



JENNIFER KENT  
DIRECTOR

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



GAVIN NEWSOM  
GOVERNOR

DATE: May 8, 2019

MHSUDS INFORMATION NOTICE NO.: 19-023

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  
CALIFORNIA STATE ASSOCIATION OF COUNTIES  
CALIFORNIA CONSORTIUM OF ADDICTION PROGRAMS AND PROFESSIONALS

SUBJECT: INSTRUCTIONS FOR REPORTING RATES NEGOTIATED FOR PSYCHIATRIC INPATIENT HOSPITALS SERVICES CONTRACTS FOR FISCAL YEAR 2019-20

The purpose of this notice is to provide Mental Health Plans (MHPs) in each county with the current list of Fee-For-Service/Medi-Cal (FFS/MC) hospitals that MHPs are required to contract within Fiscal Year (FY) 2019-20. Title 9, California Code of Regulations (CCR) §1810.375(c) requires MHPs to report the rates they have negotiated with FFS/MC hospitals to the Department of Health Care Services (DHCS) by June 1 of each year to be implemented by July 1. If a MHP submits rates to DHCS after June 1, 2019, those rates will be effective 30 days from the date received. DHCS utilizes these rates to establish non-negotiated FFS/MC hospital rates in accordance with Title 9, CCR §1820.115.

Also, Title 9, CCR §1810.430(a) requires MHPs to contract with Disproportionate Share Hospitals (DSH) and traditional hospital providers that meet provider selection criteria, as defined in the regulations, unless DHCS grants the MHP an exemption from contracting. The process for requesting an exemption is described in Title 9, CCR §1810.430(c), which can be found in Enclosure 1. DSH providers serve a disproportionate share of low-income people, as determined annually by DHCS.

Traditional hospitals are defined in regulation as accounting for five percent or \$20,000, whichever is more, of the total FFS/MC psychiatric inpatient hospital payments for the MHPs beneficiaries. A listing of both DSH and traditional hospital providers per county based on FY 2017-18 payment data can be found in Enclosure 2.

MHSUDS INFORMATION NOTICE NO.: 19-023

May 8, 2019

Page 2

The following information on negotiated FFS/MC hospital rates must be submitted to DHCS:

- 1) Facility name.
- 2) Facility address.
- 3) National Provider Identifier number.
- 4) Effective date of the negotiated rate.
- 5) Negotiated rate for any or all of the following inpatient revenue/accommodation codes that will be used and indicate whether the rate is adolescent/child and/or adult:

CODE	DESCRIPTION
114	Room and Board – Private, Psychiatric
124	Room and Board – Semi-Private 2 Bed, Psychiatric
134	Room and Board – Semi-Private 3 or 4 Bed, Psychiatric
154	Room and Board – Ward (Medical or General), Psychiatric
204	Intensive Care, Psychiatric

The rate for code 169, Administrative Day, is not included since it is established by DHCS in accordance with the regulations and need not be reported by MHPs. The current Administrative Day Rate as of August 1, 2018, is \$597.34 per day.

In the event that the MHP has negotiated a rate, but not entered into a contract by June 1, 2019, report the negotiated rate. It is not necessary to wait until the Board of Supervisors finalizes the hospital contract. If negotiations are pending, report the rate once it is contracted. If a hospital declines to enter into a negotiated rate contract with the MHP, please state the reason for the refusal in writing so that DHCS may assign the regional rate.

Please email the negotiated rate information to Danette McReynolds at [danette.mcreynolds@dhcs.ca.gov](mailto:danette.mcreynolds@dhcs.ca.gov). Should you have any questions or need additional information, please email or call Danette McReynolds at (916) 713-8744.

Sincerely,

Original signed by

Brenda Grealish, Acting Deputy Director  
Mental Health & Substance Use Disorder Services

Enclosures