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Index: Medical Therapy Program

TO: All County California Children's Services Program Administrators,
Medical Directors/Consultants, Chief/Supervising/Lead Therapists,
Medical Therapy Units, Therapy Consultants, and Department of Health
Care Services Staff

SUBJECT: Vendored Occupational Therapy and/or Physical Therapy Services in the
Medical Therapy Program

I. PURPOSE

The purpose of this Numbered Letter (NL) is to describe the circumstances for and outline the process of vendoring occupational therapy and/or physical therapy services when these services cannot be provided at a Medical Therapy Unit (MTU).

II. BACKGROUND

The Medical Therapy Program (MTP) provides occupational therapy (OT), physical therapy (PT), and Medical Therapy Conference (MTC) services for beneficiaries from birth up to 21 years-old who have medically eligible disabling conditions, generally due to neurological or musculoskeletal disorders. There is no financial eligibility requirement for MTP services. There is a financial eligibility requirement for personal specialized services or medical equipment for CCS beneficiaries served in the MTP.

These services are typically provided at MTUs. MTUs are pediatric outpatient rehabilitation centers that are located on designated public-school sites.

The MTUs are at public school sites and offer services for MTP eligible beneficiaries in an accessible location.

When the MTP does not have capacity at a local MTU, the MTP may arrange for PT/OT services to be provided by a community provider ("Vendor") off site. This is known as Vendored Therapy. If the MTP is able to secure therapy services for a given beneficiary from a MTU in another county, this is known as a "Courtesy Case".

III. POLICY

A. Vended Therapy may be considered under any of the following circumstances:

1. No MTU located within 30 miles of the beneficiary's residence;
2. Insufficient therapy staff or specialized staff at the local MTU and the county is unable to reassign staff from another MTU or hire temporary staff to meet the beneficiary's medical therapy needs;
3. The local MTU is not equipped to provide the specialized modalities/procedures that a beneficiary requires to treat the MTP-eligible condition; or
4. The County medical director/consultant and/or MTP designee, for Independent Counties, or the Department of Health Care Services (DHCS), for Dependent Counties, determines that it is medically necessary for the beneficiary to receive services in a facility with specialized equipment and/or staffing in order to treat their MTP-eligible condition. This will be reviewed on a case-by-case basis.

B. Vended Therapy "in Lieu of MTU" may be authorized to a Vendor if any of the above circumstances are present, and all of the following conditions are met:

1. The beneficiary is enrolled in the MTP;
2. Medically necessary therapy services are provided in accordance with a current, approved therapy plan/prescription from the CCS paneled physician who is managing the beneficiary's MTP eligible condition(s);
3. The therapist(s) providing the services is CCS paneled;
4. The facility agrees to comply with the billing requirements, including the SAR submission and adjudication process and post-service reimbursement submission for providing vended services; and
5. The beneficiary/family is able to take responsibility for providing transportation to/from therapy or arranging transportation to/from therapy appointments which may be provided through CCS or the Managed Care Plan as a benefit to children who are financially eligible for CCS/Medi-Cal.

C. Alternatively, neighboring counties' MTUs may have available staffing and be willing to establish a courtesy case for MTP services. If so, the following conditions apply:

1. The beneficiary remains enrolled in their CCS Program county of residence;
2. Any durable medical equipment (DME) or services that require financial eligibility are managed by the MTP in the beneficiary's county of residence;
3. Services are provided in accordance with a current, approved therapy plan/prescription from the CCS-paneled physician who is managing the beneficiary's MTP eligible condition;
4. The county providing the therapy services will submit claims for MTP therapy services to Medi Cal; and
5. The beneficiary/family is able to take responsibility for providing transportation to/from therapy or arranging transportation to/from therapy appointments which may be provided through CCS or the Managed Care Plan as a benefit to children who are financially eligible for CCS/Medi-Cal.

IV. POLICY IMPLEMENTATION

A. Provision of Vendored Therapy "in Lieu of MTU"

1. When MTU therapists are available in county of residence, the county MTU therapist will evaluate/re-evaluate the beneficiary prior to requesting Vendored Therapy Services "in Lieu of MTU" Services. This will ensure the utilization of CCS MTP required testing and the development of Medi-Cal Outpatient Rehabilitation Center compliant goals.
 - a. Counties will provide the authorized CCS-paneled therapist "in Lieu of MTU" services with a copy of the beneficiary's evaluation/re-evaluation and approved therapy plan.
2. If the county MTP is unable to evaluate/re-evaluate the beneficiary, then the evaluation/re-evaluation will be completed by the authorized CCS-paneled therapist in lieu of MTU services.
 - a. Beneficiary evaluations/re-evaluations completed by the CCS-paneled therapist "in Lieu of MTU" services will be reviewed by the county authorizing the therapy services in lieu of MTU.
3. Counties will ensure that therapists authorized to provide "in Lieu of MTU" services are informed of/invited to attend the beneficiary's MTC appointments. The therapist will submit a current therapy evaluation summary including the beneficiary's current level of function, response to previous treatment, and treatment plan/recommendations to the MTC team for

approval. If the beneficiary is not followed through the MTC, then the CCS paneled physician who is managing the beneficiary's CCS MTU eligible condition(s) will review and approve the therapy plan/recommendations.

4. Therapy services documentation will be reviewed by the county prior to authorizing further Vendored Therapy "in Lieu of MTU" Services.
5. Beneficiaries will continue to receive these medically necessary therapy services until the prescription expires, the authorization expires, or an MTP evaluation with a change in therapy plan is approved by the managing physician.
 - a. Beneficiary evaluations/re-evaluations and/or beneficiary treatment services completed by the authorized CCS-paneled therapist "in Lieu of MTU" services will be reviewed by the county authorizing the services prior to authorizing further Vendored Therapy "in Lieu of MTU" Services.
 - b. Counties will ensure that therapists authorized to deliver "in Lieu of MTU" services are informed of/invited to attend the beneficiary's MTC appointments.
 - c. The therapist providing "in Lieu of MTU" services will submit a current therapy evaluation report including the beneficiary's current level of function, response to previous treatment, and treatment plan/recommendations to the MTC team no less than every six months.
 - d. Beneficiaries will continue to receive these medically necessary therapy services until a MTP medical therapy evaluation determines that a change in therapy plan is necessary.

B. Requests for authorization of Vendored Therapy "in Lieu of MTU":

1. All requests shall include the current Medi-Cal approved billing codes, frequency and duration of services that reflect the approved therapy plan/prescription.
2. OT/PT "in Lieu of MTU" services are to be provided without financial screening. Billing third-party coverage is waived as these services are provided at no charge to MTP-eligible beneficiaries. Include the statement Vendored Therapy "in Lieu of MTU" Services. Do not bill beneficiary/family/private insurance" in the special instructions.
3. Authorizations will be valid for a maximum of six months.

C. Courtesy cases

1. When a MTU and MTP therapists are available in county of residence, the beneficiary's county of residence will provide a current therapy evaluation summary and approved plan/prescription. When unable, the receiving county providing the courtesy services will complete the evaluation and proposed therapy plan.
2. The treating therapist from the county serving the courtesy case will submit a current therapy evaluation summary including the beneficiary's current level of function, response to previous treatment, and treatment plan/recommendations to the MTC team or the CCS-paneled physician managing the beneficiary's MTP eligible condition(s) for review and approval.
3. Beneficiaries will be presumed to need these services until the prescription expires, authorization expires, or an MTP evaluation with a change in therapy plan is approved by the managing physician.
4. Requests for an agreement to accept a beneficiary as a courtesy case will be documented in CMS Net.
5. Treating therapist from county providing the courtesy case services will complete all necessary documentation of services.
6. Case documentation:
 - a. Requests and agreement for therapy to be provided by another county as a courtesy case shall be documented in CMS Net.
 - b. Completed therapy shall be documented in the receiving county's records system.

D. Documenting Expenditures

1. County CCS Programs will include vendored therapy expenditures on the CCS Diagnostic and Treatment Quarterly Expenditure Reporting form. For instructions refer to the CCS Plan and Fiscal Guidelines Manual, Section Seven, Expenditure Claims and Property Management, CCS Diagnostic, Treatment, and Therapy Quarterly Expenditure Reporting.
2. County CCS programs that provide courtesy case therapy do not report expenditures to DHCS on the quarterly claim form, as the county providing the courtesy therapy will submit claims for MTP therapy services to the fiscal intermediary directly. (See Policy Section C.4) Other items requiring financial eligibility, such as DME, are submitted to the beneficiary's county of residence.

For any questions or concerns regarding the initiation or on-going implementation of any aspect of this NL, please review the Reference Guide for the MTC and/or submit inquiries to MTPCentral@dhcs.ca.gov.¹

Sincerely,

ORIGINAL SIGNED BY

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¹ [Reference Guide for the Medical Therapy Conference: Roles and Functions of the Medical Therapy Conference](#)