



DATE: February XX, 2024

Behavioral Health Information Notice No: 24-XXX

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  
California Department of Public Health  
California Department of Social Services  
California Department of Developmental Services

SUBJECT: Psychiatric Residential Treatment Facilities: Implementation of Assembly Bill (AB) 2317 (Ramos, Chapter 589, Statutes of 2022) and Senate Bill (SB) 137 (Committee on Budget and Fiscal Review, Chapter 191, Statutes of 2023)

PURPOSE: To solicit public comment on draft interim regulations and proposed policies for the implementation of Psychiatric Residential Treatment Facilities (PRTFs).

REFERENCE: Welfare and Institutions Code Sections 4081-4083 and 5405; Health and Safety Code Section 1250.10

## BACKGROUND

AB 2317 established PRTFs as a new nonhospital facility type licensed by the Department of Health Care Services (DHCS) to provide inpatient psychiatric services to individuals under 21 years of age (psych under 21 benefit under the Medi-Cal program). PRTFs are a licensed health facility operated by a public agency or private nonprofit

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### California Department of Health Care Services

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State of California  
Gavin Newsom, Governor



organization with a provider agreement with a state Medicaid agency. SB 137 updated statutory requirements to be consistent with federal Medicaid regulations regarding the composition of the interdisciplinary team that is responsible for the development of the PRTF residents' plans of care.

DHCS is soliciting public comment on the Draft Interim Regulations for PRTFs and the proposed policies described below.<sup>1</sup>

## **POLICY**

DHCS proposes the enclosed interim regulations for the licensure and operation of PRTFs, as well as the following additional policies:

### **Short Doyle Medi-Cal Claiming for PRTFs**

The Short Doyle Medi-Cal (SD/MC) system will be updated to add PRTFs as an eligible provider for psychiatric inpatient services under Specialty Mental Health Services. Services may be claimed for beneficiaries under 21 who receive care from a certified PRTF. Claiming for services in a PRTF is consistent with existing requirements for psychiatric inpatient services:

1. Claims must be submitted on an 837I claim.
2. Claims will include procedure code H2015, modifiers HE:HA (Psychiatric Hospital Inpatient: Under Age 21), and revenue code 1001.
3. The claim must also include Other Health Coverage (OHC.)

SD/MC will pay a bundled rate for the psychiatric inpatient services provided in a PRTF. For additional information, refer to the CalAIM Specialty Mental Health Services Medi-Cal Billing Manual posted on the [MEDCCC Library](#).

### **PRTF Medical Necessity**

Pursuant to Welfare and Institutions Code sections 14059.5(b)(1) and 14184.402(a), for Medi-Cal members under 21 years of age, a service is “medically necessary” or a “medical necessity” if the service meets the standards

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<sup>1</sup> AB 2317 authorized DHCS to promulgate PRTF regulations by issuing information notices. (Health & Saf. Code, § 1250.10, subd. (e)(2); Welf. & Inst. Code, §§ 4081, subd. (w)(1); 4082, subd. (f); and 4083, subd. (d).)

set forth in Section 1396d(r)(5) of Title 42 of the United States Code, including all Medicaid-coverable health care services needed to correct and ameliorate mental illness and conditions. Consistent with federal guidance, services need not be curative or completely restorative to ameliorate a mental health condition. Services that sustain, support, improve, or make more tolerable a mental health condition are considered to ameliorate the mental health condition and are thus covered as EPSDT.

### **Concurrent Review for Authorization of Psychiatric Inpatient Services in PRTFs**

The concurrent review process established in [BHIN 22-017](#) applies to psychiatric inpatient services provided to Medi-Cal members by PRTFs.

### **PUBLIC COMMENT REQUESTED**

DHCS requests public comment on the enclosed [Draft Interim Regulations for PRTFs](#) and the proposed policies described in this BHIN. To submit public comment, please email [mhlc@dhcs.ca.gov](mailto:mhlc@dhcs.ca.gov) by April 1, 2024.

Sincerely,

Janelle Ito-Orille, Chief  
Licensing and Certification Division

Enclosures