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**DATE:** December 12, 2014

ALL PLAN LETTER 14-017  
SUPERSEDES POLICY LETTER 00-006

**TO:** ALL MEDI-CAL MANAGED CARE HEALTH PLANS

**SUBJECT:** REQUIREMENTS FOR COVERAGE OF EARLY AND PERIODIC SCREENING, DIAGNOSTIC, AND TREATMENT SERVICES FOR MEDI-CAL BENEFICIARIES UNDER THE AGE OF TWENTY ONE

**PURPOSE:**

This All Plan Letter (APL) clarifies the responsibilities of Medi-Cal managed care health plans (MCPs) to provide Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) services to eligible children under the age of 21. This policy applies to all children enrolled in MCPs. This guidance is intended to reinforce existing state and federal laws and regulations regarding the provision of Medi-Cal services, including EPSDT, and does not represent any change in policy. This APL supersedes Policy Letter 00-006.

**BACKGROUND:**

In 1967, Congress expanded the EPSDT benefit for children. The EPSDT benefit provides comprehensive screening, diagnostic, treatment, and preventive health care services for children under age 21 who are enrolled in Medi-Cal, and is key to ensuring that children who are eligible for EPSDT services receive appropriate preventive, dental, mental health, developmental, and specialty services.

Section 1905(r) of the Social Security Act (the Act) defines the EPSDT benefit to include a comprehensive array of preventive, diagnostic, and treatment services for low-income children under age 21. States are required to provide coverage of any services listed in section 1905(a) of the Act to children who are eligible for EPSDT services when the services are determined to be medically necessary to correct or ameliorate any physical or behavioral conditions. Services must also be provided when medically necessary to “prevent disease, disability, and other health conditions or their progression,” “[p]rolong life,” and “[p]romote physical and mental health and efficiency” (Title 42, Code of Federal Regulations, Section 440.130(c)). The EPSDT benefit is more robust than the Medi-Cal benefit package provided to adults and is designed to ensure that eligible children receive early detection and preventive care in addition to medically necessary treatment services, so that health problems are averted or diagnosed and treated as early as possible.

Title 42, United States Code (US Code), Section 1396d(r) defines EPSDT services as including the following<sup>1</sup>:

1. Screening services provided “at intervals that meet standards of medical and dental practice, and at such other medically necessary intervals to determine the existence of physical or mental illnesses or conditions.” Screening services must at a minimum include: a comprehensive health and developmental history (including assessment of both physical and mental health development); a comprehensive unclothed physical exam; appropriate immunizations; laboratory tests (including blood lead level taking into account age and risk factors); and health education (including anticipatory guidance). In addition, Title 22, California Code of Regulations (CCR), Section 51184(a)(3) provides that screening services include “[a]ny other encounter with a licensed health care provider that results in the determination of the existence of a suspected illness or condition or a change or complication in a condition...”
2. Vision services provided at intervals which meet reasonable standards of medical practice and that shall at a minimum include diagnosis and treatment for defects in vision, including eyeglasses.
3. Dental services provided at intervals which meet reasonable standards of dental practice to determine the existence of a suspected illness or condition and at a minimum includes treatment for relief of pain and infections, restoration of teeth, and maintenance of dental health.
4. Hearing services provided at intervals which meet reasonable standards of medical practice to determine the existence of a suspected illness or condition and, at a minimum, includes diagnosis and treatment for defects in hearing, including hearing aids.
5. Other necessary health care, diagnostic services, treatment, and measures described in Title 42, US Code, Section 1396d(a) to correct or ameliorate defects and physical and mental illnesses and conditions discovered by the screening services, whether or not such services or items are listed in the state plan or are covered for adults.

### EPSDT in California

MCPs are required to provide and cover all medically necessary services. For adults, medically necessary services include all covered services that are reasonable and necessary to protect life, prevent significant illness or significant disability, or to alleviate

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<sup>1</sup> The Patient Protection and Affordable Care Act (ACA) mandated the use of the current American Academy of Pediatrics periodicity schedule and Bright Futures guidelines and anticipatory guidance when delivering the EPSDT benefit, including but not limited to, screening services, vision services, and hearing services. MCPs must also provide all age specific assessments and services required by the DHCS/MCP contract.

severe pain through the diagnosis or treatment of disease, illness or injury. For children under age 21, MCPs must provide a broader range of medically necessary services that is expanded to include standards set forth under Title 22, CCR, Sections 51340 and 51340.1, and “[s]uch other necessary health care, diagnostic services, treatment, and other measures described in [Title 42, US Code, Section 1396d(a)] to correct or ameliorate defects and physical and mental illnesses and conditions discovered by the screening services, whether or not such services or items are covered under the state plan” (Title 42, US Code, Section 1396d(r)(5)).

The EPSDT benefit in California is set forth under Title 22, CCR, Section 51184. It includes all medically necessary services as described under Title 22, CCR, Section 51184 and Title 9, CCR, Sections 1820.205 and 1830.210 that may be referred to as “EPSDT Supplemental Services” in the MCPs’ contracts with the Department of Health Care Services (DHCS).

#### MCPs’ Contractual Requirements

MCPs are required to cover and ensure the provision of screening, preventive, and medically necessary diagnostic and treatment services for individuals under the age of 21 including EPSDT Supplemental Services. The EPSDT benefit includes case management and targeted case management services designed to assist children in gaining access to necessary medical, social, educational, and other services.

MCPs must ensure that comprehensive case management is provided to each beneficiary. MCPs must maintain procedures for monitoring the coordination of care provided to beneficiaries, including but not limited to all medically necessary services delivered both within and outside the MCPs’ provider network. If a MCP determines that case management services are medically necessary and not otherwise available, the MCP shall provide, or arrange and pay for, the case management services for its children who are eligible for EPSDT services (Title 22, CCR, Section 51340(k)).

For example, while services provided by the California Children’s Services (CCS) program are not covered under most MCP contracts with DHCS, upon adequate diagnostic evidence that an individual has a CCS-eligible condition, MCPs must refer the individual to the local county CCS office for determination of eligibility. If the local CCS program does not approve eligibility, the MCP remains responsible for the provision of all medically necessary covered services for the individual. If CCS denies a particular medically necessary service, MCPs may provide services through providers within the MCPs’ network. If the local CCS program denies authorization for any service, the MCP remains responsible for providing the medically necessary service as determined by the MCP provider.

In addition, MCPs are also required to establish procedures for individuals to obtain necessary transportation services, including medical and non-medical transportation

services, and the conditions under which non-medical transportation is available for medically necessary services that are covered by the MCPs.

Dental services are carved-out of the MCP contract with DHCS. MCPs must cover and ensure that dental screenings for all individuals are included as a part of the initial health assessment. For individuals under the age of 21, a dental screening/oral health assessment must be performed as part of every periodic assessment. MCPs must ensure that individuals are referred to appropriate Medi-Cal dental providers. MCPs must cover and ensure the provision of covered medical services related to dental services that are not provided by dentists or dental anesthetists, but may require prior authorization for medical services required in support of dental procedures.

Effective September 15, 2014, MCPs are also responsible for providing medically necessary Behavioral Health Therapy (BHT) services for children with Autism Spectrum Disorder that meet eligibility criteria for services.<sup>2</sup> For more information on MCP requirements on the provision of BHT services to eligible individuals, please refer to APL 14-011.<sup>3</sup>

MCPs must ensure that the criteria set forth in Title 22, CCR, Section 51340.1 are met when approving the following EPSDT services: hearing services, onsite investigations to detect the source of lead contamination, and pediatric day health care services.

In addition, MCPs must comply with the Americans with Disabilities Act mandate to provide services in the most integrated setting appropriate to the individuals (*Olmstead v. L.C. ex rel. Zimring* (1999) 527 U.S. 581), and with California Government Code Section 11135.

**POLICY:**

Where diagnostic, treatment or other EPSDT services are provided in a home or community-based setting, the total costs incurred by the Medi-Cal program for the service must be less than what the total costs would be for the provision of “medically equivalent services” in an appropriate institutional level of care (Title 22, CCR, Section 51340(m)). “Medically equivalent services” includes services to address developmental needs that otherwise would be addressed in the home or other community setting. Pursuant to Title 22, CCR, Section 51340, speech therapy, occupational therapy, and physical therapy services are exempt from the benefit limitations set forth under Title 22, CCR, Section 51304. MCPs may not impose service limitations. In addition, MCPs are required to provide speech therapy, occupational therapy, and physical therapy services when medically necessary to correct or ameliorate defects discovered by screening services, whether or not such services or items are covered under the state plan unless otherwise specified in the applicable MCP contract with DHCS.

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<sup>2</sup> California Welfare and Institutions Code Section 14132.56; Center for Medicare & Medicaid Services, *Clarification of Medicaid Coverage of Services to Children with Autism*, <http://www.medicaid.gov/Federal-Policy-Guidance/Downloads/CIB-07-07-14.pdf> (July 7, 2014).

<sup>3</sup> All APLs are available at: <http://www.dhcs.ca.gov/formsandpubs/Pages/MMCDPlanPolicyLtrs.aspx>.

MCPs are required to provide appointment scheduling assistance and necessary transportation, including non-emergency medical transportation and non-medical transportation, to and from medical appointments for the medically necessary services that MCPs are responsible for providing pursuant to their contracts with DHCS. MCPs are not responsible for providing non-medical transportation to and from the services that are carved-out, including dental services.

MCPs must ensure that individuals under the age of 21 who are eligible for EPSDT services and their parents or guardians know what services are available and have access to the health care resources they need. MCPs have a responsibility to provide health education, including anticipatory guidance, to enrollees under age 21 and to their parents or guardians in order to effectively use those resources, including screenings and treatment (Title 42, US Code, Section 1396d(r)(1)(B)(v); Centers for Medicare & Medicaid Services, *EPSDT – A Guide for States: Coverage in the Medicaid Benefit for Children and Adolescents*, p. 4)).

Specifically, for individuals under the age of 21, MCPs are required to provide and cover all medically necessary services **with the following exceptions:**

- A. Dental services provided by dental personnel covered by the Medi-Cal Denti-Cal program (Policy Letter 13-002);
- B. Non-medical services provided by Regional Centers to individuals with developmental disabilities, including but not limited to, respite, out-of-home placement, and supportive living. However, MCPs must monitor and coordinate all medical services with Regional Center staff;
- C. Alcohol and substance use disorder treatment services available under the Drug Medi-Cal Program and outpatient heroin detoxification services, including all medications used for treatment of alcohol and substance use disorder covered by DHCS, as well as specific medications not currently covered by DHCS, but reimbursed through Medi-Cal fee-for-service (FFS);
- D. Specialty mental health services listed in Title 9, CCR, Section 1810.247 for beneficiaries that meet medical necessity criteria as specified in Title 9, CCR, Sections 1820.205, 1830.205, or 1830.210, which must be provided by a mental health plan (APLs 13-018 and 13-021);
- E. CCS services not included in the MCP capitated rate. The EPSDT services determined to be medically necessary for treatment or amelioration of the CCS-covered condition, including private duty nursing related to a CCS-eligible

condition, must be case managed and have obtained prior authorization by the CCS program (on a FFS basis) (Title 22, CCR, Section 51013);<sup>4</sup>

- F. Services for which prior authorization is required but are provided without obtaining prior authorization; and
- G. Other services listed as services that are not “Covered Services” under the MCP contract with DHCS, such as Pediatric Day Health Care services.

Where another entity—such as a local education agency (LEA), Regional Center, or local governmental health program—has overlapping responsibility for providing services to an individual under the age of 21, MCPs must assess what level of medically necessary services the individual requires, determine what level of service (if any) is being provided by other entities, and then coordinate the provision of services with the other entities to ensure that MCPs and the other entities are not providing duplicative services.

MCPs have the primary responsibility to provide all medically necessary services including services which exceed the amount provided by LEAs, Regional Centers, or local governmental health programs. However, these other entities must continue to meet their own requirements regarding provision of services. MCPs should not rely on a LEA program, Regional Center, CCS, Child Health and Disability Prevention Program, local governmental health program, or other entities as the primary provider of medically necessary services. The MCP is the primary provider of such medical services except for those services that have been expressly carved out. MCPs are required to provide case management and coordination of care to ensure that enrollees can access medically necessary medical services as determined by the MCP provider. For example, when school is not in session, MCPs must cover medically necessary services that were being provided by the LEA program when school was in session.

DHCS intends to amend Title 22 of the CCR to eliminate references to “EPSDT Supplemental Services.” There is no distinction between EPSDT services and EPSDT Supplemental Services in practice, so it is unnecessary to have two separate categories of services. A contract amendment regarding this change is forthcoming.

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<sup>4</sup> For children enrolled in an MCP and who have been referred to the CCS program for case management and authorization of nursing services, the provider will submit the private duty nursing Treatment Authorization Request (TAR) to the EPSDT unit of the DHCS Systems of Care Division. The EPSDT unit will verify with the local CCS County program that the child is enrolled in the CCS program and the nursing services are related to the CCS eligible medical condition. If the child is deemed to have a CCS eligible medical condition, the EPSDT unit will review the TAR for medical necessity for the requested nursing services. The EPSDT unit will then refer the TAR to the local CCS program and will recommend authorization of services. If the child is not enrolled in the CCS program or the nursing services are not related to the CCS eligible medical condition, the EPSDT unit will defer the TAR back to the provider to submit the request and or claims to the MCP pursuant to 22 CCR Sections 51003(c) and 51014.1(e).

MCPs must ensure that all of their own policies and procedures, as well as the policies, procedures, and practices of any subplans, contracted providers, or subcontracted Independent Physician Associations, comply with these EPSDT requirements. DHCS, in concert with the Department of Managed Health Care, will monitor plans for compliance with these requirements.

If you have any questions regarding the requirements of this APL, please contact Sarah Royce, Chief, Medical Quality and Oversight Section, at [sarah.royce@dhcs.ca.gov](mailto:sarah.royce@dhcs.ca.gov).

Sincerely,

*Original Signed by Sarah C. Brooks*

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