

**Behavioral Health Payment Reform Readiness Checklist**

Below is a checklist of activities intended to guide counties in successfully implementing Payment Reform. Each county is required to inform DHCS of the readiness of each item listed below by May 19, 2023. For incomplete items, provide a note to describe any work currently in progress. Completed forms should be submitted via email to [BHPaymentReform@dhcs.ca.gov](mailto:BHPaymentReform@dhcs.ca.gov).

**CPT Code Transition**

**Item:** Review BHIN 22-046 – Technical Documents to Implement Cal AIM.

**Description:** Outlines the necessary information and resources needed by counties to appropriately claim for behavioral health services under Payment Reform.

**Completed:** ☐ Yes ☐ No

**If no, please describe what you are doing to address this item:**

**Item:** Program electronic health records (EHR) and/or billing system to implement new coding requirements. (BHQIP Milestone 1b)

**Description:** Counties must transition to using CPT codes where applicable, consistent with the payment reform billing manuals for SMH and DMC/DMC-ODS.

**Completed:** ☐ Yes ☐ No

**If no, please describe what you are doing to address this item:**

**Item:** Program EHR to claim for provided fee schedule rates. (BHQIP Milestone 1b)

**Description:** Counties will need to update their EHR and/or claiming systems to bill the appropriate amounts to be reimbursed for services. While these rates still require final CMS approval, they should be treated as final rates for purposes of budgeting and claiming as of July 1, 2023. Counties may use proxy rates for the purposes of User Acceptance Testing prior to July 1, 2023.

**Completed:** ☐ Yes ☐ No

**If no, please describe what you are doing to address this item:**

**Item:** Train county and contract staff on CPT coding. (BHQIP Milestone 1a)

**Description:** Both county staff and contracted network providers are required to bill using appropriate CPT codes where possible.

**Completed:** ☐ Yes ☐ No

**If no, please describe what you are doing to address this item:**

**Item:** Submit test claims to Short-Doyle Medi-Cal. (BHQIP 1a)

**Description:** Counties may submit test claims to determine their billing systems will appropriately claim for services during DHCS User Acceptance Testing (UAT) open January 23, 2023 through June 9, 2023.

**Completed:** ☐ Yes ☐ No

**If no, please describe what you are doing to address this item:**

**Item:** Ensure contract providers can bill appropriate claims to county systems and amend contracts as needed. (BHQIP 1a)

**Description:** County contracted providers must bill counties using the appropriate CPT codes. In addition to training providers to use the new code set, counties should validate contract providers' technical capacity to submit accurate claims to the county.

**Completed:** ☐ Yes ☐ No

**If no, please describe what you are doing to address this item:**

**Financial Reviews**

**Item:** Model fiscal impacts of fee schedule payments. (BHQIP 1b)

**Description:** Counties to leverage CalMHSA templates or other tools to model budgeting and overall fiscal impacts of the developed fee schedule.

**Completed:** ☐ Yes ☐ No

**If no, please describe what you are doing to address this item:**

**Item:** Negotiate contracted provider rates and execute contracts for services. (BHQIP 1b)

**Description:** Counties are required to negotiate an appropriate rate of payment for contract providers, as needed to maintain adequate networks.

**Completed:** ☐ Yes ☐ No

**If no, please describe what you are doing to address this item:**

**Item:** Review BHIN 23-XXX Elimination of Cost Reporting Requirements for Counties and Providers.

**Description:** BHIN 23-XXX provides policy guidance stating Counties are prohibited from requiring cost reporting as a condition of participation in the SMHS, DMC and DMC-ODS delivery systems. Counties should review this information when negotiating with contract providers for services.

**Completed:** ☐ Yes ☐ No

**If no, please describe what you are doing to address this item:**

**Intergovernmental Transfers**

**Item:** Review BHIN 23-XXX County Behavioral Health Intergovernmental Transfers (IGT).

**Description:** DHCS has issued policy guidance on intergovernmental transfers as a requirement under Payment Reform via BHIN 23-XXX.

**Completed:**    ☐ Yes        ☐ No

**If no, please describe what you are doing to address this item:**

**Item:** Review Intergovernmental Transfer FAQ

**Description:** DHCS has published an [FAQ](#) supporting the intergovernmental transfer BHIN. Counties should review this in conjunction with the intergovernmental transfer BHIN and associated contract.

**Completed:**    ☐ Yes        ☐ No

**If no, please describe what you are doing to address this item:**

**Item:** Review and Execute the intergovernmental transfer agreement; implement IGT protocol effective July 1, 2023. (BHQIP Milestone 1c)

**Description:** All counties will be required to sign and execute an intergovernmental transfer agreement to receive payment for behavioral health services under Payment Reform. DHCS has provided various options to counties in operating the intergovernmental transfer of funds. These options are detailed in the supporting policy documents listed in this section and will be incorporated into state-county contracts. Counties will have draft contracts in March of 2023.

**Completed:**    ☐ Yes        ☐ No

**If no, please describe what you are doing to address this item:**

**Item:** Decide method of transfer to DHCS. The county will manually transfer funds to DHCS or authorize DHCS to withhold funds from one or more state funds (i.e., Local Revenue Fund, Mental Health Services Fund, or Local Revenue Fund 2011). Establish EFT as needed.

**Description:** Counties will need to transfer the county share of approved claims for services, plan administration, utilization review and quality assurance before DHCS will be able to pay the county. Counties may make manual payments through physical checks and/or an electronic funds transfer (EFT) process or authorize DHCS to withhold a percentage of the county's monthly allocation from one or more state funds. A county that chooses to make manual payment through an EFT process will need to work with the appropriate banking institution to set up the EFT process for transfer to DHCS. Please refer to the IGT BHIN for more information.

**Completed:** ☐ Yes ☐ No

**If no, please describe what you are doing to address this item:**

**Item:** Develop county policies and procedures for intergovernmental transfers and reconciliation, and train county fiscal staff.

**Description:** Counties will be required to transfer local funds to DHCS in order for DHCS to draw down federal funds. DHCS will provide each county with a monthly report displaying the balance of funds transferred to DHCS at the beginning of the prior month, all transfers that DHCS received from the county during the prior month, including interest earned, all payments made or scheduled to be made to the county in the prior month, and the ending balance of funds transferred to DHCS. Counties, with support from DHCS, should reconcile these transfers and payments with their local records and notify DHCS of any discrepancies. Counties should implement processes and procedures for this activity. (BHQIP Milestone 1c)

**Completed:** ☐ Yes ☐ No

**If no, please describe what you are doing to address this item:**

**Certification (Required):**

\_\_\_\_\_  
County Behavioral Health Director or Designee Name

\_\_\_\_\_  
County Behavioral Health Director or Designee Signature

\_\_\_\_\_  
Date