



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



GAVIN NEWSOM
GOVERNOR

DATE: November 9, 2021

Behavioral Health Information Notice No: 21-063

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: Drug Medi-Cal (DMC) Postservice Postpayment (PSPP) Utilization Review, Disallowed Service Billing Lines, and Recoupment Policy

PURPOSE: To inform DMC State Plan Counties and DMC-Organized Delivery System Counties about changes to the Department of Health Care Services (DHCS) PSPP utilization review process. The policy described in this Behavioral Health Information Notice will be effective with PSPP utilization reviews beginning Fiscal Year (FY) 2020/2021.

REFERENCE: California Code of Regulations, Title 22, Chapter 3, Section 51341.1(m) and 51458.1(a) and Intergovernmental Agreement, III.DD.2

BACKGROUND

Currently DHCS conducts DMC PSPP utilization reviews of DMC certified substance use disorder treatment providers based on a risk assessment and a sample of beneficiary and other provider records to ensure the services meet documentation and claiming requirements. DHCS may disallow certain service billing lines for services that do not meet one or more of those requirements. DHCS issues a report to the county, with a copy to the DMC provider, that details those claims disallowed and why. Counties

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and providers have 90 business days to appeal the disallowances and DHCS has 30 calendar days after receipt of the appeal to issue a decision. If counties and providers are dissatisfied with the Department's decision, they can submit a second level appeal within 30 calendar days after the decision to the Office of Administrative Hearings and Appeals (OAHA).

POLICY:

Beginning with FY 2020-21, DHCS will no longer recoup funds through the cost settlement process. Counties will be required to void all service billing lines that are disallowed through the DMC PSPP utilization review process. For claims that have a date range, such as Narcotic Treatment dosing, counties will be required to replace the claims instead of voiding them. DHCS will continue to issue a report to the county and DMC provider detailing those disallowed service billing lines and why. The report will include a Payor Claim Control Number for each disallowed claim.

The county or provider will have 90 business days to appeal the disallowances, and the department will issue a final decision within 30 calendar days after receipt of the appeal. Counties and providers may submit a second level appeal to OAHA within 30 calendar days after the department's decision if they disagree with the decision. Once the appeal process is complete, counties will be required to void or replace any remaining disallowed claims within 60 calendar days of the DMC PSPP utilization review report. For additional information on voiding and replacing claims, please refer to the Short-Doyle Medi-Cal Phase II ADP Standard Companion Guide Transaction Information.

DHCS will monitor the Short-Doyle Medi-Cal claiming system to ensure each disallowed service line is voided or replaced within 60 calendar days. Counties that do not void or replace disallowed service lines within 60 calendar days may be subject to sanctions fines and penalties as discussed in Welfare and Institutions Code Section 14197.7.

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

Sincerely,

Original signed by

Lindy Harrington
Deputy Director
Health Care Financing