DEPARTMENT OF HEALTH SERVICES
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March 9, 2001   N.L.: 02-0301
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TO: ALL COUNTY CALIFORNIA CHILDREN'S SERVICES (CCS)
           ADMINISTRATORS AND MEDICAL CONSULTANTS, AND STATE
           CHILDREN'S MEDICAL SERVICES (CMS) BRANCH STAFF

SUBJECT: IMPLEMENTATION OF SECTION 14133.05 OF THE WELFARE AND
           INSTITUTIONS CODE REGARDING TREATMENT AUTHORIZATION

The purpose of this letter is to provide local CCS programs and State Regional Offices with information regarding the implementation of Section 14133.05 of the Welfare and Institutions Code as it relates to requests for services for children who are Medi-Cal and CCS-eligible.

Background

Assembly Bill 2877 (Chapter 93, Statutes of 2000) was signed by the Governor, effective July 7, 2000, as an omnibus trailer bill for implementing Health and Human Services policy in the 2000-2001 Budget Act. This Bill added Section 14133.05 to the Welfare and Institutions Code specifying that all requests for a treatment authorization for a Medi-Cal beneficiary can only be reviewed for determination of medical necessity Section 14133.05 reads:

(a) Notwithstanding any other provision of law, a request for a treatment authorization received by the Department shall be reviewed for medical necessity only.

(b) Any claim for a service that is authorized pursuant to a treatment authorization request that qualifies for approval under the requirements established by the Department in regulations shall be reduced in accordance with Section 14115.

(c) If a provider does not agree with the decision on a treatment authorization request, the provider may appeal the decision pursuant to procedures set forth in regulations adopted by the Department.

(d) Providers shall comply with the administrative remedies available to them prior to seeking a judicial remedy with respect to a decision of the Department on a treatment authorization request.
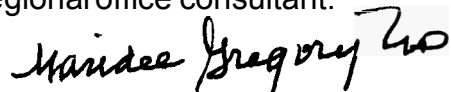
Since the CCS program has the authority and responsibility per Section 51013 of Title 22, California Code of Regulations (CCR), to provide case management and authorization of services for Medi-Cal beneficiaries with CCS-eligible medical conditions, it has been determined that this change in law is also applicable to CCS case management activities for CCS-eligible Medi-Cal beneficiaries.

Policy

Effective the date of this letter, the CCS program can **not** deny a request for medically necessary services for a Medi-Cal beneficiary **with** a CCS-eligible medical condition solely on the basis that the request does not meet the requirements of prior authorization as defined in CCS regulation (Section 42180 of Title 22). Requests for services for CCS/Medi-Cal-eligible benefits that are not submitted timely and are **not** medically necessary can be denied because of lack of documentation of medical necessity. Requests for services for CCS/Medi-Cal beneficiaries that are not submitted timely and are **not** medically necessary can be denied because of lack of documentation of medical necessity. Requests for services for CCS/Medi-Cal beneficiaries that are not submitted timely and are from individual providers who are **not** paneled or hospitals that are **not** approved in accordance with CCS program policy, can be denied. The Notice of Action or Deny Request letter issued must reflect the appropriate reason for the denial such as not medically necessary or not a CCS-paneled provider or not a CCS-approved hospital.

This policy also **does not apply** to clients enrolled in Healthy Families plans or clients who are "CCS only". Services for these CCS clients or potential clients must meet the CCS regulations for timely submission of a request for service (California Code of Regulations, Title 22, Section 42180).

If you have any questions regarding this numbered letter, please contact your state regional office consultant.

Maridee A. Gregory, M.D., Chief
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