



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



GAVIN NEWSOM  
GOVERNOR

DATE: November 4, 2021

Behavioral Health Information Notice No: 21-065

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: Medicare Opioid Treatment Coverage for Dually Eligible Beneficiaries

PURPOSE: To provide guidance to counties and Narcotic Treatment Program/Opioid Treatment Program providers (OTPs) regarding changes in Medi-Cal reimbursement as a result of Medicare coverage of opioid use disorder treatment services effective January 1, 2020.

REFERENCE: California Code of Regulations, Title 22, Section 51005(a)  
[MHSUDS Information Notice 15-001](#)  
ADP Bulletins [11-01](#) and [12-03](#)

**BACKGROUND:**

California Code of Regulations, Title 22, Section 51005(a) requires that, whenever beneficiaries eligible for benefits under Medi-Cal are also eligible for the same benefits, either full or partial, under any other State or Federal medical care program, providers must bill the beneficiary's Other Health Coverage (OHC) before billing Medi-Cal. Prior to January 2020, OTP services, which are available under Drug Medi-Cal, were not a covered benefit under Medicare. As a result, the Short-Doyle Medi-Cal claiming system did not enforce the OHC requirement, and did not deny a claim submitted for an OTP

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service provided to a dually eligible beneficiary (those enrolled in both Medicare and Medi-Cal).

On November 15, 2019, the Centers for Medicare and Medicaid Services (CMS) issued Final Rule CMS-1715-F. Beginning January 1, 2020, Medicare began paying OTPs a bundled weekly rate for opioid use disorder treatment services, including medication-assisted treatment, toxicology testing, and counseling. Medicare is now the primary payer for OTP services provided to dually eligible beneficiaries. Medicare reimburses OTP providers an all-inclusive weekly rate for OTP services. This weekly rate reimburses the OTP for dosing and counseling services provided to a beneficiary over a seven day period. Medi-Cal reimburses OTP providers a daily rate for dosing, a daily rate for individual counseling, and a daily rate for group counseling.

**POLICY:**

Providers must bill Medicare before billing Medi-Cal when providing OTP services to a beneficiary enrolled in Medicare and Medi-Cal (i.e., dually eligible). When billing Medi-Cal, counties must include information about the claim submitted to Medicare (i.e., coordination of benefits (COB)), such as the amount Medicare paid the provider for the service rendered. Counties must include COB information on all claims for reimbursement of OTP services provided by OTPs enrolled in Medicare to beneficiaries who are dually eligible.

Effective March 2021, DHCS will begin enforcing the COB requirement for OTP services provided to dually eligible beneficiaries. Once DHCS begins to enforce the requirement, it will identify all claims for OTP services provided by OTP providers enrolled in Medicare to dually eligible beneficiaries on or after January 1, 2020, that do not contain the required COB information. DHCS will request that those counties replace the claims with the required COB information.

For Medicare OTP claims, counties must report OHC at the claim line level, and all OTP services provided for the respective week at the service line level. Counties are advised to request Explanation of Benefit information from their contracted OTP providers.

Please e-mail [MedCCC@dhcs.ca.gov](mailto:MedCCC@dhcs.ca.gov) with any questions regarding this BHIN.

Sincerely,

Original signed by

Brian Fitzgerald, Chief  
Local Governmental Financing Division