled in managed care and also enrolled in CCS, the TAR is sent to the EPSDT unit. The EPSDT unit will verify with the local CCS County program that the child is enrolled in CCS and that the need for nursing services is related to the CCS eligible condition. If yes, the EPSDT unit will send the TAR to the local CCS program for authorization. If no or if the TAR for continuing nursing is for a child not enrolled in CCS, the EPSDT unit will advise the provider to submit the TAR to the managed care plan for authorization of continuing services pursuant to 22 CCR 51003(c), 51014.1(e).

health programs. MCPs should not rely on a LEA program, Regional Center, CHDP, local governmental health program, or other entities as the primary provider of medically necessary services. The MCP is the primary provider of such medical services except for those services that have been expressly carved out.

In addition, effective September 15, 2014, MCPs are also responsible for providing medically necessary Behavioral Health Therapy (BHT) services for children with Autism Spectrum Disorder (ASD) that meet eligibility criteria for services.<sup>2</sup> MCP requirements pertaining to the provision of BHT services are included in APL 14-011.

Additionally, MCPs are required to cover medically necessary services which have been denied by the CCS program and shall coordinate with the local CCS programs as necessary. Also, MCPs must cover medically necessary services that are provided by a LEA program when school is not in session.

MCPs must also ensure that all of their own policies and procedures, as well as the policies, procedures and practices of any subplans, contracted providers, or subcontracted Independent Physician Associations, comply with these EPSDT requirements. The Department, in concert with the Department of Managed Health Care, will monitor plans for compliance with these requirements.

If you have any questions regarding the requirements of this PL, please contact your Medi-Cal Managed Care Division contract manager.

Sincerely,

Sarah Brooks  
Division Chief  
Managed Care Quality and Monitoring Division

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<sup>2</sup> Cal. W&I Code § 14132.56; Center for Medicare & Medicaid Services, *Clarification of Medicaid Coverage of Services to Children with Autism*, <http://www.medicaid.gov/Federal-Policy-Guidance/Downloads/CIB-07-07-14.pdf> (Jul. 7, 2014).