



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



EDMUND G. BROWN JR.
GOVERNOR

DATE: September 20, 2017

MHSUDS INFORMATION NOTICE NO.: 17-046

TO: COUNTY BEHAVIORAL HEALTH DIRECTORS
COUNTY DRUG & ALCOHOL ADMINISTRATORS
COUNTY BEHAVIORAL HEALTH DIRECTORS ASSOCIATION OF CALIFORNIA
CALIFORNIA COUNCIL OF COMMUNITY BEHAVIORAL HEALTH AGENCIES
COALITION OF ALCOHOL AND DRUG ASSOCIATIONS
CALIFORNIA ASSOCIATION OF ALCOHOL & DRUG PROGRAM EXECUTIVES, INC.
CALIFORNIA ALLIANCE OF CHILD AND FAMILY SERVICES
CALIFORNIA OPIOID MAINTENANCE PROVIDERS

SUBJECT: REPORTING REQUIREMENTS RELATED TO PROVIDER PREVENTABLE CONDITIONS IN DMC-ODS PILOT COUNTIES

PURPOSE

The purpose of this Information Notice is to inform counties opting into the Drug Medi-Cal Organized Delivery System (DMC-ODS) pilot program of reporting requirements for encounter data resulting from provider preventable conditions (PPCs). These PPC reporting requirements were issued by the federal Centers for Medicare & Medicaid Services (CMS) in rulemaking CMS-2390-F¹ (Medicaid Managed Care Final Rule), dated May 6, 2016. Counties participating in the DMC-ODS pilot program are considered managed care plans, specifically Prepaid Inpatient Health Plans, and must comply with federal managed care requirements (with some exceptions).

BACKGROUND

Title 42 of the Code of Federal Regulations (CFR) Sections 438.3(g), 434.6(a)(12)(i), and 447.26 and Welfare and Institutions Code Section 14131.11 prohibit the payment of Medicaid/Medi-Cal funds to a provider for the treatment of a PPC, except when the PPC existed prior to the initiation of treatment for that beneficiary by that provider. PPCs include both the “Health Care Acquired Conditions” (HCACs) defined in section 1886(d)(4)(D)(ii) and (iv) of the Social Security Act and “Other Provider Preventable Conditions” (OPPCs). The DHCS 5261 form is included as an enclosure with this information notice and contains the minimum set of such conditions defined by CMS. CMS further defined OPPCs as conditions that: 1) are identified by the State Plan, 2) are reasonably preventable through the

¹ CMS-2390-F is available at: <https://s3.amazonaws.com/public-inspection.federalregister.gov/2016-09581.pdf>.

application of procedures supported by evidence-based guidelines, 3) have negative consequence for the beneficiary, 4) are auditable, and 5) include, at a minimum, the procedures listed in the enclosure. As of July 1, 2012, CMS stopped making payments for HCACs occurring in an inpatient setting or for OPPCs occurring in any health care setting.

DISCUSSION

Title 42, CFR, Section 438.3(g) requires DMC-ODS pilot counties to report PPC-related encounters “in a form and frequency as specified by the State.” Federal Managed Care regulations require the reporting of any identified provider preventable conditions associated with claims for DMC-ODS payment or with courses of treatment furnished to DMC-ODS beneficiaries for which DMC-ODS payments would otherwise be available.

DMC-ODS providers must complete and send the DHCS 5261 form for each PPC. Instructions for completion are provided on the form, and include a detailed description of PPCs. Providers must report any PPC to DHCS that did not exist prior to the provider initiating treatment for a DMC-ODS beneficiary, even if the provider does not intend to bill DMC-ODS.

Providers must send this form to the DHCS, Substance Use Disorder – Program, Policy, and Fiscal Division, Performance Management Branch, via U.S. Post Office or secure, encrypted email. Providers must submit the form after discovery of the event and confirmation the effected party is a DMC-ODS beneficiary. The preferred method of sending reports for confidentiality are by secure, encrypted email. Providers must comply with the Health Insurance Portability and Accountability Act of 1996 and any other relevant privacy laws to ensure confidentiality of beneficiary information.

For E-mail

Providers must use secure, encrypted email to send the completed form to:
ODSSubmissions@dhcs.ca.gov

For Mail

Providers must mark the envelope with “PROTECTED HEALTH INFORMATION: CONFIDENTIAL” and send the completed form to:

Department of Health Care Services
Substance Use Disorder – Program, Policy, and Fiscal Division
Performance Management Branch
PO Box 997413, MS-2621
Sacramento, CA 95899-7413

Sincerely,

Original signed by

Karen Baylor, Ph.D., LMFT, Deputy Director
Mental Health & Substance Use Disorder Services

Enclosure