



JENNIFER KENT
DIRECTOR

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



GAVIN NEWSOM
GOVERNOR

DATE: February 5, 2019

MHSUDS INFORMATION NOTICE NO.: 19-005

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: DRUG MEDI-CAL NARCOTIC TREATMENT PROGRAM COST REPORTING

PURPOSE

This MHSUDS Information Notice outlines the exceptions to the cost reporting submission requirement that are available to all Drug Medi-Cal (DMC) Certified Narcotic Treatment Program (NTP) providers.

BACKGROUND

In 1997, all DMC providers were required to submit a substance use disorder cost report (cost report) to the Department of Alcohol and Drug Programs (ADP) in order to claim reimbursement for DMC services, with one exception. Under California Health and Safety Code (HSC) Section 11758.46 (now repealed), ADP accepted the submission of a performance report, instead of a cost report, from any NTP provider that was exclusively billing the State or county for NTP services rendered to Medi-Cal beneficiaries.

On January 1, 2003, the Legislature added two new exceptions by allowing a NTP provider that was exclusively billing the State or county for services provided to persons

subject to California Penal Code (PC) Section 1210.1 (probation) and Section 3063.1 (parole) to also submit a performance report instead of a cost report.

On June 30, 2012, HSC Section 11758.46 was repealed, thereby eliminating all exceptions to the cost-reporting requirement. On July 1, 2012, California Welfare and Institutions Code (W&I) Section 14124.24 was enacted with a different set of exceptions.

CURRENT NTP COST REPORTING REQUIREMENT

W&I Section 14124.24(g)(1) requires all county and contracted NTP providers to submit a cost report to claim reimbursement for DMC services; however, subsection (h) permits a NTP provider to submit a performance report, instead of a cost report, if it meets one or more of the following exceptions:

1. A NTP provider that exclusively bills the State or county for services provided to individuals subject to PC Section 1210.1 (probation);
2. A NTP provider that exclusively bills the State or county for services provided to individuals subject to PC Section 3063.1 (parole); and
3. A NTP provider that exclusively bills the State or county for services provided to individuals subject to W&I Section 14021.52 (indigent patients who are not eligible for Medi-Cal.)

POLICY

In order to clarify this requirement that became effective on July 1, 2012, all county and contracted NTP providers who do not meet one or more of the exceptions outlined above shall be required to submit a cost report exclusively to the Department. This requirement will be enforced beginning on **July 1, 2019**, and the first cost report will be due November 1, 2020, for FY 2019-20. All NTP providers will receive the required cost report forms and instructions from the Department detailing the completion and submission requirements.

If you have questions on these requirements, please contact Elsa Murphy, Chief, Fiscal Management and Accountability Section, Substance Use Disorder-Program, Policy and Fiscal Division at (916) 713-8594.

Sincerely,

Original signed by

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