

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



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DATE: March 17, 2022

ALL PLAN LETTER 22-003

TO: ALL MEDI-CAL MANAGED CARE HEALTH PLANS

SUBJECT: MEDI-CAL MANAGED CARE HEALTH PLAN RESPONSIBILITY TO PROVIDE SERVICES TO MEMBERS WITH EATING DISORDERS

PURPOSE:

The purpose of this All Plan Letter (APL) is to provide Medi-Cal managed care health plans (MCPs) with clarification and guidance regarding their responsibility to coordinate and provide medically necessary services for members who are diagnosed with feeding and eating disorders¹ (hereafter referred to as eating disorders) and are currently receiving Specialty Mental Health Services (SMHS) from a county Mental Health Plan (MHP). Corresponding guidance to MHPs is contained in Behavioral Health Information Notice (BHIN) 22-009.²

BACKGROUND:

Eating disorders are complex conditions involving both physical and psychological components. As such, effective treatment of eating disorders involves a combination of physical and mental health interventions, often provided through an integrated therapeutic modality, program, or setting.

Coordinating appropriate and effective services and treatment for members with eating disorders involves unique complexities and is a shared responsibility between MHPs and MCPs. MCPs are required to provide and cover all medically necessary physical health and non-specialty mental health services, excluding those services that are carved out of the MCP's contract with the Department of Health Care Services (DHCS). MCPs are contractually responsible for providing Comprehensive Medical Case Management Services, including coordination of care, to ensure the provision of all medically necessary services, whether those services are delivered within or outside of the MCP's provider network. These services are provided through either basic case,

¹ The Diagnostic and Statistical Manual of Mental Disorders Fifth Edition states, "feeding and eating disorders are characterized by a persistent disturbance of eating or eating-related behavior that results in the altered consumption or absorption of food and that significantly impairs physical health or psychosocial functioning."

² 2022 BHINs are searchable at: <https://www.dhcs.ca.gov/provgovpart/Pages/2022-BH-Information-Notices.aspx>.

complex case, or Enhanced Care Management activities based on the medical needs of the member.³ Additionally, MCPs are responsible for providing or arranging for medically necessary non-specialty mental health services (NSMHS) provided to members. MHPs are required to provide and cover all medically necessary SMHS in accordance with their contracts with DHCS.

The Early and Periodic Screening, Diagnostic, and Treatment Medicaid mandate entitles beneficiaries under the age of 21 to any medically necessary services coverable under Medicaid to correct or ameliorate identified conditions. Eating disorders are common among adolescents and young adults, and MCPs and MHPs are obligated to provide services necessary to correct or ameliorate eating disorders for members under age 21, whether or not such service is generally only available to adults over age 21. Therefore, if it is medically necessary for a youth under age 21 to receive residential treatment or day treatment intensive services to treat the eating disorder, the MCP and MHP need to provide or arrange for such services.

POLICY:

MCPs and MHPs share a joint responsibility to provide medically necessary services to Medi-Cal beneficiaries with eating disorders. Some treatment for eating disorders (both inpatient and outpatient SMHS) is covered by MHPs. Some treatment for eating disorders is also covered by MCPs. Since eating disorders are complex conditions involving both physical and psychological symptoms and complications, the treatment typically involves blended physical health and mental health interventions, which MCPs and MHPs are jointly responsible to provide.⁴

As stated previously, MCPs are responsible for the physical health components of eating disorder treatment and NSMHS, and MHPs are responsible for the SMHS components of eating disorder treatment, specifically:

- MHPs must provide, or arrange and pay for, medically necessary psychiatric inpatient hospitalization and outpatient SMHS.
- MCPs must provide inpatient hospitalization for members with physical health conditions, including those who require hospitalization due to physical complications of an eating disorder and who do not meet criteria for psychiatric hospitalization. MCPs must also provide or arrange for NSMHS for members requiring these services.
- MCPs must cover and pay for emergency room professional services as described in Section 53855 of Title 22 of the California Code of Regulations. This includes all

³ MCP boilerplate contracts are available at:

<https://www.dhcs.ca.gov/provgovpart/Pages/MMCDBoilerplateContracts.aspx>.

⁴ Welfare and Institutions Code Section 14184.402 (b)-(d), (f), (i)(1).

professional physical, mental, and substance use treatment services, including screening examinations necessary to determine the presence or absence of an emergency medical condition and, if an emergency medical condition exists, for all services that are medically necessary to stabilize the member. Emergency services include professional services and facility charges claimed by emergency departments.

- For partial hospitalization and residential eating disorder programs, MHPs are responsible for the medically necessary SMHS components, and MCPs are responsible for the medically necessary physical health components.

As stated above, MCPs are contractually responsible for providing Comprehensive Medical Case Management Services, including coordination of care, to ensure the provision of all medically necessary services, whether those services are delivered within or outside of the MCP's provider network. These services are provided through either basic case, complex case or Enhanced Care Management activities based on the medical needs of the member. As a result, MCPs must coordinate all medically necessary care for members, including locating, arranging, and following up to ensure services were rendered for partial hospitalization and residential eating disorder programs, when such treatment is medically necessary for a member.

DHCS does not require a specific funding split for MHPs and MCPs to share the cost of services provided in partial hospitalization and residential eating disorder programs. Instead, DHCS recommends that both parties mutually agree upon an arrangement to cover the cost of these medically necessary services. DHCS recommends that MHPs and MCPs proactively come to an agreement on the bundle of services, unit costs, and total costs associated with an episode or case of eating disorder treatment. DHCS recommends that MCPs and MHPs agree on the division of the financial responsibility.

DHCS requires that MCPs and MHPs have a memorandum of understanding (MOU) in place. The division of financial responsibility agreement should be documented in the MOU between the MCP and MHP, inclusive of details about which plan will be responsible for establishing contracts detailing payment mechanisms with providers. If the MCP and the MHP cannot agree on how to divide financial responsibility for those services, DHCS recommends that the MOU require the MCP and the MHP to split the costs equally.

The MOU should also include a requirement that any medically necessary service requiring shared responsibility (such as partial hospitalization and residential treatment for eating disorders) requires coordinated case management and concurrent review by both the MCP and the MHP. In addition, the MOU must specify procedures to ensure timely and complete exchange of information by both the MHP and the MCP for the

purposes of medical and behavioral health care coordination to ensure the member's medical record is complete and the MCP can meet its care coordination obligations.

Should disputes arise between parties that cannot be resolved at the MCP and MHP level, MCPs are required to follow the dispute resolution process contained in APL 21-013 ("Dispute Resolution Process Between Mental Health Plans and Medi-Cal Managed Care Health Plans"), including subsequent revisions to APL 21-013. MHPs are required to follow a parallel dispute resolution process contained in BHIN 21-034.⁵ Nonetheless, MCPs must not delay the case management and care coordination, as well as the coverage of, medically necessary services pending the resolution of a dispute.

The MCP should review and submit updated P&Ps to its Managed Care Operations Division (MCOD) contract manager within 90 days of the release of this APL. If an MCP determines that no changes to its P&Ps are necessary, the MCP must submit an email confirmation to its MCOD contract manager within 90 days of the release of this APL, stating that the MCP's P&Ps have been reviewed and no changes are necessary. The email should indicate the title and the section of the P&Ps where these policies are documented for MCOD's verification. The email confirmation must also include the title of this APL as well as the applicable APL release date in the subject line.

MCPs are responsible for ensuring that their subcontractors and network providers comply with all applicable state and federal laws and regulations, contract requirements, and other DHCS guidance, including APLs and Policy Letters.⁶ These requirements must be communicated by each MCP to all subcontractors and network providers. If you have any questions regarding this APL, please contact your MCOD Contract Manager.

Sincerely,

Original signed by Dana Durham.

Dana Durham, Chief
Managed Care Quality and Monitoring Division

⁵ 2021 BHINs can be found at: <https://www.dhcs.ca.gov/formsandpubs/Pages/2021-MHSUDS-BH-Information-Notices.aspx>

⁶ For more information on Subcontractors and Network Providers, including the definition and applicable requirements, see APL 19-001, and any subsequent APLs on this topic.