DHCS
CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES
Michelle Baass | Director

DATE: November 3, 2023

Behavioral Health Information Notice No: 23-062

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 Council of Community Behavioral Health Agencies
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
County Drug & Alcohol Administrators

SUBJECT: California Advancing and Innovating Medi-Cal (CalAIM) Section 1915(b) Waiver, Special Terms and Condition (STC) A(13) & A(14) addressing the Quarterly Appeals and Grievance Report requirements for Specialty Mental Health Services (SMHS) and Drug Medi-Cal Organized Delivery Systems (DMC-ODS).

PURPOSE: To inform and provide direction to Mental Health Plans (MHPs) and DMC-ODS Plans about existing and additional grievance and appeal data requirements for completing the CalAIM Section 1915(b) Waiver, STC A(13) & A(14) appeal and grievance report due quarterly to the Centers for Medicare and Medicaid Services (CMS).

REFERENCE: Code of Federal Regulations (CFR), Title 42, section 438.66; CalAIM Section 1915(b) Waiver, STCs; Welfare and Institutions Code section 14184.102

BACKGROUND:
On May 6, 2016, CMS published the Medicaid and Children's Health Insurance Program Managed Care Final Rule aimed at aligning the Medicaid managed care regulations with requirements for other major sources of coverage[1]. This included the requirements for the handling of appeals and grievances. On December 29, 2021, CMS

[1] 81 Fed. Reg. 27497 (May 6, 2016).

approved California's request to renew its 1915(b) Waiver (CalAIM Waiver) and required compliance with a set of STCs that address, in part, the submission of appeals and grievance data to CMS quarterly. As part of its reporting requirements, the Department of Health Care Services (DHCS) is required to submit appeals and grievance data to CMS no later than 60 days after the end of each quarter for the SMHS program.[2] In early May 2023, CMS directed DHCS to submit the appeals and grievance data quarterly for DMC-ODS in addition to SMHS.

POLICY:
In accordance with the CalAIM Section 1915(b) Waiver, STCs A(13) and A(14), MHP Contract, and DMC-ODS Intergovernmental Agreement[3] beginning Fiscal Year (FY) 2023-24, each MHP and DMC-ODS Plan (herein referred to as "Behavioral Health Plan (BHP)") shall report to DHCS the following appeals[4] and grievance[5] data no later than 10 business days after the end of each quarter.

Appeals

A. Total Appeals

1. Total number of appeals filed

   An appeal is "filed" on the date that it is received by the BHP. "Filed" appeals include both: (1) appeals that have already been resolved, and (2) appeals that remain active. Report the number of appeals filed within the reporting period.

2. Total number of active appeals

   An appeal is "active" if it has been filed, but not yet resolved. An active appeal may have been filed during and prior to the reporting period. Report the number of appeals active during and prior to the reporting period.

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[2] CalAIM Section 1915(b) Waiver, STC A(13).
[3] See 2022-27 MHP Contract, Exh. A, Att.t 4, Secs. 1(A), 1(B)(3); 2022-27 DMC-ODS Intergovernmental Agreement, Exh. A, Att. I, Secs. II(E)(10)(i), II(E)(10)(v).
[4] "Appeal" means a request for a review by a MHP or county DMC-ODS program of an adverse benefit determination. (See 2022-27 MHP Contract, Exh. E, Att. 1, Sec. 1(C); 2022-27 DMC-ODS Intergovernmental Agreement, Exh. A, Att. I, Sec. IV(A)(4); see also 42 C.F.R. § 438.400(b).)
[5] "Grievance" means an expression of dissatisfaction about any matter other than an adverse benefit determination. Grievances may include, but are not limited to, the quality of care or services provided, and aspects of interpersonal relationships such as rudeness of a provider or employee, or failure to respect the beneficiary's rights regardless of whether remedial action is requested. Grievances include a beneficiary's right to dispute an extension of time proposed by the MHP or DMC-ODS Plan to make an authorization decision. (See 2022-27 MHP Contract, Exh. E, Att. 1, Sec. 1(L); 2022-27 DMC-ODS Intergovernmental Agreement, Exh. A, Att. I, Sec. IV(A)(40); see also 42 C.F.R. § 438.400(b).)

3. Total number of appeals resolved at the BHP level
An appeal is "resolved" at the BHP level when the BHP has issued a decision, regardless of whether the decision was wholly or partially favorable or adverse to the beneficiary, and regardless of whether the beneficiary (or the beneficiary's representative) chooses to file a request for a State Fair Hearing. Report the number of appeals resolved at the BHP level during the reporting period.

B. Resolved Appeals According to Reason Filed

The reasons listed below are derived from the definition of "adverse benefit determination" per CFR, Title 42, section 438.400(b). The total number of appeals reported in the reasons below should equal the total number of appeals resolved at the BHP level.

1. Denial or Limited Authorization of Service(s)
Report the number of appeals resolved by the BHP during the reporting period that were related to the BHP's denial of authorization for a service not yet rendered or limited authorization of a service. (Appeals related to denial of payment for a service already rendered should be counted in appeals of Payment denial.)

2. Reduction, suspension, or termination of a previously authorized service
Report the number of appeals resolved by the BHP during the reporting period that were related to the BHP's reduction, suspension, or termination of a previously authorized service.

3. Payment denial
Report the number of appeals resolved by the BHP during the reporting period that were related to the BHP's denial, in whole or in part, of payment for a service already rendered.

4. Service timeliness
   Report the number of appeals resolved by the BHP during the reporting period that were related to the BHP's failure to provide timely access to services as defined by the Behavioral Health Information Notice (BHIN) 23-041.

5. Untimely Response to Appeal or Grievance
   Report the number of appeals resolved by the BHP during the reporting period that were related to the BHP's failure to act within the timeframes provided in MHSUDS Information Notice 18-010E, pg. 3, and pg. 10, regarding the standard resolution of grievances and appeals.

6. Denial of a beneficiary's request to dispute financial liability
   Report the number of appeals resolved by the BHP during the reporting period that were related to the BHP's denial of a beneficiary's request to dispute a financial liability.

7. Appeals filed for other reasons
   Report the number of appeals resolved by the BHP during the reporting period that were filed for a reason other than reasons (1) to (7) listed above.

C. Resolved Appeals According to Service Type

A single appeal may be related to multiple service types and may therefore be counted in multiple categories below. The total number of appeals reported in (1) and (2) below should equal the total number of appeals resolved at the BHP level.

1. Inpatient behavioral health services
   Report the number of appeals resolved by the BHP during the reporting period that were related to inpatient[6] mental health and/or substance use disorder (SUD) services.

[6] For purposes of this BHIN: "Inpatient services" in the SMHS program, include all psychiatric inpatient level of care services in general acute care hospitals with psychiatric units, psychiatric hospitals and psychiatric health facilities certified by DHCS as Medi-Cal providers of inpatient hospital services. (See BHIN 22-017, p. 5.) "Inpatient services" in the DMC-ODS Plan includes DMC-ODS Inpatient Treatment Services (ASAM Levels 3.7 and 4.0) delivered in general acute care hospitals, Freestanding Acute Psychiatric Hospitals, or Chemical Dependency Recovery Hospitals. (See BHIN 23-001, pp. 11, 13-14.)

2. Outpatient behavioral health services
Report the number of appeals resolved by the BHP during the reporting period that were related to outpatient[7] mental health and/or SUD services.

D. Timely Resolution of Appeals

1. Standard appeals for which timely resolution was provided
Report the number of standard appeals (i.e., not expedited appeals) for which timely resolution was provided by the BHP during the reporting period. Refer to MHSUDS Information Notice 18-010E for requirements related to timely resolution of standard appeals.

2. Expedited appeals for which timely resolution was provided
Report the number of expedited appeals for which timely resolution was provided by the BHP during the reporting period. Refer to MHSUDS Information Notice 18-010E for requirements related to timely resolution of expedited appeals.

E. Resolved Appeals According to Decision Outcome

The total number of appeal decisions reported in the categories below should equal the total number of appeals resolved at the BHP level.

[7] For purposes of this BHIN: "Outpatient services" in the SMHS program, include adult residential services, crisis intervention, crisis stabilization, crisis residential, day rehabilitation, or day treatment intensive, intensive care coordination, intensive home based services, therapeutic behavioral services, therapeutic foster care, targeted case management. (see MHP Contract, Exhibit E, Attachment 2 "Service Definitions"). "Outpatient services" in the DMC-ODS Plan includes DMC-ODS Outpatient Treatment Services: screening, brief intervention, referral to treatment and early intervention services, outpatient treatment services, intensive outpatient treatment services, partial hospitalization, withdrawal management (ASAM Level 1-WM, Level 2-WM), narcotic treatment program, recovery services, peer support services, contingency management services, care coordination, medications for addiction treatment, and DMC-ODS Residential Treatment Services (ASAM Levels 3.1, 3.2-WM, 3.3 and 3.5).

1. Favorable to the beneficiary
   Report the number of appeals resolved by the BHP during the reporting period that were completely favorable to the beneficiary.

2. Partially favorable to the beneficiary.
   Report the number of appeals resolved by the BHP during the reporting period that were partially, but not completely, favorable to the beneficiary.

3. Adverse to the beneficiary.
   Report the number of appeals resolved by the BHP during the reporting period that were completely adverse to the beneficiary.

II. Grievances

A. Total Grievances

1. Total number of grievances filed
   A grievance is "filed" on the date that it is received by the BHP. "Filed" grievances include both: (1) grievances that have already been resolved, and (2) grievances that remain active. Report the number of grievances filed within the reporting period.

2. Total number of active grievances
   A grievance is “active” if it has been filed, but not yet resolved. An active grievance may have been filed during and prior to the reporting period. Enter the number of active grievances that were filed during and prior to the reporting period.

3. Total number of grievances resolved
   A grievance is "resolved" when it has reached completion and been closed by the BHP. Report the number of grievances resolved during the reporting period.

B. Resolved Grievances According to Reason Filed

A single grievance may be filed for multiple reasons and may therefore be counted in multiple categories below. The total number of grievances reported in the reasons below should equal the total number of grievances resolved by the BHP.

1. BHP or provider customer service
   Customer service grievances include complaints about interactions with the BHP's Member Services department, provider offices or

facilities, BHP marketing agents, or any other BHP or provider representatives. Report the number of grievances resolved during the reporting period that were filed for a reason related to customer service.

2. BHP or provider care management/case management
Care management/case management grievances include complaints about the timeliness of an assessment or complaints about the BHP or provider care or case management process.[8] Report the number of grievances resolved during the reporting period that were filed for a reason related to care/case management.

3. BHP or provider access to care
Access to care grievances include complaints about difficulties finding qualified in-network providers, excessive travel or wait times or other access issues. Report the number of grievances resolved during the reporting period that were filed for a reason related to access to care.

4. Quality of Care
Quality of care grievances include complaints about the effectiveness, efficiency, equity, patient-centeredness, safety, and/or acceptability of care provided by a provider or the BHP. Report the number of grievances resolved during the reporting period that were filed for a reason related to quality of care.

5. BHP Communications
BHP communication grievances include complaints related to the clarity or accuracy of beneficiary materials or other BHP communications, or a beneficiary's access to or the accessibility of beneficiary materials or BHP communications. Report the number of grievances resolved during the reporting period that were filed for a reason related to BHP communications.

[8] For purposes of the CalAIM Waiver 1915(b), STCs A(13) & A(14) quarterly appeals and grievance reporting, DMC-ODS Plans will include grievances related to care coordination in the Case Management category.

6. Payment or Billing issues
   Report the number of grievances resolved during the reporting period that were filed for a reason related to payment or billing issues.

7. Suspected Fraud
   Suspected fraud grievances include suspected cases of financial/payment fraud perpetuated by a provider, payer, or other entity. Report the number of grievances resolved during the reporting period that were filed for a reason related to suspected fraud. Note: Grievances reported in this category should only include grievances submitted to the BHP, not grievances submitted to another entity, such as the State Ombudsman or Office of the Inspector General.

8. Abuse, Neglect or Exploitation
   Abuse, neglect, and exploitation grievances include cases involving alleged potential or actual patient harm. Report the number of grievances resolved during the reporting period that were related to abuse, neglect, or exploitation.

9. Lack of Timely Response
   Report the number of grievances resolved during the reporting period that were filed due to a lack of timely response from the BHP to a service authorization or appeal request (including requests to expedite or extend appeals).

10. BHP Denial of Expedited Appeal
    Per MHSUDS Information Notice 18-010E, the BHP must resolve the expedited appeal within 72 hours from receipt of the appeal. If a BHP denies a request for an expedited appeal, the beneficiary or their representative has the right to file a grievance. Report the number of grievances resolved during the reporting period that were filed for this reason.

11. Grievances filed for other reasons
    Report the number of grievances resolved during the reporting period that were filed for a reason other than the reasons (1) to (10) listed above.

C. Resolved Grievances According to Service Type

A single grievance may be related to multiple service types and may therefore be counted in multiple categories below. The total number of grievances reported in the service types below should equal the total number of grievances resolved at the BHP level.

1. Inpatient behavioral health services
   Report the number of grievances resolved by the BHP during the reporting period that were related to inpatient[6] mental health and/or substance use services.

2. Outpatient behavioral health services
   Report the number of grievances resolved by the BHP during the reporting period that were related to outpatient[7] mental health and/or substance use services.

D. Timely Resolution of Grievances

Report the number of grievances for which timely resolution was provided by the BHP during the reporting period. Refer to MHSUDS Information Notice 18-010E for requirements related to timely resolution of grievances.

Data Submission

DHCS will collect the quarterly appeals and grievance data specified in this BHIN from BHPs. DHCS will submit all quarterly appeals and grievance data collected from BHPs to CMS within 60 days after each quarter.[9]

BHPs shall submit appeals and grievance data via the secure managed file transfer system utilized by DHCS. The reporting instructions and template will be provided to BHPs in an email correspondence shortly after this BHIN is released. BHPs shall complete a separate report for each delivery system (i.e., one report for data from the SMHS program, and one report for data from the DMC-ODS program). BHPs shall not integrate MHP and DMC-ODS Plan data in the reports.

The initial Fiscal Year 2023-24 Quarter 1 submission deadline will be due on November 30, 2023, while the deadlines for the remaining quarters will remain unchanged.

[9] See CalAIM Section 1915(b) Waiver, STCs A(13) and A(14).

CalAIM Section 1915(b) Waiver, STCs A(13) & A(14) Quarterly Submission Timeline

Reporting Periods	***Plan Data Submission due to DHCS***
Quarter 1: July 1 – September 30	10 business days following the end of the reporting period.
Quarter 2: October 1 – December 31	
Quarter 3: January 1 – March 31	
Quarter 4: April 1 – June 30	

To ensure the accurate and timely completion of the CalAIM 1915(b) Waiver, STCs A(13) and A(14) quarterly appeals and grievance reporting, BHPs shall provide all data requested above, and abide by all established DHCS timelines and processes for submission purposes.

If you have any questions regarding this BHIN, please contact DHCS at CountySupport@dhcs.ca.gov.

Sincerely,

Original signed by

Michele Wong, Chief
Medi-Cal Behavioral Health - Oversight and Monitoring Division