DATE: September 19, 2018

ALL PLAN LETTER 18-015
SUPERSEDES ALL PLAN LETTER 13-018

TO: ALL MEDI-CAL MANAGED CARE HEALTH PLANS

SUBJECT: MEMORANDUM OF UNDERSTANDING REQUIREMENTS FOR MEDI-CAL MANAGED CARE PLANS

PURPOSE:
The purpose of this All Plan Letter (APL) is to describe the responsibilities of Medi-Cal managed care health plans (MCPs) for amending or replacing Memoranda of Understanding (MOU) with the county Mental Health Plans (MHPs) for coordination of Medi-Cal mental health services. These requirements are in addition to existing MOU requirements for specialty mental health services (SMHS) provided by MHPs as outlined in Title 9, California Code of Regulations (CCR), Chapter 11 and Exhibit A, Attachments 11 and 12 of current MCP contracts.1

BACKGROUND:
Pursuant to Senate Bill X1 1 (Hernandez, Chapter 4, Statutes of 2013), effective January 1, 2014, mental health services included in the essential health benefits package adopted by the State, pursuant to Health and Safety Code Section 1367.005 and Insurance Code Section 10112.27, and approved by the United States Secretary of Health and Human Services under Title 42, Section 18022 of the United States Code, are covered Medi-Cal benefits. MCPs must provide mental health benefits covered in the state plan, excluding those benefits provided by the county MHPs under the SMHS Waiver. SMHS, which are county-administered, are not included in the capitation rate for MCPs.

Starting on January 1, 2014, the Department of Health Care Services (DHCS) expanded the array of Medi-Cal mental health services available to Medi-Cal beneficiaries. The following outpatient mental health benefits are now available through

1 Title 9, California Code of Regulations (CCR), Chapter 11 can be found at: https://govt.westlaw.com/calregs/Browse/Home/California/CaliforniaCodeofRegulations?guid=I10ACFCC0D45311DEB97CF67CD0B99467&originationContext=documenttoc&transitionType=Default&contextData=(sc.Default)
MCPs for members with mild to moderate impairment of mental, emotional, or behavioral functioning resulting from any mental health condition defined by the current Diagnostic and Statistical Manual:

- Individual and group mental health evaluation and treatment (psychotherapy);
- Psychological testing, when clinically indicated to evaluate a mental health condition;
- Outpatient services for the purposes of monitoring drug therapy;
- Psychiatric consultation; and,
- Outpatient laboratory, drugs, supplies and supplements (excluding medications as described in APL 17-018, or any superseding APL, titled Medi-Cal Managed Care Health Plan Responsibilities for Outpatient Mental Health Services).²

Medi-Cal SMHS currently provided by the MHPs will continue to be provided by the MHPs for Medi-Cal members that meet the medical necessity criteria pursuant to Title 9, CCR, Chapter 11, Sections 1820.205, 1830.205, and 1830.210.³

There are separate MOU requirements for MCPs and counties participating in the Drug Medi-Cal Organized Delivery System for the coordination of substance use disorder benefits.⁴

Additionally, under Title 42 Code of Federal Regulations Section 438.208(b) both MCPs and MHPs, as Managed Care Organizations (MCOs) under the regulations, must implement procedures to deliver care to and coordinate services for all members. These procedures must coordinate the services the MCOs furnish to members with the services the member receives from any other MCO.⁵

**POLICY:**

MCPs are responsible for updating, amending, or replacing existing MOUs with MHPs to delineate MCP and MHPs responsibilities when covering mental health services. The

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² APLs can be found at: [http://www.dhcs.ca.gov/formsandpubs/Pages/MgdCarePlanPolicyLtrs.aspx](http://www.dhcs.ca.gov/formsandpubs/Pages/MgdCarePlanPolicyLtrs.aspx)
³ The CCR is searchable at: [https://govt.westlaw.com/calregs/Search/Index](https://govt.westlaw.com/calregs/Search/Index)
⁴ Drug Medi-Cal Organized Delivery System Resources can be found at: [http://www.dhcs.ca.gov/provgovpart/Pages/DMC_ODS_Resources.aspx](http://www.dhcs.ca.gov/provgovpart/Pages/DMC_ODS_Resources.aspx)
⁵ Title 42 Code of Federal Regulations Section 438.208 (b) can be found at: [https://www.ecfr.gov/cgi-bin/text-idx?SID=966c10235407fef9c40e6d898f5ae599&mc=true&node=pt42.4.438&rgn=div5#se42.4.438_1208](https://www.ecfr.gov/cgi-bin/text-idx?SID=966c10235407fef9c40e6d898f5ae599&mc=true&node=pt42.4.438&rgn=div5#se42.4.438_1208)
existing MOUs between the MHPs and the MCPs are required based on SMHS regulations and existing MCP contracts.

Pursuant to Welfare and Institutions Code Section 14681, DHCS must ensure that all contracts with MCPs include a process for screening, referral, and coordination with MHPs.\(^6\)

For MHPs, Title 9, CCR, Chapter 11, Medi-Cal Specialty Mental Health Services Regulations (Attachment 1) outlines MOU requirements, as follows:

- Section 1810.370, MOUs with Medi-Cal Managed Care Plans.
- Section 1810.415, Coordination of Physical and Mental Health Care.
- Section 1850.505, Request for Resolution.
- Section 1850.515, Departments’ Responsibility for Review of Disputes.
- Section 1850.525, Provision of Medically Necessary Services Pending Resolution of Dispute.\(^7\)

For MCPs, the existing DHCS contracts outline MOU requirements as follows:

- Exhibit A, Attachment 11, Case Management and Care Coordination, Local Mental Health Plan Coordination.
- Exhibit A, Attachment 12, Local Health Department Coordination, Local Mental Health Plan Coordination.

The MOU must include the following elements, which are described in greater detail in the MOU Template (Attachment 2) titled, Memorandum of Understanding Requirements for Medi-Cal Managed Care Plans and Mental Health Plans:

- Basic Requirements;
- Covered Services and Populations;
- Oversight Responsibilities of the MCP and MHP;
- Screening, Assessment, and Referral;
- Care Coordination;
- Information Exchange;
- Reporting and Quality Improvement Requirements;
- Dispute Resolution;
- After-Hours Policies and Procedures; and,

\(^6\) Welfare and Institutions Code § 14681 can be found at: http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=14681.&lawCode=WIC

\(^7\) The CCR is searchable at: https://govt.westlaw.com/calregs/Search/Index
• Member and Provider Education.

The MOU is the primary vehicle for ensuring member access to necessary and appropriate mental health services. The MOU must address policies and procedures for management of the member’s care for both MCPs and MHPs, including but not limited to: screening, assessment and referral, medical necessity determination, care coordination, and exchange of medical information. MOU elements must promote local flexibility and acknowledge the unique relationships and resources that exist at the county level. Responsibility for specific covered services may be addressed by referencing the chart developed by DHCS in Attachment 1 of APL 17-018, or any superseding APL, titled, Medi-Cal Managed Care Health Plan Responsibilities for Outpatient Mental Health Services.

MCPs participating in the Health Homes Program (HHP) must coordinate care for members enrolled in the HHP who also receive care through the MHP. The MOU is the vehicle for ensuring this coordination, as detailed in the MOU Template (Attachment 2). If MCPs choose to contract with MHPs to deliver HHP services, they must articulate the payment terms in the contract.

Each MCP is obligated to conduct a mental health assessment for members with a potential mental health condition using a tool mutually agreed upon with the MHP to determine the appropriate care needed. The MOU must include a process for resolving clinical and administrative disputes between the MCP and MHP and must comply with the dispute resolution process in accordance with Title 9, CCR, Section 1850.505.

The MOU must include identified points of contact for each party responsible for managing the MOU, overseeing quality improvement, and resolving disputes.

The MOU must include all of the elements described in this APL as well as those outlined in the MOU Template (Attachment 2). MCPs are advised that the MOU Template is provided as a guide for MCPs and MHPs to structure their MOUs; however, the specific format provided on the MOU Template is not required and may be modified to account for the needs of MCPs and MHPs.
If you have any questions regarding this APL, please contact your Managed Care Operations Division Contract Manager.

Sincerely,

Original signed by Nathan Nau

Nathan Nau, Chief
Managed Care Quality and Monitoring Division