



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



GAVIN NEWSOM
GOVERNOR

DATE: August 25, 2020

Behavioral Health Information Notice No: 20-049

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 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: Triennial Chart Review Disallowed Specialty Mental Health Service
Claims Recoupment Policy

PURPOSE: The purpose for this Behavioral Health Information Notice (BHIN) is to inform Mental Health Plans (MHPs) about changes to the Department of Health Care Services (DHCS) triennial chart review disallowed claims recoupment process. The policy described in this BHIN will be effective with triennial chart reviews beginning Fiscal Year (FY) 2019/2020.

REFERENCE: California Code of Regulations, Title 9, Chapter 11, Section 1810.380

BACKGROUND:

Every three years, DHCS reviews a sample of beneficiary clinical charts in each MHP to ensure the services meet documentation and claiming requirements. DHCS disallows claims for services that do not meet one or more of those requirements. DHCS issues a report to the MHP that details those claims that it disallowed and why. MHPs have 15 business days to appeal the disallowances and DHCS has 30 calendar days after receipt of the appeal to issue a decision. Once the appeal process is complete, DHCS issues an invoice to the MHP to recoup the federal share and, if applicable, the state

share of the amount approved and paid to the MHP for each remaining disallowed claim. Each MHP is given 60 calendar days to pay the invoice. If the MHP does not pay the invoice within 60 calendar days, DHCS offsets a current claim to recoup the overpayment. The claim that DHCS disallowed through its chart review still shows as approved and paid in the Short-Doyle Medi-Cal claiming system.

POLICY:

Beginning with FY 2019-20, DHCS will no longer issue an invoice to the MHP and counties will be required to void all claims that are disallowed through a triennial chart review. DHCS will continue to issue a report to the MHP detailing those claims that it disallowed and why. The report will include a payor claim control number for each disallowed claim. The MHP will have 15 working days to appeal the disallowances, and the department will issue a final decision within 30 calendar days after receipt of the appeal. Once the appeal process is complete, MHPs will be required to void any remaining disallowed claims within ninety calendar days of the final triennial review report. Please refer to page 30, of the Mental Health Services Short-Doyle Medi-Cal HIPAA Transaction Standard Companion Guide to learn more about the SMHS claim void process.

DHCS will monitor the Short-Doyle Medi-Cal claiming system to ensure each disallowed claim is voided within 60 calendar days. MHPs that do not void disallowed claims within 60 calendar days may be subject to sanctions fines and penalties as discussed in [MHSUDS Information Notice 18-024](#).

Please e-mail MedCCC@dhcs.ca.gov with any questions regarding how to void a claim.

Sincerely,

Lindy Harrington
Deputy Director
Health Care Financing