



State of California—Health and Human Services Agency  
Department of Health Care Services



EDMUND G. BROWN JR.  
GOVERNOR

DATE: October 3, 2017

MHSUDS INFORMATION NOTICE NO.: 17-051

TO: COUNTY BEHAVIORAL HEALTH DIRECTORS  
COUNTY DRUG & ALCOHOL ADMINISTRATORS  
COUNTY BEHAVIORAL HEALTH DIRECTORS ASSOCIATION OF CALIFORNIA  
CALIFORNIA COUNCIL OF COMMUNITY BEHAVIORAL HEALTH AGENCIES  
COALITION OF ALCOHOL AND DRUG ASSOCIATIONS  
CALIFORNIA ASSOCIATION OF ALCOHOL & DRUG PROGRAM EXECUTIVES, INC.  
CALIFORNIA ALLIANCE OF CHILD AND FAMILY SERVICES  
CALIFORNIA OPIOID MAINTENANCE PROVIDERS

SUBJECT: 2016 New Mental Health Medi-Cal Administrative Activities  
Implementation Plan Guidance

This Information Notice clarifies information contained in the 2016 [Mental Health Medi-Cal Administrative Activities](#) (MH MAA) Implementation Plan. Topics covered include Direct Charge, Training, Quarterly Claims and Outreach activities involving intermediaries.

### **Direct Charge**

Mental Health Plans (MHPs) may direct charge the salary and benefit costs incurred for staff performing reimbursable MH MAA activities. To direct charge the salary and benefit costs of staff, the staff must spend 100 percent of their time performing either MH MAA discounted or non-discounted activities; however, staff performing both discounted and non-discounted activities may not direct charge. Additionally, salary and benefit costs for staff performing activities eligible for enhanced reimbursement may not be direct charged.

MHP staff who direct charge will complete the Quarterly Staff Certification of Direct Charge Time form every quarter. The MHP must maintain documentation of staff time worked consistent with OMB Circular A-87, including time sheets, duty statements, and direct charge certification forms for its staff. The supporting documentation must reconcile with the direct charge amount on Schedule G of the Quarterly Claiming form.

MHPs may also direct charge expenditures made to subcontractors with whom they have contract(s) that are solely for MH MAA services. If an MHP chooses to direct charge subcontractor costs, the State will require the MHP to submit the sections of the contract with its subcontractor(s) that clearly describes the activity performed, the method used for determining the direct charge claim, and the dollar amount paid to the subcontractor(s). Subcontractors may be exempted from completing the direct charge certification form if the expenditures for MH MAA are clearly identified in their contracts and payment records.

The Direct Charge form is available on the Department of Health Care Services' (DHCS) webpage and can be accessed via the following link:  
[Mental Health Medi-Cal Administrative Activities.](#)

### **Training**

Training involving MH MAA is no longer coded to the particular MH MAA activity, instead training should be coded to either MH MAA Coordination and Claims Administration (Activity 17) or General Administration (Activity 18).

MH MAA Coordination and Claims Administration activities include drafting, revising, and submitting MH MAA claiming plans; serving as a liaison to claiming programs within the county MHP and with the state and federal governments on MH MAA; monitoring the performance of claiming programs; administering the mental health plan's claiming; including overseeing, preparing, compiling, revising, and submitting MH MAA claims to the State; attending training sessions, meetings, and conferences related to MH MAA; training MHP program staff and subcontractors on state, federal, and MHP requirements for MH MAA claiming; and, ensuring MH MAA claims do not duplicate Medi-Cal claims for the same activities from other providers.

Some examples of MH MAA Coordination and Claims Administration activities include:

- The MH MAA Coordinator works with a claiming unit and the State to draft and finalize a claiming plan amendment for the claiming unit;
- The MH MAA Coordinator provides training to claiming unit staff regarding the time survey process;
- The MH MAA Coordinator attends a training sponsored by the State regarding the preparation of claiming plans and claiming plan amendments; and
- An employee in the accounting section prepares a quarterly invoice for federal reimbursement.

General Administration activities include reviewing departmental procedures and rules; performing administrative or clerical activities related to general building or county functions or operations; reviewing technical and research literature; filling out the time survey; developing and monitoring program budgets; participating in staff meetings; and researching and evaluating activities.

Some examples of General Administration activities include:

- An employee who performs MH MAA attends a staff meeting to discuss general operational issues not related to MH MAA;
- An employee provides clerical support to an employee who performs MH MAA;
- An employee participates in training regarding how to perform a particular MH MAA code, such as case management of non-open cases;
- An employee who performs MH MAA is out sick or on vacation;
- When not included in the indirect rate, the general operation of the MH MAA program such as accounting, budgeting, payroll, purchasing, and data processing. (Certain functions, such as payroll, maintaining inventories, developing budgets, executive direction, etc., are considered overhead; therefore, they are ONLY allowable through the approved indirect cost rate.);
- General supervision of staff or facilities, including staff performance reviews and personnel management;
- Reviewing non-instructional MH MAA policies, procedures, or rules;
- Attending or facilitating program or unit staff meetings, board meetings, or required in-service trainings and events;
- Review of professional and inter-program correspondence; and
- Completing personal mileage and expense claims.

### **MH MAA Quarterly Claims**

There are three changes to the MH MAA Quarterly Claim template. The first change is in Schedule A. In order to accommodate the varying pay periods across MHPs and to account for part time staff, the total number of minutes in a quarter i.e., Column M of Schedule A, is now a variable number. It will now reflect the sum total of all entered minutes across the ten MH MAA reimbursable activities and the non-reimbursable activities (Column L). Column L is no longer formula-driven. In Column L, MHPs must enter the number of non-reimbursable minutes in a quarter or input "0" if none exists. Failure to enter a number in Column L will result in an error message in Column M.

The second change involves the way in which General Administration costs are allocated in relation to enhanced activity codes. On Schedule F, the enhanced codes (i.e., SPMP Program Planning & Policy Development and SPMP Case Management of

MHSUDS INFORMATION NOTICE NO.: 17-051  
October 3, 2017  
Page 4

Non-Open Cases) are now included in the computation of General and Administrative Allocation Percentages (Row *number 2* of Schedule F).

The third change is the display of SPMP Program Planning & Policy Development and SPMP Case Management of Non-Open Cases Federal Financial Participation (FFP) calculation in Schedule G. For these two enhanced activities, the FFP calculation is performed in Column B of Schedule G (50 percent FFP). They are not part of Column D on Schedule G since General and Administrative Costs allocated to enhanced activity codes can only be reimbursed at 50 percent.

**Outreach activities involving intermediaries**

DHCS is expanding the interpretation of the types of Outreach activities in the MH MAA Implementation Plan. Outreach activities include educating people who have frequent contact with individuals who are eligible or potentially eligible for Medi-Cal services, including specialty mental health services (e.g., teachers).

If there are any questions regarding this Information Notice, please contact Jenkins Kumeh at (916) 323-3571, or email [jenkins.kumeh@dhcs.ca.gov](mailto:jenkins.kumeh@dhcs.ca.gov).

Sincerely,

Original signed by

Karen Baylor, Ph.D., LMFT, Deputy Director  
Mental Health & Substance Use Disorder Services

Enclosure