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State/Territory Name: CA

State Plan Amendment (SPA) #: CA-23-0015

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services 7500 Security Boulevard, Mail Stop S3-14-28 Baltimore, Maryland 21244-1850



Financial Management Group

July 20, 2023

Jacey K. Cooper Chief Deputy Director, Health Care Programs California Department of Health Care Services P.O. Box 997413, MS 0000 Sacramento, CA 95899-7413

RE: California State Plan Amendment Transmittal Number 23-0015

Dear Chief Deputy Director Cooper:

We have reviewed the proposed amendment to Attachments 4.19-A and 4.19-B of your Medicaid State plan submitted under transmittal number (TN) 23-0015. Effective July 1, 2023, this amendment modifies the reimbursement methodology for Medi-Cal behavioral health services.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. This is to inform you that Medicaid State plan amendment TN 23-0015 is approved effective July 1, 2023. The CMS-179 and the amended plan page(s) are attached.

If you have any additional questions or need further assistance, please contact Mark Wong at (415) 744-3561 or mark.wong@cms.hhs.gov and Blake Holt at (303) 844-6218 or blake.holt@cms.hhs.gov.

Sincerely,

Rory Howe Director

Enclosures

	1. TRANSMITTAL NUMBER	2. STATE
TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL	-	
	3. PROGRAM IDENTIFICATION: TITLE OF	———
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	SECURITY ACT	
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TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES	4. PROPOSED EFFECTIVE DATE	
DEPARTMENT OF HEALTH AND HUMAN SERVICES		
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7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT38-40.2 and 45.4-45.6	8. PAGE NUMBER OF THE SUPERSED OR ATTACHMENT (If Applicable)	DED PLAN SECTION
21-25 and 38-41g		38-40.5 and 45.4-45
22 25 4110 00 126		21-25.12 and 38-41u
9. SUBJECT OF AMENDMENT	•	
10. GOVERNOR'S REVIEW (Check One)		
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COMMENTS OF GOVERNOR'S OFFICE ENCLOSED NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL	Please note: The Governor's Office the State Plan Amendment.	e does not wish to review
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12. TYPED NAME		
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14. DATE SUBMITTED		
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Rory Howe	Director, Financial Management Group	
22. REMARKS		
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State/Territory: California

Citation

Condition or Requirement

REIMBURSEMENT OF PSYCHIATRIC INPATIENT HOSPITAL SERVICES PROVIDED BY SHORT-DOYLE/MEDI-CAL HOSPITALS

Psychiatric inpatient hospital services will be provided as part of a comprehensive program that provides rehabilitative mental health and targeted case management services to Medicaid (Medi-Cal) beneficiaries that meet medical necessity criteria established by the State.

A. GENERAL APPLICABILITY

Short-Doyle/Medi-Cal (SD/MC) Hospitals will be eligible to be reimbursed under this segment for the provision of Psychiatric Inpatient Hospital Services.

B. DEFINITIONS

"Acute Psychiatric Hospital" means a hospital that is licensed by the State as an Acute Psychiatric Hospital.

"Acute Psychiatric Inpatient Hospital Services" means those services provided by an Acute Psychiatric Hospital or a General Acute Care Hospital to beneficiaries for whom the facilities, services, and equipment are medically necessary for diagnosis or treatment of a mental disorder.

"Allowable Days" means Acute Psychiatric Inpatient Hospital Services days provided to Medi-Cal beneficiaries.

"Administrative Day Services" means Psychiatric Inpatient Hospital Services provided to a beneficiary who has been admitted to the hospital for Acute Psychiatric Inpatient Hospital Services, and the beneficiary's stay at the hospital must be continued beyond the beneficiary's needs for Acute Psychiatric Inpatient Hospital Services due to a temporary lack of residential placement options at non-acute residential treatment facilities that meet the needs of the beneficiary.

"General Acute Care Hospital" means a hospital that is licensed by the State as a General Acute Care Hospital.

"Hospital-Based Ancillary Services" means services other than Routine Hospital Services and Psychiatric Inpatient Hospital Professional Services that are received by a beneficiary admitted to a SD/MC Hospital.

"Psychiatric Inpatient Hospital Services" means Acute Psychiatric Inpatient Hospital Services and Administrative Day Services provided by a SD/MC Hospital, which are

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reimbursed a per diem rate that includes the cost of Routine Hospital Services and all Hospital-Based Ancillary Services.

"Reasonable and Allowable Cost" means cost based on year-end CMS 2552 hospital cost reports and supplemental schedules; and Medicare principles of reimbursement as described at 42 CFR 413; the CMS Provider Reimbursement Manual, Publication 15-1; and other applicable federal directives that establish principles and standards for determining allowable costs and the methodology for allocating and apportioning those expenses to the Medicaid program.

"Routine Hospital Services" means bed, board, and all medical, nursing, and support services usually provided to an inpatient by a hospital. Routine services do not include Hospital-Based Ancillary Services and Psychiatric Inpatient Hospital Professional Services that are received by a beneficiary admitted to a SD/MC Hospital..

"Short-Doyle/Medi-Cal (SD/MC) Hospitals" means hospitals that claim reimbursement for Psychiatric Inpatient Hospital services through the SD/MC claiming system and are the hospitals listed on page 40.1of this segment.

"Usual and Customary Charge" means the regular rates that providers charge both Medi-Cal beneficiaries and other paying patients for the services furnished to them (42 CFR 413.13).

- C. REIMBURSEMENT METHODOLOGY AND PROCEDURES SD/MC Hospitals will be reimbursed the lower of the SD/MC Hospital's usual and customary charge or the State's per diem rate for Psychiatric Inpatient Hospital Services. The State will follow the steps below to calculate the per diem rate for Psychiatric Inpatient Hospital Services.
 - a. Administrative Day Services All SD/MC Hospitals The State calculates one statewide per diem rate for Administrative Day Services that is applied to all SD/MC Hospitals that provide Administrative Day Services. The statewide per diem rate for Administrative Day Services is calculated, to be effective from August 1st to July 31st of each rate year, using the following steps.
 - Gather hospital specific data regarding skilled nursing facility rates calculated for all hospitals in the State that operate a distinct part nursing facility for the prospective nursing facility rate year, which runs from August 1st through July 31st.
 - 2. Identify the median rate among all hospitals that operate a distinct part nursing facility.
 - 3. Multiply the median rate by 1.16 to incorporate Hospital-Based Ancillary Services.

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The State will publish the rate to the following webpage: https://www.dhcs.ca.gov/services/MH/Pages/medi-cal-behavioral-health-fee-schedules.aspx

- b. Acute Psychiatric Inpatient Hospital Services Acute Psychiatric Hospitals
 The State will use the following steps to calculate one per diem rate for each
 county where SD/MC Acute Psychiatric Hospitals are located in California.
 - 1. Gather hospital specific data regarding the total allowable Medi-Cal Acute Psychiatric Inpatient Hospital Service costs and total allowable Medi-Cal Acute Psychiatric Inpatient days as determined and reported in the most current CMS 2552 hospital cost report and supplemental schedules on file with the State as of July 1, 2022 for each SD/MC Acute Psychiatric Hospital. All SD/MC Acute Psychiatric Hospital cost reports used in each county have a uniform cost reporting period.
 - 2. Adjust each SD/MC Acute Psychiatric Hospital's total allowable Medi-Cal-Acute Psychiatric Inpatient Hospital Service costs to account for prior year audit adjustments.
 - 3. Sum the total allowable costs, after applying the audit adjustment, and total allowable days for all SD/MC Acute Psychiatric Hospitals located in each county.
 - 4. Divide the sum of total allowable costs by the sum of total allowable days to calculate a cost per day for SD/MC Acute Psychiatric Hospitals located in each county.
 - 5. Multiply the result in Step 4above by one plus the percentage change from the four quarter average of the cost reporting fiscal year to the four quarter average of fiscal year 2023-24 from the IHS Global Inc. CMS Market Basket Index Level for Inpatient Psychiatric Health Facilities. This will result in the per diem rate for each county for the fiscal year 2023-24.
 - 6. On an annual basis, increase the per diem rate for each county by the percentage change in the IHS Global Inc. CMS Market Basket Index Levels for Inpatient Psychiatric Facilities from the four quarter average of the last updated rate fiscal year to the four quarter average of the fiscal year for which the rates are being calculated.

The State will publish the rate to the following webpage: https://www.dhcs.ca.gov/services/MH/Pages/medi-cal-behavioral-health-feeschedules.aspx

c. Acute Psychiatric Inpatient Hospital Services – General Acute Care Hospitals

The State will use the following steps to calculate one per diem rate for each county where SD/MC General Acute Care Hospitals are located in California.

1. Gather hospital specific data regarding the total allowable Medi-Cal Acute Psychiatric Inpatient Hospital Service costs and total allowable Medi-Cal

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- Acute Psychiatric Inpatient days as determined and reported in the most current CMS 2552 hospital cost report and supplemental schedules on file with the State as of July 1, 2022, for each SD/MC General Acute Care Hospital. All SD/MC General Acute Care Hospitals cost reports used in each county have a uniform cost reporting period.
- 2. Adjust each SD/MC General Acute Care Hospital's total allowable Medi-Cal-Acute Psychiatric Inpatient Hospital Service costs to account for prior year audit adjustments.
- 3. Sum the total allowable costs, after applying the audit adjustment, and total allowable days for all SD/MC General Acute Care Hospitals located in each county.
- 4. Divide the sum of total allowable costs by the sum of total allowable days to calculate a cost per day for SD/MC General Acute Care Hospitals located in each county.
- 5. Multiply the result in Step 4 above by one plus the percentage change from the four quarter average of the cost reporting fiscal year to the four quarter average of fiscal year 2023-24 from the IHS Global Inc. CMS Market Basket Index Level for Inpatient Psychiatric Health Facilities. This will result in the per diem rate for each county for the fiscal year 2023-24.
- 6. On an annual basis, increase the per diem rate for each county by the percentage change in the IHS Global Inc. CMS Market Basket Index
- 7. Levels for Inpatient Psychiatric Facilities from the four quarter average of the last updated rate fiscal year to the four quarter average of the fiscal year for which the rates are being calculated.

The State will publish the rate to the following webpage: https://www.dhcs.ca.gov/services/MH/Pages/medi-cal-behavioral-health-fee-schedules.aspx

D. PROVIDERS OF PSYCHIATRIC INPATIENT HOSPITAL SERVICES SD/MC Hospitals are eligible to provide services under this segment.

Short-Doyle/Medi-Cal Hospitals

- 1. Santa Barbara County Psychiatric Health Facility
- 2. San Mateo County Medical Center
- 3. Gateways Hospital and Community Mental Health Center
- 4. Riverside County Regional Medical Center
- 5. Kedren Hospital and Community Mental Health Center
- 6. Natividad Medical Center
- 7. LAC/USC Medical Center
- 8. Contra Costa Regional Medical Center
- 9. Harbor/UCLA Medical Center
- 10. Olive View/UCLA Medical Center

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- 11. San Francisco General Hospital
- 12. Sempervirens Psychiatric Health Facility
- 13. Ventura County Medical Center
- 14. Santa Clara Valley Medical Center
- 15. Alameda County Medical Center
- 16. Arrowhead Regional Medical Center
- 17. Rady Children Adolescent Psychiatric Services
- 18. Mills Peninsula Hospital
- 19. Stanford University
- 20. Shasta Psychiatric Hospital

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State/Territory: California

REIMBURSEMENT OF INPATIENT WITHDRAWAL MANAGEMENT SERVICES

A. DEFINITIONS

"Hospital-Based Ancillary Services" means services other than routine hospital services and inpatient hospital professional services that are received by a beneficiary admitted to a hospital for Inpatient Withdrawal Management Services.

"Inpatient Hospital Professional Services" means Substance Use Disorder Treatment Services and Expanded Substance Use Disorder Treatment Services, as those terms are defined in Supplement 3 to Attachment 3.1-A of this State Plan, provided to a beneficiary by a Licensed Practitioner of the Healing Arts, as defined in Supplement 3 to Attachment 3.1-A of this State Plan, with hospital admitting privileges while the beneficiary is in a hospital receiving Inpatient Withdrawal Management Services. Inpatient Hospital Professional Services do not include all Substance Use Disorder Treatment Services or Expanded Substance Use Disorder Treatment Services, as those terms are defined in Supplement 3 to Attachment 3.1-A of this State Plan, provided in an inpatient setting. Inpatient Hospital Professional Services includes only those services provided for the purposes of evaluating and managing the Substance Use Disorder that resulted in the need for Inpatient Withdrawal Management Services. Inpatient Hospital Professional Services do not include Routine Hospital Services or Hospital-Based Ancillary Services.

"Inpatient Withdrawal Management Services" means Level 3.7 and Level 4.0 Withdrawal Management as defined in section 13.d.6 of Supplement 3 to Attachment 3.1-A of this State Plan when provided in an acute care hospital, an acute psychiatric hospital, or a chemical dependency recovery hospital.

"Per Diem Rate" means a daily rate for Routine Hospital Services and Hospital-Based Ancillary Services provided to a beneficiary admitted to a hospital for Inpatient Withdrawal Management Services.

"Routine Hospital Services" means bed, board, and all medical, nursing, and support services usually provided to an inpatient by a hospital. Routine hospital services do not include Hospital-Based Ancillary Services or Inpatient Hospital Professional Services.

B. REIMBURSEMENT METHODOLOGY AND PROCEDURES

A hospital shall be paid a Per Diem Rate set by the State for Inpatient Withdrawal Management Services. The State will set one Per Diem Rate for each county where hospitals are located that provide Inpatient Withdrawal Management Services. All hospitals located in a county will be paid the same Per Diem Rate for Inpatient

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Withdrawal Management Services.

- a. The State will use the following methodology to set the Per Diem Rate for each county for Fiscal Year 2023-24.
 - i. The State will identify all hospitals enrolled in Medi-Cal on December 31, 2022 to provide Inpatient Withdrawal Management Services.
 - ii. The State will obtain the number of days, direct expenses within the Chemical Dependency cost center, and costs allocated to the Chemical Dependency cost center from non-revenue producing cost centers for each hospital identified in (i) above from each hospital's audited Fiscal Year 2020-21 Hospital Annual Disclosure Report filed with the Department of Health Care Access and Information. All hospitals' audited FY 2020-2021 cost reports have a uniform fiscal period of 7/1/2020 to 6/30/2021.
 - iii. The State will calculate a weighted average Per Diem Rate for each county using the data obtained in (ii) above. The weighted average Per Diem Rate will be equal to the direct expenses within the Chemical Dependency cost center plus the costs allocated to the Chemical Dependency cost center from non-revenue producing cost centers summed across all hospitals located within the county divided by the number of days within the Chemical Dependency cost center summed across all hospitals located within the county.
 - iv. The State will trend the Per Diem Rates calculated in (iii) above from Fiscal Year 2020-21 to Fiscal Year 2023-24 by the percentage change from the 2020-21 four quarter average to the 2023-24 four quarter average in the IHS Global Inc. CMS Market Basket Index Levels for Psychiatric Inpatient Facilities.
 - v. For counties where there were no hospitals enrolled in Medi-Cal on December 31, 2022 to provide Inpatient Withdrawal Management Services, the State will assign the rate calculated in iv above for the nearest county.
- b. For Fiscal Year 2024-25 and onwards, the State will use the following methodology to annually update, for each county, the Per Diem Rates calculated in (a) above.
 - i. The State will identify all hospitals that are newly enrolled in Medi-Cal to provide Inpatient Withdrawal Management Services after December 31st of the prior fiscal year and through December 31st prior to the beginning of the fiscal year for which Per Diem Rates are being calculated.
 - ii. If the State identifies one or more hospitals pursuant to step i., the State will recalculate the rate for the county where the newly enrolled hospital or hospitals are located pursuant to the methodology described in a. above, using the most recently audited Hospital Annual Disclosure Report filed with the Department of Health Care Access and Information.
 - iii. If the State does not identify a hospital pursuant to step i. for the county, the State will trend the Per Diem Rate calculated in (a) above by the percentage change from the prior fiscal year four quarter average to the rate year four

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- quarter average IHS Global Inc. CMS Market Basket Index Levels for Inpatient Psychiatric Facilities.
- iv. For counties where there were no hospitals enrolled in Medi-Cal to provide Inpatient Withdrawal Management Services in order to establish a Per Diem Rate for the county for the current fiscal year, the State will assign the rate calculated for the nearest county.

The State will publish the rate to the following webpage: https://www.dhcs.ca.gov/services/MH/Pages/medi-cal-behavioral-health-feeschedules.aspx.

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REIMBURSEMENT OF REHABILITATIVE MENTAL HEALTH AND TARGETED CASE MANAGEMENT SERVICES

A. GENERAL APPLICABILITY

Reimbursement of rehabilitative mental health and targeted case management services provided by eligible providers will be limited to the fee schedule developed by the State.

B. Definitions

"Day Services" means Day Treatment Intensive, Day Rehabilitation, and Crisis Stabilization Services as those services are defined in Supplement 3 to Attachment 3.1-A.

"Eligible Provider" means a public or private provider enrolled in the Medi-Cal program and certified to provide one or more Rehabilitative Mental Health or Targeted Case Management service as those services are defined in Supplement 1 and Supplement 3 to Attachment 3.1-A of this State Plan.

"Full-day" means a beneficiary received faced-to-face services in a program with services available for more than four hours.

"Half-day" means a beneficiary received face-to-face service in a program with services available from three to four hours.

"Home Health Agency Market Basket Index" means the IHS Global Inc. CMS Market Basket Index Levels for Home Health Agencies.

"Licensed Practitioner of the Healing Arts (LPHA)" means Licensed Clinical Social Worker (LCSW), Waivered/Registered LCSW, Licensed Professional Clinical Counselor (LPCC), Waivered/Registered LPCC, Marriage and Family Therapist (MFT), and Waivered/Registered MFT as those terms are defined in Supplement 3 to Attachment 3.1-A.

"Outpatient Services" means Mental Health Services, Medication Support Services, Crisis Intervention Services, and Targeted Case Management Services as those services are defined in Supplement 3 and Supplement 1 to Attachment 3.1-A.

"Provider Type" means Physician, Psychologist, Waivered Psychologist, Registered Nurse (RN), Licensed Vocational Nurse (LVN), Psychiatric Technician (PT), Mental Health Rehabilitative Specialist (MHRS), Physician Assistant (PA), Nurse Practitioner (NP), Certified Nurse Specialist (CNS), Pharmacist, Occupational

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Therapist (OT), Peer Support Specialists, and Other Qualified Provider as those terms are defined in Supplement 3 to Attachment 3.1-A of this State Plan; and Licensed Practitioner of the Healing Arts.

"Rehabilitative Mental Health and Targeted Case Management Services" means Outpatient Services, Day Services, and Twenty-Four Hour Services -as those services are defined in Supplement 3 to Attachment 3.1-A of this State Plan.

"Services Provided in a Treatment Foster Home" means a bundle of rehabilitative mental health services provided to children and youth up to 21 years of age who have been placed in a Residential Treatment Foster Home and who meet medical necessity criteria for this service as established by the State. The bundle of rehabilitative mental health services includes plan development, rehabilitation, and crisis intervention, as those services are defined in Supplement 3 to Attachment 3.1-A of this State Plan.

"Twenty-Four Hour Services" means Adult Residential Treatment, Crisis Residential Treatment, and Psychiatric Health Facility Services as those services are defined in Supplement 3 to Attachment 3.1-A and Services Provided in a Treatment Foster Home.

C. Outpatient Services Reimbursement Methodology

- 1. The State reimburses all eligible providers of Outpatient Services on a fee for service basis pursuant to a fee schedule established by the State. Eligible providers claim reimbursement for Outpatient Services by Provider Type using appropriate Current Procedural Terminology (CPT®) or Healthcare Common Procedure Coding System (HCPCS) codes. The fee schedule contains a rate for each County where the provider is located and combination of Provider Type and CPT®/HCPCS code.
- 2. Except as otherwise noted in the state plan, state-developed fee schedule rates are the same for both governmental and private providers The fee schedule that is effective July 1, 2023, and annually thereafter, is posted to the following webpage: https://www.dhcs.ca.gov/services/MH/Pages/medi-cal-behavioral-health-fee-schedules.aspx.
- 3. The State will annually increase the per-unit rates for HCPCS and CPT Codes effective July 1, 2023 by the percentage change in the four quarter average Home Health Agency Market Basket Index.

D. Day Services Reimbursement Methodology

1. The State reimburses all eligible providers of Day Services on a fee for service basis pursuant to a fee schedule established by the State. Day Treatment Intensive and Day Rehabilitation are reimbursed a Half-Day rate when the beneficiary participates in the day treatment intensive or day treatment program

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- for at least 3 hours and less than 4 hours. Day Treatment Intensive and Day Rehabilitation services are reimbursed a Full-Day rate when the beneficiary participates in the Day Treatment Intensive or Day Rehabilitation Program for at least 4 hours. Crisis Stabilization Services are reimbursed an hourly rate not to exceed twenty hours of service in one day. The fee schedule contains a rate for each County where the provider is located and each Day Service.
- 2. Except as otherwise noted in the state plan, state-developed fee schedule rates are the same for both governmental and private providers The fee schedule for day services that is effective July 1, 2023, and annually thereafter, is posted to the following webpage: https://www.dhcs.ca.gov/services/MH/Pages/MedCCC-Library.aspx.
- 3. The State will annually increase the day service rates effective July 1, 2023 by the percentage change in the four quarter average Home Health Agency Market Basket Index.

E. Twenty-Four Hour Services Rate Methodology

- The State reimburses all eligible providers of Twenty-Four Hour Services on a
 fee for service basis pursuant to a fee schedule established by the State.
 Twenty-Four Hour Services are reimbursed a per diem rate. The fee schedule
 contains a rate for each County where the provider is located and each TwentyFour Hour Service.
- Except as otherwise noted in the state plan, state-developed fee schedule rates are the same for both governmental and private providers. The fee schedule for Twenty-Four Hour Services that is effective July 1, 2023, and annually thereafter, is posted to the following webpage: https://www.dhcs.ca.gov/services/MH/Pages/MedCCC-Library.aspx.
- 3. The State will annually increase the per-unit rates for 24-hour services effective July 1, 2023 by the percentage change in the four quarter average Home Health Agency Market Basket Index.
- 4. The fee schedule rate for Services Provided in a Treatment Foster Home is a bundled rate.
 - a. Any provider delivery Services Provided in a Treatment Foster Home will be paid through the bundled rate and cannot bill separately.
 - b. Any providers delivering services outside of a treatment foster home may bill for those separate services pursuant to this State Plan.
 - c. The bundled rate for Services Provided in a Treatment Foster Home does not include costs related to room and board.
 - d. The State will periodically monitor the actual provision of services paid under the bundled rate to ensure that beneficiaries receive the types, quantity, and intensity of services required to meet their medical needs and to ensure that the rates remain economic and efficient based on the services that are actually provided as part of the bundle.
- F. Community-Based Mobile Crisis Intervention Services Rate Methodology

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- 1. Community-Based Mobile Crisis Intervention Encounters
 - a. Except as otherwise noted in the state plan, state-developed fee schedule rates are the same for both governmental and private providers The State establishes a county-based bundled rate for each encounter. The countybased bundled rates effective July 1, 2023, and annually thereafter, are posted to the following webpage:
 - https://www.dhcs.ca.gov/services/MH/Pages/MedCCC-Library.aspx.
 - b. The State reimburses all eligible providers the county-based bundled rate based upon the county where the provider is located.
 - c. The county-based bundled rate is reimbursed for the following service components as those components are defined in Attachment 3.1-A of this State Plan:
 - Assessment
 - Mobile crisis response
 - Crisis planning
 - Referral to ongoing supports
 - Follow up check ins
 - d. A provider must render at least one of the following service components during an encounter to be reimbursed the bundled rate:
 - Assessment
 - Mobile crisis response
 - · Crisis planning
 - Referral to ongoing supports
 - e. Any provider delivering services through a bundle will be paid through that bundled payment rate and cannot bill separately. Providers delivering separate services outside of the bundle may bill for those separate services in accordance with the state's Medicaid billing procedures.
 - f. The state will annually increase the county-based bundled rates effective July 1, 2023 by the percentage change in the four quarter average Home Health Agency Market Basket Index.
 - g. The state will periodically monitor the actual provision of services paid under a bundled rate to ensure that beneficiaries receive the types, quantity, and intensity of services required to meet their medical needs and to ensure that the rates remain economic and efficient based on the services that are actually provided as part of the bundle.

2. Facilitation of a warm handoff

a. The State will reimburse providers for Facilitation of a warm handoff, as that service component is defined in Attachment 3.1-A of this State Plan, pursuant to a fee schedule established by the State. The fee schedule will include a rate for each county and the following aspects of the service component:

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- Providing and/or arranging for a beneficiary's transportation to an alternative setting to receive urgent treatment. The State will reimburse providers the standard mileage rate per mile for use of an automobile for medical care as established by the Internal Revenue Service.
- Staff time spent providing and/or arranging for transportation to an alternative setting to receive urgent treatment. The State will reimburse eligible providers based upon the provider type providing and/or arranging for transportation. The rates for this aspect of Facilitation of a Warm Handoff effective July 1, 2023, and annually thereafter, are posted to the following webpage:
 https://www.dhcs.ca.gov/services/MH/Pages/MedCCC-Library.aspx.
- 3. The State will annually increase the fee schedules described in paragraphs 1 and 2 by the percentage change in the four quarter average Home Health Agency Market Basket Index.

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REHABILITATIVE SERVICES: REIMBURSEMENT FOR DRUG MEDI-CAL PROGRAM

Section 1: Reimbursement for Substance Use Disorder Treatment Services

This segment of the State Plan describes the reimbursement methodology for Substance Use Disorder Treatment Services covered under the rehabilitation benefit and rendered by qualified providers as described in Supplement 3 to Attachment 3.1 A to this State Plan. Qualified providers are DMC certified providers that must be licensed, registered, enrolled, and/or approved in accordance with all applicable state laws and regulations; abide by the definitions, rules, and requirements for stabilization and rehabilitation services established by the Department of Health Care Services (DHCS); and sign a provider agreement with a county or DHCS. During the period beginning October 1, 2020 and ending September 30, 2025, Medication for Addiction Treatment for Opioid Use Disorder (MAT for OUD) Services are exclusively covered and reimbursed under the 1905(a)(29) benefit.

A. Definitions

"Narcotic Treatment Program Services" means Narcotic Treatment Program (NTP) Daily Dosing Services and Individual Counseling, Group Counseling and Peer Support Services as those services are defined in Section 13.d.5 of Supplement 3 to Attachment 3.1-A of this State Plan.

"Narcotic Treatment Program Daily Dosing Services" means NTP Core Services, NTP Laboratory Work, MAT for Alcohol Use Disorder and Other Non-Opioid Use Disorders (AUD) Medications, and MAT for OUD Medications.

"NTP Core Services" means Assessment, Medical Psychotherapy, Medication Services, Patient Education, and Substance Use Disorder (SUD) Crisis Intervention Services as those services are defined in Section 13.d.5 of Supplement 3 to Attachment 3.1-A of this State Plan.

"NTP Laboratory Work" means Tuberculin and Syphilis tests, monthly drug screening, and monthly pregnancy tests of female methadone patients.

"Medication for Addiction Treatment for Opioid Use Disorder (MAT for OUD) Medications" means all forms of drugs approved to treat opioid use disorder under Section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. § 355) and all biological products licensed to treat opioid use disorder under Section 351 of the Public Health Services Act (42 U.S.C. § 262).

"Outpatient Services" means Assessment, Group Counseling, Individual Counseling, Medication Services, Patient Education, MAT for OUD, and SUD Crisis Intervention Services when provided in an Outpatient Treatment Services Level of Care or Intensive Outpatient Treatment Services Level of Care; and Peer Support Services, when provided in any Substance Use Disorder Treatment Level of Care as those services and levels of care are defined in Section 13.d.5 in Supplement 3 to Attachment 3.1-A of this State

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Plan

"Eligible Provider" means a public or private provider enrolled in the Medi-Cal program and certified to provide one or more Expanded Substance Use Disorder Services" as those services are defined in Section 13.d.6 in Supplement 3 to Attachment 3.1-A of this State Plan.

"Home Health Agency Market Basket Index" means the IHS Global Inc. CMS Market Basket Index Levels for Home Health Agencies.

"Licensed Practitioner of the Healing Arts (LPHA)" means Licensed Clinical Social Worker (LCSW), Waivered/Registered LCSW, Licensed Professional Clinical Counselor (LPCC), Waivered/Registered LPCC, Marriage and Family Therapist (MFT), and Waivered/Registered MFT as those terms are defined in Supplement 3 to Attachment 3.1-A.

"Provider Type" means Physician, Psychologist, Waivered Psychologist, Registered Nurse (RN), Physician Assistant (PA), Nurse Practitioner (NP), Pharmacist, Registered/Certified Alcohol and Drug Counselor, and Peer Support Specialists as those terms are defined in Supplement 3 to Attachment 3.1-A of this State Plan; and Licensed Practitioner of the Healing Arts.

"Substance Use Disorder Treatment Services" means Outpatient Services, Twenty-Four Hour Services, and Narcotic Treatment Program Services.

"Twenty-Four Hour Services" means Perinatal Residential Substance Use Disorder Treatment as defined in Section 13.d.6 in Supplement 3 to Attachment 3.1-A of this State Plan.

- B. Outpatient Services Reimbursement Methodology
 - 1. The State reimburses all eligible providers of Outpatient Services on a fee for service basis pursuant to a fee schedule established by the State. Eligible providers claim reimbursement for Outpatient Services using appropriate Current Procedural Terminology (CPT®) or Healthcare Common Procedure Coding System (HCPCS) codes. The fee schedule contains a rate for each county where the Eligible provider is located and combination of Provider Type and CPT®/HCPCS code.
 - Except as otherwise noted in the state plan, state-developed fee schedule rates are
 the same for both governmental and private providers_The fee schedule that is
 effective July 1, 2023, and annually thereafter, is posted to the following webpage:
 https://www.dhcs.ca.gov/services/MH/Pages/medi-cal-behavioral-health-fee-schedules.aspx.
 - 3. The State will annually increase the county specific per-unit rates for HCPCS and CPT Codes effective July 1, 2023 by the percentage change in the four quarter average Home Health Agency Market Basket Index.

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- C. Twenty-Four Hour Services Reimbursement Methodology
- The State reimburses all eligible providers of Twenty-Four Hour Services on a fee for service basis pursuant to a fee schedule established by the State. Twenty-Four Hour Services are reimbursed a per diem rate. The fee schedule contains a rate for each county where the provider is located and each Twenty-Four Hour Service.
- 2. Except as otherwise noted in the state plan, state-developed fee schedule rates are the same for both governmental and private providers. The fee schedule for Twenty-Four Services that is effective July 1, 2023, and annually thereafter, is posted to the following webpage: https://www.dhcs.ca.gov/services/MH/Pages/medi-cal-behavioral-health-fee-schedules.aspx.
- 3. The State will annually increase the county specific per-unit rates for 24-hour services effective July 1, 2023, by the percentage change in the four quarter average Home Health Agency Market Basket Index.
- D. Narcotic Treatment Program Reimbursement Methodology
- 1. The State reimburses all eligible providers of Narcotic Treatment Program Services on a fee for service basis pursuant to a fee schedule established by the State. Narcotic Treatment Program Daily Dosing Services are reimbursed a per dose rate. An eligible provider must administer a MAT for OUD Medication or MAT for AUD Medication to be reimbursed for Narcotic Treatment Program Daily Dosing Services. The fee schedule contains a per dose rate for each county where the eligible provider is located. The per dose rate does not include the cost of room and board. Except as otherwise noted in the state plan, state-developed fee schedule rates are the same for both governmental and private providers. The State will monitor the actual provision of Narcotic Treatment Program Daily Dosing Services reimbursed through this per dose rate.
- 2. The State reimburses all eligible providers for Group Counseling, Individual Counseling, and Peer Support Services provided in a Narcotic Treatment Program pursuant to the fee schedule established in Section B of this segment of the State Plan.
- Except as otherwise noted in the state plan, state-developed fee schedule rates are
 the same for both governmental and private providers_The fee schedule for Narcotic
 Treatment Program Daily Dosing Services that is effective July 1, 2023, and annually
 thereafter, is posted to the following webpage:
 https://www.dhcs.ca.gov/services/MH/Pages/medi-cal-behavioral-health-fee-schedules.aspx.
- 4. The State will annually increase the county specific daily rates for Narcotic Treatment Program Daily Dosing Services effective July 1, 2023 by the percentage change in the four quarter average Home Health Agency Market Basket Index.
- E. Community-Based Mobile Crisis Intervention Services Reimbursement Methodology

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- 1. Community-Based Mobile Crisis Intervention Encounters
 - a. The State establishes a county-based bundled rate for each encounter. Except as otherwise noted in the state plan, state-developed fee schedule rates are the same for both governmental and private providers The county-based bundled rates effective July 1, 2023, and annually thereafter, are posted to the following webpage: https://www.dhcs.ca.gov/services/MH/Pages/medi-cal-behavioral-health-fee-schedules.aspx.
 - b. The State reimburses all eligible providers the county-based bundled rate based upon the county where the provider is located.
 - c. The county-based bundled rate is reimbursed for the following service components as those components are defined in Attachment 3.1-A of this State Plan:
 - Assessment
 - Mobile crisis response
 - Crisis planning
 - Referral to ongoing supports
 - Follow up check ins
 - d. A provider must render at least one of the following service components during an encounter to be reimbursed the bundled rate:
 - Assessment
 - Mobile crisis response
 - Crisis planning
 - Referral to ongoing supports
 - a. The state will annually increase the county-based bundled rates effective July 1, 2023 by the percentage change in the four quarter average Home Health Agency Market Basket Index.
- 2. Facilitation of a warm handoff
 - a. The State will reimburse providers for facilitation of a warm handoff, as that service component is defined in Attachment 3.1-A of this State Plan, pursuant to a fee schedule established by the State. The fee schedule will include a rate for each county and the following aspects of the service component:
 - Providing and/or arranging for a beneficiary's transportation to an alternative setting to receive urgent treatment. The State will reimburse providers the standard mileage rate per mile for use of an automobile for medical care as established by the Internal Revenue Service.
 - Staff time spent providing and/or arranging for transportation to an alternative setting to receive urgent treatment. The rates for this aspect of facilitation of a warm handoff effective July 1, 2023.
- 3. The State will annually increase the fee schedules described in paragraphs 1 and 2 by the percentage change in the four quarter average Home Health Agency Market Basket Index.

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Section 2: Reimbursement for Expanded Substance Use Disorder Treatment Levels of Care

This segment of the State Plan describes the reimbursement methodology for Expanded Substance Use Disorder Treatment Services covered under the rehabilitation benefit and rendered by qualified providers as described in Supplement 3 to Attachment 3.1 A to this State Plan. Qualified providers are DMC certified providers that must be licensed, registered, enrolled, and/or approved in accordance with all applicable state laws and regulations; abide by the definitions, rules, and requirements for stabilization and rehabilitation services established by the Department of Health Care Services; and sign a provider agreement with a county. During the period beginning October 1, 2020 and ending September 30, 2025, MAT for OUD services are exclusively covered and reimbursed under the 1905(a)(29) benefit.

A. Definitions

"Narcotic Treatment Program Services" means Narcotic Treatment Program Daily Dosing Services and Care Coordination, Individual Counseling, Group Counseling, Peer Support Services, and Recovery Services as those services are defined in Section 13.d.6 of Supplement 3 to Attachment 3.1-A of this State Plan.

"Narcotic Treatment Program Daily Dosing Services" means NTP Core Services, NTP Laboratory Work, MAT for AUD Medications, and MAT for OUD Medications.

"NTP Core Services" means Assessment, Family Therapy, Medical Psychotherapy, Medication Services, Patient Education, and SUD Crisis Intervention Services as those services are defined in Section 13.d.6 of Supplement 3 to Attachment 3.1-A of this State Plan.

"NTP Laboratory Work" means Tuberculin and Syphilis tests, monthly drug screening, and monthly pregnancy tests of female methadone patients.

"Medication for Additional Treatment for Opioid Use Disorder (MAT for OUD) Medications" means all forms of drugs approved to treat opioid use disorder under Section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. § 355) and all biological products licensed to treat opioid use disorder under Section 351 of the Public Health Services Act (42 U.S.C. § 262).

"Medication for Addiction Treatment for Alcohol Use Disorder and Other Non-Opioid Use Disorders (MAT for AUD) Medications"

"Day Services" means Level 1 – Withdrawal Management (WM), Level 2 – WM, and Partial Hospitalization as those terms are defined in Section 13.d.6 in Supplement 3 to Attachment 3.1-A of this State Plan.

"Outpatient Services" means Assessment, Care Coordination, Family Therapy, Group

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Counseling, Individual Counseling, Medication Services, Patient Education, and SUD Crisis Intervention Services when provided in an Outpatient Treatment Services Level of Care, Intensive Outpatient Treatment Services Level of Care, or Partial Hospitalization Level of Care; and Peer Support Services, Recovery Services, MAT for AUD, MAT for AUD Medication, MAT for OUD, and MAT for OUD Medication provided in any Expanded Substance Use Disorder Level of Care as those services and levels of care are defined in Section 13.d.6 in Supplement 3 to Attachment 3.1-A of this State Plan.

"Eligible Provider" means a public or private provider enrolled in the Medi-Cal program and certified to provide one or more Expanded Substance Use Disorder Services" as those services are defined in Section 13.d.6 in Supplement 3 to Attachment 3.1-A of this State Plan.

"Home Health Agency Market Basket Index" means the IHS Global Inc. CMS Market Basket Index Levels for Home Health Agencies.

"Licensed Practitioner of the Healing Arts (LPHA)" means Licensed Clinical Social Worker (LCSW), Waivered/Registered LCSW, Licensed Professional Clinical Counselor (LPCC), Waivered/Registered LPCC, Marriage and Family Therapist (MFT), and Waivered/Registered MFT as those terms are defined in Supplement 3 to Attachment 3.1-A.

"Provider Type" means Physician, Psychologist, Waivered Psychologist, Registered Nurse (RN), Licensed Vocational Nurse (LVN), Psychiatric Technician (PT), Mental Health Rehabilitative Specialist (MHRS), Physician Assistant (PA), Nurse Practitioner (NP), Certified Nurse Specialist (CNS), Pharmacist, Occupational Therapist (OT), Peer Support Specialists, and Other Qualified Provider as those terms are defined in Supplement 3 to Attachment 3.1-A of this State Plan; and Licensed Practitioner of the Healing Arts.

"Expanded Substance Use Disorder Treatment Services" means Outpatient Services, Twenty-Four Hour Services, NTP Services, and Withdrawal Management Services.

"Twenty-Four Hour Services" means Level 3.1 – Clinically Managed Low-Intensity Residential Services, Level 3.2 – WM, Level 3.3. – Clinically Managed Population-Specific High Intensity Residential Services, and Level 3.5 – Clinically Managed High Intensity Residential Services as those services are defined in Section 13.d.6 in Supplement 3 to Attachment 3.1-A of this State Plan.

"Regional County" means Humboldt County, Lake County, Lassen County, Mendocino County, Modoc County, Shasta County, Siskiyou County, and Solano County.

"Non-Regional County" means all counties in California except for Regional Counties.

B. Reimbursement Methodology – Non-Regional Counties

This segment of the State Plan describes the reimbursement methodology for providers

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located in Non-Regional Counties

1. <u>Outpatient Services Reimbursement Methodology</u>

- a. The State reimburses all eligible providers of Outpatient Services in Non-Regional Counties on a fee for service basis pursuant to a fee schedule established by the State. Eligible providers claim reimbursement for Outpatient Services using appropriate Current Procedural Terminology (CTP®) or Healthcare Common Procedure Coding System (HCPCS) codes. The fee schedule contains a rate for each county where the eligible provider is located and combination of Provider Type and CPT®/HCPCS code. Except as otherwise noted in the state plan, statedeveloped fee schedule rates are the same for both governmental and private providers.
- b. The fee schedule that is effective July 1, 2023, and annually thereafter, is posted to the following webpage: https://www.dhcs.ca.gov/services/MH/Pages/medi-cal-behavioral-health-fee-schedules.aspx.
- c. The State will annually increase the per-unit rates for HCPCS and CPT Codes effective July 1, 2023 by the percentage change in the four quarter average Home Health Agency Market Basket Index. The updated rates will be posted to the following webpage annually.

2. Day Services Reimbursement Methodology

- a. The State reimburses all eligible providers of Day Services in Non-Regional Counties on a fee for service basis pursuant to a fee schedule established by the State. Level 1 WM and Level 2 WM are reimbursed an hourly rate. Partial Hospitalization is reimbursed a daily rate. The fee schedule contains a rate for each county where the provider is located and each Day Service. Except as otherwise noted in the state plan, state-developed fee schedule rates are the same for both governmental and private providers.
- b. The fee schedule for Day Services that is effective July 1, 2023, and annually thereafter, is posted to the following webpage:
 https://www.dhcs.ca.gov/services/MH/Pages/medi-cal-behavioral-health-fee-schedules.aspx.
- c. The State will annually increase the day service rates effective July 1, 2023 by the percentage change in the four quarter average Home Health Agency Market Basket Index. The updated rates will be posted to the following webpage annually.

3. Twenty-Four Hour Services Reimbursement Methodology

a. The State reimburses all eligible providers of Twenty-Four Hour Services in Non-Regional Counties on a fee for service basis pursuant to a fee schedule established by the State. Twenty-Four Hour Services are reimbursed a per diem rate. The fee schedule contains a rate for each county where the provider is

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- located and each Twenty-Four Hour Service. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers.
- b. The fee schedule for Twenty-Four Services that is effective July 1, 2023, and annually thereafter, is posted to the following webpage:

 https://www.dhcs.ca.gov/services/MH/Pages/medi-cal-behavioral-health-fee-schedules.aspx.
- c. The State will annually increase the per-unit rates for 24-hour services effective July 1, 2023 by the percentage change in the four quarter average Home Health Agency Market Basket Index.

4. Narcotic Treatment Program Reimbursement Methodology

- a. The State reimburses all eligible providers of Narcotic Treatment Program Services on a fee for service basis pursuant to a fee schedule established by the State. Narcotic Treatment Program Daily Dosing Services are reimbursed a per dose rate. An eligible provider must administer MAT for OUD Medication or MAT for AUD Medication to be reimbursed for Narcotic Treatment Program Daily Dosing Services. The fee schedule contains a per dose rate for each County where the eligible provider is located. The per dose rate does not include the cost of room and board. Except as otherwise noted in the state plan, state-developed fee schedule rates are the same for both governmental and private providers. The State will monitor the actual provision of Narcotic Treatment Program Daily Dosing Services reimbursed through this per dose rate.
- b. The State reimburses all eligible providers for Care Coordination, Individual Counseling, Group Counseling, Peer Support Services, and Recovery Services provided in a Narcotic Treatment Program pursuant to the fee schedule established in Section 1, B1-3, "Outpatient Services Reimbursement Methodology," on page 41c of this State Plan.
- c. The fee schedule for Narcotic Treatment Program Daily Dosing Services that is effective July 1, 2023, and annually thereafter, is posted to the following webpage: https://www.dhcs.ca.gov/services/MH/Pages/medi-cal-behavioral-health-fee-schedules.aspx.
- d. The State will annually increase the daily rates for Narcotic Treatment Program Daily Dosing Services effective July 1, 2023 by the percentage change in the four quarter average Home Health Agency Market Basket Index. The fee schedule for the Narcotic Treatment Program Daily Dosing Service is a bundled rate.
 - Any Narcotic Treatment Program provider delivery Narcotic Treatment Program Daily Dosing Services will be paid through the bundle and cannot bill separately.
 - ii. Any provider delivering services outside of the Narcotic Treatment Program Daily Dosing Services may bill for those separate services in accordance with this state plan.
 - iii. The State will periodically monitor the actual provision of services paid under the Narcotic Treatment Program Daily Dosing Services bundled rate

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to ensure that the rates remain economic and efficient based on the services that are actually provided as part of the bundle.

5. <u>Community-Based Mobile Crisis Intervention Services Reimbursement Methodology</u>

- a. Community-Based Mobile Crisis Intervention Encounters
 - i The State reimburses all eligible providers for Community-Based Mobile Crisis Intervention Encounters a county-based bundled rate for each encounter. The county-based bundled rates effective July 1, 2023, and annually thereafter, are posted to the following webpage: https://www.dhcs.ca.gov/services/MH/Pages/medi-cal-behavioral-health-fee-schedules.aspx.
 - ii The State reimburses all eligible providers, both governmental and private providers, the county-based bundled rate based upon the county where the provider is located.
 - iii The county-based bundled rate is reimbursed for the following service components as those components are defined in Attachment 3.1-A of this State Plan:
 - Assessment
 - Mobile crisis response
 - Crisis planning
 - Referral to ongoing supports
 - Follow up check ins
 - iv A provider must render at least one of the following service components during an encounter to be reimbursed the bundled rate:
 - Assessment
 - Mobile crisis response
 - Crisis planning
 - Referral to ongoing supports
 - v Any provider delivering services through a bundle will be paid through that bundled payment rate and cannot bill separately. Providers delivering separate services outside of the bundle may bill for those separate services in accordance with the State's Medicaid billing procedures.
 - vi The state will annually increase the county-based bundled rates effective July 1, 2023 by the percentage change in the four quarter average Home Health Agency Market Basket Index.
 - vii The state will periodically monitor the actual provision of services paid under the county bundled rate to ensure that beneficiaries receive the types, quantity, and intensity of services required to meet their medical needs and to ensure that the rates remain economic and efficient based on the services that are actually provided as part of the bundle.
- b. Facilitation of a warm handoff

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- i The State will reimburse all eligible providers for facilitation of a warm handoff, as that service component is defined in Attachment 3.1-A of this State Plan, pursuant to a fee schedule established by the State. The fee schedule will include a rate for each county and the following aspects of the service component:
 - Providing and/or arranging for a beneficiary's transportation to an alternative setting to receive urgent treatment. The State will reimburse providers the standard mileage rate per mile for use of an automobile for medical care as established by the Internal Revenue Service.
 - Staff time spent providing and/or arranging for transportation to an alternative setting to receive urgent treatment. The rates for this aspect of facilitation of a warm handoff effective July 1, 2023, and annually thereafter, are posted to the following webpage:
 https://www.dhcs.ca.gov/services/MH/Pages/medi-cal-behavioral-health-fee-schedules.aspx.
- ii The State will annually increase the fee schedules described in paragraphs 1 and 2 by the percentage change in the four quarter average Home Health Agency Market Basket Index.

C. Reimbursement Methodology for Regional Counties

- 1. The reimbursement methodology for all eligible providers of Outpatient Services, Day Services, and Twenty-Four Hour Services in Regional Counties is equal to the prevailing charges for the same or similar services in the county where the provider is located. If prevailing charges are not available, the State will use the best available alternative data, subject to CMS review, that would serve as a reasonable proxy, including the use of trended historical data.
- 2. The State reimburses all eligible providers of Narcotic Treatment Program Services pursuant to Section B.4 above.
- 3. The State reimburses all eligible providers of Community-Based Mobile Crisis Intervention Services pursuant to Section B.5 above.

E. REGIONAL COUNTIES

Humboldt

Lassen

Mendocino

Modoc

Shasta

Siskiyou

Solano

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F. NON REGIONAL COUNTIES

Alameda Napa San Joaquin San Luis Obispo Contra Costa Nevada El Dorado Orange San Mateo Fresno Placer Santa Barbara Riverside Santa Clara Imperial Kern Sacramento Santa Cruz Stanislaus Los Angeles San Benito Tulare San Bernardino Marin

Merced San Diego San Francisco

Monterey San Francisco Yolo

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