



DATE: June 22, 2026

Behavioral Health Information Notice No: 26-022

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 Mental Health Peer Run Organizations
California Association of Social Rehabilitation Agencies
California Behavioral Health Association
California Consortium of Addiction Programs and Professionals
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 and Alcohol Administrators

SUBJECT: Narcotic Treatment Program (NTP) Counseling Unit Threshold and Manual Review

PURPOSE: This policy guidance establishes a threshold for reasonable numbers of NTP counseling units claimed per member per day and outlines the manual review process and claims modifier Drug Medi-Cal (DMC) and Drug Medi-Cal Organized Delivery System (DMC-ODS) counties shall use for claims that meet or exceed that threshold before the Medi-Cal program will provide payment for claims.



REFERENCE: DMC State Plan Contract, DMC-ODS Contract, DMC State Plan Billing Manual, DMC-ODS Billing Manual, [MHSUDS IN 15-028](#), [Welfare and Institutions \(W&I\) Code section 14021.51](#)

BACKGROUND:

NTPs are licensed by the Department of Health Care Services (DHCS) and regulated under both federal and state rules, which govern clinical practice, administrative, and billing requirements. NTPs provide comprehensive substance use disorder (SUD) treatment services for individuals with opioid use disorder (OUD). Covered services include assessments, individual and group counseling, medical psychotherapy, patient education, medication services, medication for OUD (including methadone or buprenorphine), SUD crisis intervention services, and additional services to support recovery and long-term stabilization for Medi-Cal members.¹ Payment for Medi-Cal services is contingent upon adherence to documentation, medical necessity, and compliance standards. DMC and DMC-ODS counties² are responsible for ensuring that NTP provider claims are accurate, complete, and compliant prior to submission to the Medi-Cal program for payment.

A [2022 audit](#) by the U.S. Department of Health and Human Services Office of the Inspector General (OIG) uncovered errors in NTP counseling claims where unreasonable numbers of service units were billed for a single client in one day. To address recommendations from OIG, DHCS is updating its policies and operational requirements related to billing individual, group, and family (DMC-ODS only) counseling provided at NTPs.³ This BHIN is intended to address unusually high levels of utilization and outlines new expectations and accountability measures for DMC and DMC-ODS counties designed to ensure compliance with federal and state regulations, improve service quality, and protect the integrity of the NTP services in the Medi-Cal program.

¹ [DMC Contract, Exhibit A, Attachment 2E](#); [DMC-ODS Contract, Exhibit A, Attachment 2C](#); [Integrated SMHS/DMC Contract, Exhibit 2E](#); [Integrated SMHS/DMC-ODS Contract, Exhibit A, Attachment 2C](#).

² DMC Contract, Exhibit A, Attachment 13; DMC-ODS Contract, Exhibit A, Attachment 13; Integrated SMHS/DMC Contract, Exhibit 13; Integrated SMHS/DMC-ODS Contract, Exhibit A, Attachment 13. Please see a list of the most current contracts on the [DHCS County Implementation](#) and [Behavioral Health Administrative Integration](#) web pages.

³ [Welfare and Institutions Code § 14021.51](#); [Welfare and Institutions \(W&I\) Code section 14184.102\(d\)](#).

POLICY:

In response to the OIG's findings and to support the identification of claims with an unreasonable number of NTP counseling service units per Medi-Cal member per day, DHCS has established an outlier threshold for NTP counseling units for a single member on a single date of service (defined further below). DHCS will update the Short Doyle Medi-Cal claiming system to identify claims that meet or exceed the outlier threshold and update the DMC and DMC-ODS Service Tables to reflect allowable modifiers for counseling delivered in an NTP setting in accordance with this BHIN.⁴ If NTP counseling units that meet or exceed the outlier threshold are medically necessary for a Medi-Cal member, DMC and DMC-ODS counties shall add a modifier, as outlined below, indicating they have conducted a manual review of claims that include NTP counseling units that meet or exceed the outlier threshold. The Short Doyle Medi-Cal claiming system will deny claims that meet or exceed the outlier threshold that do not include the modifier as described in this BHIN. This policy is effective for dates of service beginning 90 days from the publication date of this BHIN.

Outlier Threshold for NTP Counseling Units

DHCS has established the outlier threshold of nine (9) or more NTP counseling units⁵ for a Medi-Cal member across all claims for a single date of service for services delivered within an NTP setting, inclusive of procedure codes H0004 (Individual Counseling), H0005 (Group Counseling), and T1006 (Family Counseling (DMC-ODS only)). Claims that meet the outlier threshold require a manual review and a modifier for the Medi-Cal program to consider paying the claim. Other covered NTP and DMC/DMC-ODS services do not count against the outlier threshold for NTP counseling units and are not subject to the manual review and modifier requirements outlined in this BHIN.⁶

⁴ Current service tables can be found on the [DHCS MedCCC Library](#).

⁵ Units are billed in 15-minute increments. Under Current Procedural Terminology (CPT) rules, a 15-minute unit may be billed once at least 8 minutes of counseling has been provided.

⁶ See the DMC and DMC-ODS service tables for information on service lockouts.

Manual Review Requirements

For claims that result in the aggregate number of NTP counseling units meeting or exceeding the outlier threshold, DMC and DMC-ODS counties shall manually review documentation for all NTP units claimed on the single date of service to confirm the NTP counseling units are medically necessary to meet the needs of the Medi-Cal member.^{7,8} DMC and DMC-ODS counties shall submit or resubmit the claims with a modifier indicating that they have conducted a manual review as outlined below.

If DMC and DMC-ODS counties determine via manual review that any claimed NTP counseling units were not medically necessary, the counties may replace the claim to reflect the appropriate number of NTP counseling units.⁹

The Medi-Cal program will deny any NTP counseling claims that meet or exceed the outlier threshold if they have not undergone manual review by the DMC and DMC-ODS counties, as indicated by lack of the required modifier.

Manual Review Modifier for Claims That Meet or Exceed the Outlier Threshold

The DMC and DMC-ODS counties shall use the *GD* modifier on all NTP counseling service lines when the sum of NTP Counseling units provided to the same member on the same day meets or exceeds the Outlier Threshold in order for them to be considered for approval by the Medi-Cal program. By using the *GD* modifier, the DMC and DMC-ODS counties are certifying that:

1. The NTP has submitted documentation supporting the counseling units;
2. The DMC and DMC-ODS counties have reviewed the documentation; and
3. The DMC and DMC-ODS counties have determined the units of service are medically necessary to meet the Medi-Cal member's individual needs.

⁷ Documentation requirements are outlined in [22 CCR § 51341.1\(g\)\(1\)\(B\)\(i\), \(iii\)-\(xiii\)](#). BHIN 23-068 supersedes the provisions specified in 22 CCR §§ 51341.1(g)(1)(B)(ii) and (g)(2)(A)-(E) only.

⁸ Medical necessity criteria are outlined in [W&I Code 14059.5](#) and [BHIN 24-001](#).

⁹ See [DMC State Plan Billing Manual](#) and [DMC-ODS Billing Manual](#) for information on replacing claims.

Modifier Application Methods:

- **Pre-Submission:**
The DMC and DMC-ODS counties identify the NTP counseling units that meet or exceed the outlier threshold, verify medical necessity through manual review of documentation, and apply the appropriate modifier before submitting the claim to the Medi-Cal program.

- **Post-Submission:**
The DMC and DMC-ODS counties submit the NTP counseling units that meet or exceed the outlier threshold to the Medi-Cal program without the appropriate modifier. The DMC and DMC-ODS counties receive a denial due to reaching the outlier threshold without the appropriate modifier. The DMC and DMC-ODS counties shall then verify medical necessity through manual review of documentation and proceed as follows:
 - a. If documentation supports medical necessity: Replace denied claim(s) to the Medi-Cal program with the appropriate modifier.
 - b. If documentation does not support medical necessity: Do not replace the denied claim; the denial of payment remains in effect.

DMC/DMC-ODS County Accountability for Subcontractors

DMC and DMC-ODS counties shall ensure that:

1. NTP staff and any subcontracted providers or vendors are aware of the NTP counseling service outlier threshold of nine (9) or more NTP counseling units on a single date of service for a single Medi-Cal member and the supporting documentation requirements.
2. Outlier NTP counseling units are manually reviewed, and medical necessity is verified by the DMC and DMC-ODS counties before the NTP counseling service claim is approved by the Medi-Cal program.
3. All required documentation has been appropriately completed and retained.

Compliance and Oversight

DMC and DMC-ODS counties are responsible for monitoring contracted providers for compliance with the terms of their contracts with DHCS, including policies outlined in this BHIN. DHCS monitors and oversees DMC and DMC-ODS counties and their operations as required by state and federal law. DHCS will monitor DMC and DMC-ODS counties for compliance with the requirements outlined above, and deviations from the requirements may require corrective action plans or other applicable remedies. This oversight may include, but is not limited to, verifying that services provided to Medi-Cal members are medically necessary and that documentation complies with the applicable state and federal laws, regulations, and the DMC/DMC-ODS contract. Recoupment will be focused on identified overpayments and fraud, waste, and abuse.

If you have any questions regarding this BHIN, please contact your County Liaison or email CountySupport@dhcs.ca.gov. For questions about claiming, please submit inquiries via the MedCCC Service Now Portal at [DHCS MEDCCC - MEDCCC](#). If you do not have access to the portal, please reach out to your designated county manager to request access.

Sincerely,

Ivan Bhardwaj, Chief
Medi-Cal Behavioral Health – Policy Division

Charles Anders, Chief
Local Governmental Financing Division