



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



GAVIN NEWSOM
GOVERNOR

DATE: December 3, 2021

Behavioral Health Information Notice No: 21-068

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: Supplemental Claims for County Administrative and Quality Assurance & Utilization Review (QA/UR) Costs under the Speciality Mental Health Services (SMHS) and Drug Medi-Cal (DMC) programs

PURPOSE: To notify Mental Health Plans (MHPs), Drug Medi-Cal Organized Delivery System (DMC ODS) counties, and DMC State Plan counties that DHCS will no longer accept supplemental claims for County Administrative and Quality Assurance & Utilization Review (QA/UR) costs.

REFERENCE: MHSUDS Information Notice 14-033, MHSUDS Information Notice 17-011, DMH Letter 05-11, DMH Letter 11-01, Welfare and Institutions Code § 14705(d)

BACKGROUND:

Under the SMHS and DMC programs, MHPs and DMC counties may submit quarterly or annual claims for administrative and QA/UR costs. When a claim is submitted, the MHP or DMC county is certifying that a public expenditure has been incurred and is eligible for federal fund reimbursement. Therefore, actual costs must be reported on the claim.

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Currently, some counties initially submit estimates of quarterly administrative or QA/UR costs, and subsequently submit supplemental claims to adjust prior quarter(s) claim amounts. However, reporting an estimate of costs is not consistent with federal and State claiming rules.

POLICY:

Effective immediately, DHCS will no longer accept supplemental claims for SMHS and DMC county administrative and QA/UR costs. Actual costs must be reported on the quarterly or annual claim. If an MHP or DMC county needs to revise administrative or QA/UR costs, adjustments of expenses are to be reported via the cost report and settlement process.

If an incorrect claim was submitted and paid by DHCS, counties may submit a replacement claim. Counties must identify the form as a replacement by marking an "X" in the appropriate field in the updated SMHS and DMC county administrative and QA/UR cost forms. Counties must also submit a copy of the original claim with the replacement claim. If a replacement claim is submitted, DHCS will recoup the funds paid for the original claim, then process payment for the replacement claim.

DHCS will accept only one administrative and/or QA/UR claim submission per county per claim period (i.e., per quarter or per year). Counties that have been submitting multiple claim forms per claim period will need to consolidate data onto a single claim form. If assistance is needed to consolidate to a single claim form, please contact BHFSOps@dhcs.ca.gov.

The SMHS county administrative and QA/UR costs claim forms (MC 1982B and MC 1982C) are located in the [MedCCC Library](#) of the DHCS website. The DMC county administrative and QA/UR costs claim forms (MC 5312 and DHCS 5311) are located in the [DMC Treatment Program Forms page](#) on the DHCS website.

Questions regarding this Information Notice may be directed to Behavioral Health Financing Section at BHFSOps@dhcs.ca.gov.

Sincerely,

Brian Fitzgerald, Chief
Local Governmental Financing Division
Department of Health Care Service