STATE OF CALIFORNIA--HEALTH AND WELFARE AGENCY PETE WILSON, GOVERNOR

DEPARTMENT OF MENTAL HEALTH
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May 13, 1997

DMH LETTER NO.: 97-03

TO : LOCAL MENTAL HEALTH DIRECTORS
LOCAL MENTAL HEALTH PROGRAM CHIEFS
LOCAL MENTAL HEALTH ADMINISTRATORS
COUNTY ADMINISTRATIVE OFFICERS
CHAIRPERSONS, LOCAL MENTAL HEALTH BOARDS

SUBJECT : SHORT-DOYLE/MEDI-CAL PROTOCOL FOR THE REVIEW OF PSYCHIATRIC INPATIENT HOSPITAL SERVICES

REFERENCE : Sections 1700-1799, Chapter 10, Title 9, California Code of Regulations

EXPIRES : Retain Until Rescinded

The enactment of Assembly Bill 757, Statutes of 1994, provided the basis for regulations controlling the consolidation of Medi-Cal psychiatric inpatient hospital services. Effective January 1, 1995, Mental Health Plans (MHPs) became responsible for the authorization of Fee-For-Service/Medi-Cal psychiatric inpatient hospital services.

Enclosed is the review protocol to be utilized by the Department to determine the MHP's degree of compliance with pertinent state and federal requirements. The protocol is divided into two parts. Part I is a system review of the MHP. System deficiencies may result in a plan of correction. Part II is a review of the MHP's owned or operated facility. A number of charts from each facility, depending on the bed capacity and occupancy, will be reviewed. Disallowances will be taken only for lack of medical necessity as specified in Title 9, Section 1774.

The criteria in the protocol is taken from the California Code of Regulations, the Code of Federal Regulations or the Welfare and Institutions Code. In cooperation with the County Mental Health Directors Association, this protocol was field tested in five counties and found to be an adequate tool to evaluate a MHP's compliance with these state and federal requirements. In addition, the access to inpatient hospital services will be evaluated based on paid claims data prior to the review. Where there are anomalies, the reviewers will work with the MHP to determine the reason for the differences. If it is determined that the MHP has created barriers to access, a plan of correction may be required.

Compliance reviews will begin in May 1997. The review period will be a floating three month period commencing six months prior to the month of the review.

Should you have questions regarding the compliance reviews, please contact Bob Cacic, Medi-Cal Oversight-Northern Region at (916) 654-3607 or Moss T. Nader, Ph.D., Medi-Cal Oversight-Southern Region at (562) 868-2275.

J. RUBEN LOZANO, Pharm.D.
Deputy Director
Program Compliance

Enclosure

cc: California Mental Health Planning Council
Chief, Technical Assistance and Training
Quality Improvement Coordinators

OVERSIGHT PROTOCOL

MENTAL HEALTH PLAN

SYSTEM REVIEW

REVIEW PROTOCOL PART I
MEDI-CAL MENTAL HEALTH SERVICES

SECTION A *GENERAL COMPONENTS - INPATIENT*

	CRITERIA	PRESENT YES	NO	COMMENTS
I.	The Mental Health Plan (MHP) has an approved Implementation Plan, including amendments, and has submitted the Resolution of Assurances from its County Board of Supervisors. *California Code of Regulations, (CCR) Title 9, Chapter 10,* Article 2, *Sections 1725-1726*			
II.	The MHP ensures that all inpatient subcontractors maintain necessary licensing and certification. *W&I Section 5778 (n)*			
III.	The MHP has a process for screening, referral and coordination with other necessary services. *CCR Title 9, Chapter 10,* Article 2, *Section 1726(a)(2)(A)*			
IV.	The MHP has a process for outreach efforts for the purpose of providing information regarding access under the MHP to beneficiaries and providers. *CCR Title 9, Chapter 10,* Article 2, *Section 1726(a)(2)(B).*			
V.	The MHP has made arrangements for coordination of services for beneficiaries needing services for health, housing, substance abuse, developmental disabilities, or vocational rehabilitation. *W&I Code Section 14683(a).*			Verify.
VI.	The MHP has policies which protect beneficiary confidentiality. *W&I Code Section 5328.*			
VII	The MHP has a process for planned admissions into non-contract hospitals. *CCR Title 9, Chapter 10, Section 1726(a)(6).*			

SYSTEM REVIEW
REVIEW PROTOCOL PART I
MEDI-CAL MENTAL HEALTH SERVICES

SECTION B PROVIDER SELECTION AND CONTRACTS - INPATIENT

	CRITERIA	PRESENT YES	NO	COMMENTS
I.	The MHP has a contract with every Safety Net Hospital provider that meets the selection criteria specified. *CCR , Title 9, Chapter 10, Article 2, Section 1729.*			
II.	The MHP has a contract with every Traditional Hospital Provider that: a. requested to contract as a Traditional Hospital Provider, b. meets the selection criteria, or, c. a Request for Exemption from Contracting has been approved by the Department. *CCR , Title 9, Chapter 10, Article 2, Section 1729.*			
III.	The MHP's contract requirements with each hospital provider are consistent with the following standards: *CCR, Title 9, Chapter 10, Article 2, Section 1729(d).*			
A.	The definitions of terms utilized in the contract are consistent with those defined in Title 9, Chapter 10. *Section 1729(d)(1).*			
B.	The contract's treatment requirements assure that beneficiaries will receive the same level of care as provided to all other patients served. *Section 1729* (d)(2)			
C.	The provider assures that beneficiaries will not be discriminated against in any manner, including admission practices, placement in special wings or rooms, or provision of special or separate meals. *Section 1729(d)(3)*			

SYSTEM REVIEW
REVIEW PROTOCOL PART I
MEDI-CAL MENTAL HEALTH SERVICES

SECTION B PROVIDER SELECTION AND CONTRACTS - INPATIENT

	CRITERIA	PRESENT YES	NO	COMMENTS
D.	The contract specifies how records will be made available for State review for fiscal audits, program compliance and beneficiary complaints. *Section 1729(d)(4).*			
E.	The contract language specifies that the per diem rate is considered to be payment in full, subject to third party liability and patient share of costs, for psychiatric inpatient hospital services to a beneficiary. *Section 1729(d)(5).*			
F.	The contract language that clarifies the rate structure utilized to negotiate the contract is inclusive of all services defined as psychiatric inpatient services in Title 9, Chapter 10 and that the rate structure does not include non-hospital based physician or psychological services unless the provider is a Short-Doyle/Medi-Cal provider. *Section 1729(d)(6).*			
G.	The contract language specifies that a provider adhere to Title XIX of the Social Security Act, 42 USC and conform to all applicable Federal and State statutes and regulations. *Section 1729(d)(7).*			
IV.	The Treatment Authorization Requests (TAR) are approved or denied by licensed mental health professionals of the beneficiary's MHP, and all adverse decisions are reviewed and supported by a physician.. *CCR , Title 9, Chapter 10, Article 2, Section 1777*			

SYSTEM REVIEW
REVIEW PROTOCOL PART I
MEDI-CAL MENTAL HEALTH SERVICES

SECTION C PAYMENT AUTHORIZATION - INPATIENT

	CRITERIA	PRESENT YES	NO	COMMENTS
I.	The MHP has a system for receiving provider notifications of emergency admissions within 24 hours. *CCR , Title 9, Chapter 10, Article 2, Section 1778*			
II.	Emergency admissions are not being authorized prior to admission. *CCR , Title 9, Chapter 10, Article 2, Section 1778*			
III.	The MHP acts upon TARS submitted within fourteen days of the postmark or fax receipt date of the TAR. *CCR , Title 9, Chapter 10, Article 2, Section 1777*			

SYSTEM REVIEW

REVIEW PROTOCOL PART I
MEDI-CAL MENTAL HEALTH SERVICES

SECTION D *PROBLEM RESOLUTION: - INPATIENT*
COMPLAINT, GRIEVANCE AND FAIR HEARING PROCEDURES

	CRITERIA	PRESENT YES	NO	COMMENTS
I.	In regard to both the Complaint Resolution and the Grievance Process: *CCR , Title 9, Chapter 10, Article 2, Section 1795*			
A.	Beneficiaries are informed of their right to authorize another person to act on his or her behalf. *Section 1795(f)(1)*			Describe method:
B.	The MHP has identified staff to assist beneficiaries with these processes upon request. *Section 1795(f)(2)*			Describe:
C.	Beneficiaries are not subject to discrimination or any other penalty for filing a complaint or a grievance. *Section 1795(f)(3)*			See complaint log
D.	There are procedures in place to maintain the confidentiality of beneficiaries. *Section 1795(f)(4)*			
II.	The Complaint resolution process is in compliance with the following requirements: *CCR, Title 9, Chapter 10, Article 2, Section 1795*			
A.	Focuses upon resolution of the beneficiary's concerns as quickly and simply as possible.			
B.	Emphasizes simple, informal and easily understood procedures. *Section 1795(d)(1)*			Review procedures.
C.	Informs a beneficiary of his or her right to use the Grievance Process at any time before, during, or after the Complaint Resolution Process has begun. *Section 1795(d)(3)*			Review pamphlets or handouts.

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SECTION D PROBLEM RESOLUTION: - INPATIENT
COMPLAINT, GRIEVANCE AND FAIR HEARING PROCEDURES

	CRITERIA	PRESENT YES	NO	COMMENTS
D.	Identifies a procedure by which issues identified as a result of the Complaint resolution Process are transmitted to the MHP's Quality Improvement Committee, to the MHP's administration or to another appropriate body within the MHP to implement needed action. *Section 1795(d)(4)*			
III.	The MHP's implemented and approved Grievance Process is in compliance with the following requirements: *CCR, Title 9, Chapter 10, Article 2, Section 1795*			Review procedures and log.
A.	The Grievance Process has a formal written grievance procedure in place with two levels of review within the MHP. *Section 1795(e)(1)*			
B.	Grievances at each level are resolved within thirty calendar day of receipt by that level of the MHP. *Section 1795(e)(2)*			
C.	Issues identified as a result of the Grievance Process are transmitted to the MHP's Quality Improvement Committee, to the MHP's administration or to another appropriate body within the MHP to implement needed action. *Section 1795(e)(3)*			
D.	The roles and responsibilities of the MHP, the provider and the beneficiary are clearly identified. *Section 1795(e)(4)*			
E.	The MHP's Grievance Process provides for the following: *CCR, Title 9, Chapter 10, Article 2, Section 1795*			
1.	The recording of each grievance in a Grievance Log within one working day of receipt of the grievance. *Section 1795(e)(5)(A)*			
2.	The recording of the resolution of each grievance within the required time period or documentation of the reason(s) the problem has not been resolved. *Section 1795(e)(5)(B)*			

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SECTION D PROBLEM RESOLUTION: - INPATIENT
COMPLAINT, GRIEVANCE AND FAIR HEARING PROCEDURES

	CRITERIA	PRESENT YES	NO	COMMENTS
3.	Documentation of the beneficiary's notification of the grievance resolution or documentation of the efforts made to notify the beneficiary if he or she could not been contacted. *Section 1795(e)(5)(C)*			
4.	When a provider was included in the grievance, there is documentation that the provider has been notified of the grievance resolution. *Section 1795(e)(5)(D)*			
5.	Documentation that beneficiaries have been notified of their right to appeal the grievance decision to a second level of review within the MHP. *Section 1795(e)(5)(E)*			
F.	Each entry in the Grievance Log includes the following: *CCR, Title 9, Chapter 10, Article 2, Section 1795(e)(5)(A)1.*			
1.	The name of the beneficiary. *Section 1795(e)(5)(A)1.a.*			
2.	The date of receipt of the grievance. *Section 1795(e)(5)(A)1.b.*			
3.	The nature of the problem. *Section 1795(e)(5)(A)1.c.*			
4.	The time period allowed for resolution. *Section 1795(e)(5)(A)1.d.*			
5.	The party responsible for addressing the grievance. *Section 1795(e)(5)(A)1.e.*			
G.	A review of the number of grievances resolved at each level of the MHP Grievance Process provides the following statistics:			
1.	Level one.			
2.	Level two.			

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MEDI-CAL MENTAL HEALTH SERVICES

SECTION D *PROBLEM RESOLUTION: - INPATIENT*
COMPLAINT, GRIEVANCE AND FAIR HEARING PROCEDURES

	CRITERIA	PRESENT YES	NO	COMMENTS
H.	Have identified problem areas been addressed?			
IV.	The MHP has a procedure to provide written Notice of Action to beneficiaries that informs them of their right to a fair hearing when: *CCR, Title 9, Chapter 10, Section 1796*			
A.	A planned admission is denied.			
B.	Continued stay services are terminated for a beneficiary by the MHP while the beneficiary remains in the hospital.			

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SECTION F *PROVIDER APPEALS - INPATIENT*

	CRITERIA	PRESENT YES	NO	COMMENTS
I.	The MHP complies with the following timelines under the provider appeal process: *CCR, Title 9, Chapter 10, Article 2, Section 1798*			Review the log and individual TARs/cases.
A.	The MHP is informing providers, in writing, of its decision and its basis within sixty calendar days from the receipt of the appeal. *Section 1798(b)*			
B.	When an appeal is denied by the MHP, providers are notified of their right to appeal the decision to the Department, when applicable. *Section 1798(b)(1)*			
C.	When the appeal is upheld by the MHP, the MHP is authorizing payment or taking corrective action within fourteen days of receipt of the revised TAR. *Section 1798(b)(2)*			

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SECTION G CULTURAL COMPETENCE

	CRITERIA	PRESENT YES	NO	COMMENTS
I.	An approved Implementation Plan which includes Cultural Competence is in effect. *DMH Information Notice 94-17, V*			Verify.
II.	The MHP has a process in effect to improve cultural competency and age-appropriate services. *W&I Code Section 14684(h)*			Verify.

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SECTION H EISCAL INDICATORS

	CRITERIA	PRESENT YES	NO	COMMENTS
REALIGNMENT				
I.	The MHP spends realignment mental health funds solely for the provision of mental health services. *W&I Code Section 5704*			Review with Budget Officer
II.	Did the MHP reallocate mental health money to another local health and welfare trust fund account? *W&I Code Section 17600.20(a)*			
A.	If the MHP reallocated mental health money, did the amount exceed 10 percent of the amount deposited in the account from which the funds were reallocated for that fiscal year? *W&I Code Section 17600.20(a)*			
B.	If money was reallocated, did the MHP document, at a regularly scheduled public hearing of its governing body, that the decision to make any substantial change in its allocation of mental health trust funds was based on the most cost-effective use of available resources to maximize client outcomes? *W&I Code Section 17600.20(c)*			
MANAGED CARE				
III.	The MHP spends all managed care funds solely for the provision of mental health services and related administrative costs. *W&I Code Section 5778(p)*			Review with Budget Officer
IV.	The MHP's use of state and federal Medi-Cal managed care funds identified for diagnosis and treatment are used solely for those purposes. *W&I Code Section 14684(a)*			Review with Budget Officer
V.	The MHP administrative costs are clearly identified and limited to reasonable amounts (15%) in relation to the scope of service and the total funds available. *W&I Code Sections 14684(a) and 5724(c)*			Review with Budget Officer
VI.	The MHP is reporting the amount of unexpended funds to the DMH. *W&I Code Section 5777(a)(1)*			Verify and update.

FACILITY REVIEW
REVIEW PROTOCOL PART II
MEDI-CAL MENTAL HEALTH SERVICES

SECTION A *MEDICAL NECESSITY* - NON-TAR HOSPITAL

	CRITERIA	PRESENT YES	NO	COMMENTS
I.	**The beneficiary's admission to a psychiatric inpatient hospital meets all three of the following admission reimbursement criteria (A, B, C below):** *California Code of Regulations (CCR), Title 9, Chapter 10, Article 2, Section 1774(a)*			Review client reco
A.	The beneficiary has a DSM IV diagnosis contained in Section 1774(a)(1).			
B.	The beneficiary cannot be safely treated at a lower level of care.			
C.	The beneficiary requires admission, as a result of a mental disorder, due to at least one of the following indications (the beneficiary must meet either 1. or 2.):			
1.	The beneficiary has symptoms or behaviors that (one of the following):			
a.	Represent a danger to self or others, or to significant property destruction.			
b.	Prevent the beneficiary from providing for, or utilizing food, clothing or shelter.			
c.	Present a severe risk to physical health.			
d.	Represent a recent, significant deterioration in ability to function.			

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SECTION A *MEDICAL NECESSITY* - NON-TAR HOSPITAL

	CRITERIA	PRESENT YES	NO	COMMENTS
2.	The beneficiary requires treatment and/or observation for at least one of the following: *CCR, Title 9, Chapter 10, Article 2, Section 1774(a)*			Review client recor
a.	Further psychiatric evaluation..			
b.	Medication treatment.			
c.	Specialized treatment.			
II.	**The beneficiary's continued stay for Acute Psychiatric Inpatient Hospital Services meets one of the following reimbursement criteria:** *CCR, Title 9, Chapter 10, Article 2, Section 1774(b)*			
A.	Continued presence of indications which meet the medical necessity criteria specified in page 12, no. I of this protocol.			
B.	Serious adverse reaction to medications, procedures or therapies requiring continued hospitalization.			
C.	Presence of new indications which meet medical necessity criteria specified in page 12, no. I of this protocol..			
D.	Requires continued medical evaluation or treatment that can only be provided if the beneficiary remains in a psychiatric inpatient hospital.			

FACILITY REVIEW
REVIEW PROTOCOL PART II
MEDI-CAL MENTAL HEALTH SERVICES

SECTION B UTILIZATION REVIEW PLAN - NON-TAR HOSPITAL

	CRITERIA	PRESENT YES	NO	COMMENTS
I.	The Utilization Review (UR) Plan addresses the following: *CCR, Title 9, Chapter 10, Article 2, Section 1775; Code of Federal Regulations (CFR), Title 42, Subchapter C, Subpart D, Sections 456.201 - 205*			
A.	Provides for a committee to perform UR.			
B.	Describes the organization, composition, and functions of the committee.			
C.	Specifies the frequency of the committee meetings.			
II.	The UR Plan is in compliance with each of the following: *CFR, Title 42, Subchapter C, Subpart D, Sections 456.212 - 237*			
A.	The UR Plan contains a description of the types of records that are kept by the UR committee. *Section 456.212*			
B.	The UR Plan contains a description of the types and frequency of the URC reports and the arrangements for distribution to individuals. Section *456.212*			
C.	The UR Plan provides for the beneficiary's confidentiality in all records and reports. *Section 456.213*			
D.	The UR Plan contains written medical care criteria to assess the need for continued stay. *Section 456.232*			

FACILITY REVIEW

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MEDI-CAL MENTAL HEALTH SERVICES

SECTION B UTILIZATION REVIEW PLAN - NON-TAR HOSPITAL

	CRITERIA	PRESENT YES	NO	COMMENTS
III.	The UR Plan Provides for the written notice of any adverse final decision on the need for continued stay within required time lines. *CFR, Title 42, Subchapter C, Subpart D, Section 456.237*			
IV.	The UR Plan addresses the following provisions for Medical Care Evaluation (MCE) studies: *CFR, Title 42, Subchapter C, Subpart D, Sections 456.241-245*			
A.	The UR plan describes the methods that the Utilization Review Committee (URC) uses to select and conduct MCE studies. *Section 456.242*			
B.	The UR Plan documents the results of the MCE studies and shows how the results have been used to make changes to improve the quality of care and promote the more effective and efficient use of facilities and services. *Section 456.242*			
C.	The UR Plan documents that the MCE study has been analyzed. *Section 456.242*			
D.	The UR Plan documents that actions have been taken to correct or investigate further any deficiencies or problems in the review process and recommends more effective and efficient hospital care procedures. *Section 456.242*			

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SECTION C *UTILIZATION REVIEW COMMITTEE* - NON-TAR HOSPITAL

	CRITERIA	PRESENT YES	NO	
I.	The URC may not include anyone who is directly responsible for the care of the beneficiary whose care is being viewed. *CFR, Title 42, Subchapter D, Section 456.206*			
II.	The URC or its designee has approved or denied the initial MHP authorization for payment no later than the third working day from the day of admission. *CCR, Title 9, Chapter 10, Article 2, Section 1779(b)*			
III.	At the time of the initial MHP authorization for payment, the URC or its designee has specified the date for the subsequent MHP authorization for payment determination. *CCR, Title 9, Chapter 10, Article 2, Section 1779(c)*			
IV.	The URC authorized payment for administrative day services when medical necessity criteria had been met and the facility has documented its minimum number of appropriate contacts. *CCR, Title 9, Chapter 10, Article 2, Section 1779(d)(2)*			

FACILITY REVIEW

REVIEW PROTOCOL PART II

MEDI-CAL MENTAL HEALTH SERVICES

SECTION D *UTILIZATION REVIEW PROCESS* - NON-TAR HOSPITAL

	CRITERIA	PRESENT YES	NO	COMMENTS
I.	Beneficiary's written Plan of Care includes the following elements: *CCR, Title 9, Chapter 10, Article 2, Section 1775; CFR, Title 42, Subpart D, Section 456.180*			
A.	Diagnoses, complaints and complications indicating the need for admission.			
B.	A description of the functional level of the beneficiary.			
C.	Objectives.			
D.	Any orders for: Medications			
	Treatments			
	Restorative and rehabilitative services.			
	Activities			
	Therapies			
	Social services			
	Diet			
	Special procedures recommended for the health and safety of the beneficiary			
E.	Plans for continuing care, including review and modification to the Plan of Care.			
F.	Plans for discharge.			
G.	Documentation of the physician's establishment of this Plan.			

FACILITY REVIEW

REVIEW PROTOCOL PART II

MEDI-CAL MENTAL HEALTH SERVICES

SECTION E *UTILIZATION REVIEW* - NON-TAR HOSPITAL

	CRITERIA	PRESENT YES	NO	COMMENTS
I.	Services delivered by licensed staff are within their scope of practice. *Welfare and Institutions Code* (W&IC) 5778 (n)			
II.	Persons employed or under contract to provide mental health services as psychologists, social workers or marriage, family and child counselors are licensed, waivered or registered with their licensing boards. *W&IC 5751.2 and CCR Title 9, Sections 624 - 626*			
III.	The contents of the Medical Care Evaluation (MCE) studies meet federal requirements. *Code of Federal Regulations (CFR), Title 42, Subpart D, Section 456. 243*			
IV.	At least one MCE study has been completed each calendar year. *(CFR), Title 42, Subpart D, Section 456.245*			
V.	An MCE study is in progress at all times. *(CFR), Title 42, Subpart D, Section 456.245*			