



DATE: February 9, 2026

Behavioral Health Information Notice (BHIN) No: 26-005

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 Behavioral Health Association
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

SUBJECT: Reimbursement guidance for covered Medi-Cal services provided to a Medi-Cal member receiving involuntary treatment under the Lanterman-Petris-Short (LPS) Act for a severe substance use disorder (SUD) only.

PURPOSE: To provide guidance to Behavioral Health Plans regarding reimbursement for covered Medi-Cal services for Medi-Cal members receiving involuntary treatment for a severe SUD only.

REFERENCE: Welfare and Institutions Code (W&I Code) sections [5008](#), [5400.1](#), [14184.102\(d\)](#), [Senate Bill \(SB\) 43](#), [SB 1238](#), Behavioral Health Information Notice (BHIN) [BHIN 22-017](#), [BHIN 24-011](#), [BHIN 24-023](#), [BHIN 25-011](#), [BHIN 26-001](#), [BHIN 26-002](#)

California Department of Health Care Services

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Gavin Newsom, Governor



California Health and Human Services Agency

BACKGROUND:

Effective January 1, 2025, [SB 1238](#) (Eggman, Chapter 644, Statutes of 2024) expanded the facility types that can provide involuntary evaluation and treatment under the Lanterman-Petris-Short (LPS) Act, including to individuals diagnosed only with a severe SUD, as defined by W&I Code section 5008(o).¹ Facilities eligible to obtain designation from the county to provide evaluation and treatment and/or intensive treatment under the LPS Act are listed in W&I Code section 5008(n).

SB 1238 added statutes permitting Psychiatric Health Facilities (PHFs) and Mental Health Rehabilitation Centers (MHRCs) to be licensed by DHCS to admit people diagnosed only with a severe SUD if they meet specified requirements.²

Additionally, SB 1238 added W&I Code section 5400.1, which requires DHCS to issue guidance regarding Medi-Cal reimbursement for covered services provided to a member receiving involuntary treatment for a severe SUD only.

This BHIN implements the provisions of SB 1238 regarding Medi-Cal reimbursement requirements. It is issued in accordance with bulletin authority granted in W&I Code section 5400.1(b).

POLICY:

The following guidance outlines how behavioral health plans (BHPs)³ may seek Medi-Cal reimbursement for services provided to members admitted to facilities for the purpose of involuntary treatment for a severe SUD only. This BHIN provides guidance for reimbursement of Specialty Mental Health Services (SMHS) provided for the following levels of involuntary treatment pursuant to the LPS Act, as applicable: (1) evaluation and treatment pursuant to W&I Code section 5151; (2) intensive treatment pursuant to W&I Code sections 5250, 5260, 5270.15, and 5270.70; and (3) conservatorship pursuant to

¹ Effective January 1, 2024, SB 43 (Eggman, Chapter 637, Statutes of 2023) broadened the definition of “gravely disabled” under the LPS Act to include individuals who, due to a severe SUD only or a co-occurring mental health disorder and a severe SUD, are unable to provide for their basic personal needs for food, clothing, shelter, personal safety, or necessary medical care.

² W&I Code sections 4080.5, 5675.05. Please refer to forthcoming guidance specifying licensing requirements for PHFs and MHRCs to admit individuals diagnosed solely with severe SUDs.

³ In this context, “BHP” means an entity or local agency that contracts with DHCS to provide Specialty Mental Health Services (SMHS) and Drug Medi-Cal-Organized Delivery System (DMC-ODS) services, if applicable.

W&I Code section 5350. Facilities may provide involuntary care to members detained for involuntary assessment, evaluation, and crisis intervention pursuant to section 5150 of W&I Code without being designated by the county and approved by DHCS. Facilities must, however, be designated and approved to involuntarily admit and provide evaluation and treatment pursuant to section 5150 of W&I Code or intensive treatment pursuant to sections 5250, *et seq* and conservatorship pursuant to section 5350. Please refer to forthcoming guidance for the interim regulations for designation of LPS facilities.

This BHIN does not address or supersede the respective responsibilities of Medi-Cal Managed Care Plans and Medi-Cal Fee-for-Service (FFS) to cover and/or be the payer of responsibility for emergency services. Medi-Cal behavioral health delivery systems⁴ may continue to seek reimbursement for Medi-Cal covered services, including for crisis services such as Crisis Intervention and Mobile Crisis Response, prior to the determination of a diagnosis as well as when a member has a co-occurring mental health condition and SUD consistent with guidance outlined in W&I Code 14184.402(f) and [BHIN 26-002](#).

Reimbursement for Specialty Mental Health Services

BHPs may seek reimbursement through SMHS for care provided by facilities to members receiving involuntary treatment services for a severe SUD only, as outlined

⁴ "Medi-Cal behavioral health delivery system" means an entity or local agency that contracts with DHCS to provide SMHS, DMC-ODS services, or Drug Medi-Cal (DMC) services. (W&I Code section 14184.101(i).)

below.^{5, 6} BHPs must ensure Medi-Cal members meet applicable SMHS access criteria⁷ and services are medically necessary⁸ to receive reimbursement for covered SMHS. Facilities must seek authorization for services, as required, and meet all other Medi-Cal provider requirements.

Psychiatric Inpatient Hospital Services

BHPs may seek Medi-Cal reimbursement for the following inpatient SMHS provided by inpatient facilities (i.e., General Acute Care Hospitals [GACHs], and Freestanding Acute Psychiatric Hospitals [FAPHs], and PHFs certified as inpatient hospital facilities)⁹ to

⁵ [BHIN 26-002](#) removed the exclusion that prevented substance-related and addictive disorder from being considered for the purpose of determining if a member meets access criteria to the SMHS delivery system. As such, SMHS may be provided to members diagnosed only with SUDs. This is intended to allow BHPs to seek Medi-Cal reimbursement for the SMHS listed in this BHIN provided to members admitted for the purpose of involuntary evaluation and treatment or intensive treatment for a severe SUD only pursuant to the LPS Act (W&I Code section 5000, *et seq.*). Specialty substance use disorder treatment remains available through the DMC program or DMC-ODS for Medi-Cal members who meet DMC/DMC-ODS access criteria. Nothing in this BHIN alters behavioral health delivery system obligations to provide clinically appropriate covered DMC or DMC-ODS services to members whose individualized treatment needs can be met by those services in the settings that may provide them. Providers should use their judgment to determine which service(s) are clinically appropriate for a member based on the member's individualized treatment needs.

⁶ In accordance with licensure requirements under Health and Safety Code section 1250.2(a)(1) and W&I Code 5675.05(a), PHFs and MHRCs may only admit individuals diagnosed only with a severe substance use disorder on an involuntary basis. Nothing in the BHIN prohibits Medi-Cal reimbursement when an individual meets criterion for involuntary treatment pursuant to the LPS act but subsequently consents to voluntary treatment in a facility that may provide voluntary treatment to individuals with SUDs.

⁷ See [W&I Code section 14184.402\(c\)](#) and (d) and [BHIN 26-002](#).

⁸ See [W&I Code sections 14184.402\(a\)](#) and 14059.5. See [BHIN 26-001](#) for criteria for inpatient specialty mental health services, including psychiatric inpatient hospital services, psychiatric inpatient hospital professional services, and psychiatric health facility services.

⁹ PHFs must be certified by the California Department of Public Health (CDPH) as an inpatient hospital facility to provide and be reimbursed by Medi-Cal for inpatient specialty mental health services. PHFs that opt to admit members diagnosed only with severe SUDs must comply with the requirements set forth in W&I Code section 4080.5 and forthcoming licensing guidance issued by DHCS.

members receiving involuntary treatment for a severe SUD only:

- Acute psychiatric inpatient hospital services,¹⁰
- Psychiatric inpatient hospital professional services,¹¹ and/or
- Administrative day services.¹²

BHPs must meet the requirements for authorization of inpatient SMHS outlined in [BHIN 26-001](#) and [BHIN 22-017](#), and include an appropriate International Statistical Classification of Diseases and Related Health Problems (ICD) diagnosis code to receive Federal Financial Participation (FFP) for Medi-Cal covered psychiatric inpatient hospital services.¹³

In facilities that provide psychiatric inpatient hospital services, providers authorized by law and acting within their scope of practice may prescribe and administer medications for addiction treatment (MAT) directly to members on site.¹⁴ As with all prescription medications, the cost of MAT is included as a hospital-based ancillary service in the per diem inpatient reimbursement rate.¹⁵ BHPs may seek Medi-Cal reimbursement for services related to the provision of MAT provided by licensed mental health

¹⁰ [CCR Title 9 section 1810.201](#) and [Attachment 4.19-A \(pages 38 and 41\) in the California Medicaid State Plan](#).

¹¹ [CCR Title 9 section 1810.237.1](#) and [Attachment 4.19-A \(page 42\) in the California Medicaid State Plan](#).

¹² [CCR Title 9 section 1810.202](#) and [Attachment 4.19-A \(pages 38 and 41\) in the California Medicaid State Plan](#).

¹³ More information on authorization can be found at [BHIN 22-017 \(pages 4-12\)](#).

¹⁴ For purposes of this BHIN, "medications for addiction treatment (MAT)" means any drug that is approved by the United States Food and Drug Administration (FDA) to treat substance use disorders.

¹⁵ [CCR Title 9 section 1810.220](#).

professionals¹⁶ with hospital admitting privileges when providing MAT directly to members on site as psychiatric inpatient hospital professional services, consistent with all applicable Medi-Cal billing guidance.¹⁷

Rehabilitative Mental Health Services

BHPs may seek reimbursement for the following rehabilitative mental health services provided by MHRCs, Crisis Stabilization Units (CSUs), and PHFs to members receiving involuntary treatment for a severe SUD only, as outlined below, and consistent with all applicable Medi-Cal billing guidance.¹⁸

- Mental Health Rehabilitation Centers:¹⁹

¹⁶ [BHIN 24-023](#) updated CCR Title 9 section 1810.223, expanding the definition of “licensed mental health professional” to include any of the following providers who are licensed in accordance with applicable State of California licensure requirements: licensed physicians; licensed psychologists (includes waived psychologists); licensed clinical social workers (includes waived or registered clinical social workers); LPCCs (includes waived or registered professional clinical counselors); licensed marriage and family therapists (includes waived or registered marriage and family therapists); registered nurses (includes certified nurse specialists and nurse practitioners); licensed vocational nurses; licensed psychiatric technicians; and licensed occupational therapists. For a psychologist candidate, “waivered” means an individual who either is gaining the experience required for licensure or (2) was recruited for employment from outside California, has sufficient experience to gain admission to a licensing examination, and has been granted a professional licensing waiver approved by the Department of Health Care Services to the extent authorized under state law. For a social worker candidate, a marriage and family therapist candidate, or a professional clinical counselor candidate, “registered” means a candidate for licensure who is registered or is in the process of obtaining registration in accordance with the criteria established by the corresponding state licensing authority for the purpose of acquiring the experience required for licensure, in accordance with applicable statutes and regulations and “waivered” means a candidate who was recruited for employment from outside California, whose experience is sufficient to gain admission to the appropriate licensing examination and who has been granted a professional licensing waiver approved by the Department of Health Care Services to the extent authorized under state law.

¹⁷ See the [DHCS County Claims Customer Services Library](#) for billing guidance.

¹⁸ See the [DHCS County Claims Customer Services Library](#) for billing guidance.

¹⁹ MHRCs that opt to admit members diagnosed only with severe SUDs must comply with the requirements set forth in W&I Code section 5675.05 and forthcoming licensing guidance published by DHCS. This includes obtaining and maintaining at least one level of care designation from DHCS or at least one ASAM level of care certification consistent with all services it offers for the treatment of severe SUD.

BHPs may seek Medi-Cal reimbursement for Adult Residential Treatment Services provided by MHRCs, as defined in the [California State Plan, Supplement 3 to Attachment 3.1-A \(Page 2f\)](#). In addition, when a Medi-Cal member is receiving Adult Residential Treatment Services, BHPs may seek Medi-Cal reimbursement for up to four hours per member per 24-hour period for Medication Support Services, as defined by the [California State Plan, Supplement 3 to Attachment 3.1-A \(Page 2\)](#). Medication Support Services may be used to evaluate a member's need for MAT, evaluate the clinical effectiveness and side effects of MAT, provide medication education about MAT, and plan treatment for MAT.

- Crisis Stabilization Units:²⁰

BHPs may seek Medi-Cal reimbursement for Crisis Stabilization Services provided by CSUs, as defined in the [California State Plan, Supplement 3 to Attachment 3.1-A \(Page 2e\)](#).

- Psychiatric Health Facilities:

BHPs may seek Medi-Cal reimbursement for Psychiatric Health Facility Services provided by PHFs, as defined in the [California State Plan, Supplement 3 to Attachment 3.1-A \(Page 2h\)](#).

In PHFs and CSUs that provide rehabilitative mental health services, providers authorized by law and acting within their scope of practice may prescribe and administer MAT directly to members on site. However, BHPs may not claim SMHS Medication Support Services for the same member on the same date of service as Psychiatric Health Facility services or Crisis Stabilization services, because Medication Support Services are already included as a service component of those SMHS. Prescription medications are covered by DHCS' pharmacy benefit, Medi-Cal Rx.^{21, 22}

²⁰ CSUs are provider sites that are certified by an MHP or DHCS to provide crisis stabilization services in accordance with section 1840.348 of Title 9 of the California Code of Regulations and page 3 of Supplement 3 to Attachment 3.1-A of the California State Plan.

²¹ DMC certification is not required when MAT is administered/covered outside of the DMC and DMC-ODS delivery systems.

²² All medications on the Medi-Cal Rx [Contract Drugs List](#), including medications for addiction treatment, are covered when prescribed by a licensed practitioner. For more information about Medi-Cal Rx, please refer to DHCS' [Medi-Cal Rx website](#).

Payment and Claiming

BHPs should reference the guidance outlined in the most updated SMHS service table and billing manual on the [Medi-Cal County Customer Services \(MedCCC\) webpage](#) to review covered behavioral health services and how to properly claim for them.

Institution for Mental Disease Exclusions

Generally, BHPs are not allowed to claim FFP for any expenditure for services provided by a facility designated as an Institute for Mental Disease (IMD) to IMD residents aged 21 through 64. However, California has a federal waiver that allows BHPs to claim FFP for short-term coverage for stays in IMDs when BHPs opt into the Mental Health IMD FFP Program. See [BHIN 25-011](#) or superseding guidance for more information.²³

Nothing in this BHIN changes the scope or application of the federal Medicaid IMD exclusions. Apart from services that are appropriately reimbursed through the above waiver, the Medi-Cal reimbursement policies above do not apply to IMD-excluded services.

COMPLIANCE:

BHPs are responsible for conducting monitoring of contracted providers for compliance with the terms of the BHP's contract with DHCS, including claims review for compliance with policies regarding involuntary treatment for members with a severe SUD only as outlined in this BHIN. DHCS monitors and oversees BHPs and their operations as required by state and federal law. DHCS will monitor BHPs for compliance with the requirements outlined above, and deviations from the requirements may require corrective action plans or other applicable remedies. This oversight may include, but is not limited to, verifying that services provided to Medi-Cal members are medically necessary, and that documentation complies with the applicable state and federal laws, regulations, and the BHP contract. Recoupment shall be focused on identified overpayments and fraud, waste, and abuse. If DHCS requests a review of the BHP's compliance monitoring activities and/or any requested policies and procedures related to the BHP's compliance monitoring of contracted providers, the BHP must submit the requested documents to DHCS within ten Working Days of receipt of the request, unless otherwise directed by DHCS.

²³ [BH-CONNECT Approval Letter and STCs](#) (pages 32 – 39).

February 6, 2026

Please direct any questions to CountySupport@dhcs.ca.gov.

Sincerely,

Original signed by

Ivan Bhardwaj, Chief
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