CALIFORNIA DEPARTMENT OF
Mental Health

1600 9th Street, Sacramento, CA 95814
(916) 654-2309

October 1, 2002

DMH INFORMATION NOTICE NO.: 02-06

TO: LOCAL MENTAL HEALTH DIRECTORS
LOCAL MENTAL HEALTH PROGRAM CHIEFS
LOCAL MENTAL HEALTH ADMINISTRATORS
COUNTY ADMINISTRATIVE OFFICERS
CHAIRPERSONS, LOCAL MENTAL HEALTH BOARDS

SUBJECT: CHANGES IN MEDI-CAL REQUIREMENTS FOR DAY TREATMENT INTENSIVE AND DAY REHABILITATION

The Department of Mental Health (DMH) is issuing this notice to inform mental health plans (MHPs) and interested stakeholders of DMH's intent to change the criteria for Medi-Cal reimbursement of day rehabilitation and day treatment intensive for Medi-Cal eligible children, youth, adults and older adults. DMH intends the new requirements to apply to day treatment intensive and day rehabilitation services delivered on or after January 1, 2003. The changes will be implemented via an amendment to the DMH/MHP contracts. DMH, in consultation with the Department of Health Services, will continue to review the issues and may include some of the requirements in regulations at Title 9, California Code of Regulations (CCR), Division 1, Chapter 11, at a later date.

The changes are intended to clarify policy where there is ambiguity in the current regulations and DMH/MHP contracts. DMH has also included some changes intended to ensure there is appropriate clinical/rehabilitation focus in the services being reimbursed through Medi-Cal. These changes are intended to ensure more consistent implementation of these services statewide. Overall, the goal is to improve quality and accountability for these Medi-Cal specialty mental health services.

Basic criteria for Medi-Cal reimbursement of day treatment intensive and day rehabilitation remain the same. DMH is not changing the definitions of day treatment intensive or day rehabilitation (Title 9, CCR, Sections 1810.212 and 1810.213), the requirement that MHPs provide or arrange and pay for the MHP covered services that are adequate to meet the needs of the beneficiary (Title 9, CCR, Section 1810.345), the Medi-Cal medical necessity criteria (Title 9, CCR, Sections 1830.205 and 1830.210), the

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state maximum allowance for day treatment intensive and day rehabilitation (Title 22, CCR, Section 51516.2), general criteria for claiming for service functions (Title 9, CCR, Section 1840.314), or the lockouts for day treatment intensive and day rehabilitation (Title 9, CCR, Section 1840.360). MHP will retain their authority to establish service necessity criteria based on the impairment and intervention criteria in the medical necessity regulations to determine the level of intensity and the duration necessary to meet the beneficiaries' needs. MHPs will retain their authority to establish standards for day treatment intensive and day rehabilitation above the minimum standards described in this notice. MHPs must continue to assure that medical necessity and service necessity determinations are made on the basis of an assessment of each beneficiary's individual needs, not on the basis of the beneficiary's level of placement. MHPs must continue to assure that providers, with the participation of the client, develop client plans that include specific observable or quantifiable goals to be achieved by treatment and interventions that are consistent with the client's diagnoses and client plan goals.

DMH will be requiring MHPs to meet additional contractual obligations in the areas of MHP payment authorization (Title 9, CCR, Section 1830.215), criteria for payment of services based on half days and full days (Title 9, CCR, Section 1840.318), day treatment intensive and day rehabilitation contact requirements (Title 9, CCR, Sections 1840.326 and 8140.330), day treatment intensive and day rehabilitation staffing requirements (Title 9, CCR, Sections 1840.350 and 1840.352), and the frequency of progress notes (DMH/MHP contract, Exhibit A, Attachment 1, Appendix C). DMH will also be establishing minimum acceptable service components for day treatment intensive and day rehabilitation programs and adding program review requirements to the current standards for on-site reviews of organizational providers.

Authorization Requirements

Currently, MHPs are not required to have a formal authorization system for any non-hospital services. Title 9, CCR, Section 1830.215, establishes the criteria for an MHP payment authorization system, but does not require the MHP to establish the system for any particular services. Many MHPs use MHP payment authorization functions for specialty mental health services provided by their individual and group providers, but allow organizational providers to make treatment decisions without formal authorization from the MHP. Effective January 1, 2003, the DMH/MHP contract will require MHPs to establish, or use their existing, MHP payment authorization systems for day treatment intensive and day rehabilitation. MHPs must require providers, including MHP staff, to request an initial MHP payment authorization for day treatment intensive and for day rehabilitation. MHPs must require providers, including MHP staff, to request prior authorization when day treatment intensive or day rehabilitation will be provided for more than five days per week. MHPs must also require providers to request MHP payment authorization for continuation of day treatment intensive at least every three months and

day rehabilitation at least every six months. MHPs will not be permitted to delegate the authorization function to providers. In the event the MHP is the day treatment provider, the MHP will be required to assure that the authorization process does not include staff involved in providing day treatment intensive or day rehabilitation.

In addition, effective January 1, 2003, MHPs must require providers to request initial MHP payment authorization for counseling, psychotherapy or other similar therapeutic interventions (mental health services as defined in Title 9, CCR, Section 1810.227), excluding services to treat emergency and urgent conditions (see Title 9, CCR, Sections 1810.216 and 1810.253) and therapeutic behavioral services, that will be provided on the same day that day treatment intensive or day rehabilitation is being provided to the beneficiary. The MHP must also require the providers of these services to request MHP payment authorization for continuation of these services on the same cycle required for continuation of day treatment intensive or day rehabilitation for the beneficiary. MHPs are not permitted to delegate the authorization function to the provider of day treatment intensive or day rehabilitation or the provider of the additional services.

Hours of Operation, Contact and Staffing Requirements
DMH intends to set hours of operation, contact and staffing requirements in addition to the requirements in Title 9, CCR, Sections 1840.318, 1840.328, 1840.330, 1840.350, and 1840.352. The hours of operation that establish day treatment intensive and day rehabilitation as a half-day or full-day program must be provided in a therapeutic milieu (see Attachment A for a description of therapeutic milieu) and must be continuous. Program staff may be required to spend time on day treatment intensive and day rehabilitation activities outside the hours of operation and therapeutic milieu, e.g., time for travel, documentation, and caregiver contacts.

Beneficiaries are expected to be present for all scheduled hours of operation for each day. When a beneficiary is unavoidably absent for some part of the hours of operation, day treatment intensive and day rehabilitation for an individual beneficiary will only be eligible for Medi-Cal reimbursement if the beneficiary is present for at least 50 percent of the scheduled hours of operation for that day. For example, if the beneficiary is present for less than one and a half hours of a three-hour half-day program because of illness, the service for that beneficiary for that day will not be Medi-Cal reimbursable.

Although the staffing ratios for day treatment intensive and day rehabilitation are unchanged, the staffing requirements will be expanded to require at least one staff person to be present and available to the group in the therapeutic milieu for all scheduled hours of operation. For day treatment intensive, staffing must include at least one staff person whose scope of practice includes psychotherapy.

There is no change in audit related staffing requirements. If day treatment intensive or day rehabilitation staff are also staff with other responsibilities (e.g., as staff of a group home, a school, or another mental health treatment program), a clear audit trail continues to be required. There must be documentation of the scope of responsibilities for these staff and the specific times in which day treatment intensive or day rehabilitation activities are being performed exclusive of other activities.

Required Service Components
DMH intends to establish minimum standards for the content of day treatment intensive and day rehabilitation. MHPs will retain the authority to set additional higher or more specific standards. The minimum standards for content include the specific service components described in detail in Attachment A. The service components include a required daily community meeting, a required number of hours for specified core service activities, standards for involvement with caregivers, the capability for on-site crisis response, a weekly schedule and the staffing requirements described above.

Documentation Requirements
Currently, progress notes for day treatment intensive and day rehabilitation must be documented weekly. There is no specific requirement for review by licensed mental health professionals. Documentation requirements for day rehabilitation will not change. Effective January 1, 2003, however, documentation for day treatment intensive will be required to include daily progress notes on activities and a weekly clinical summary reviewed and signed by a physician, a licensed/waivered/registered psychologist, clinical social worker, or marriage and family therapist; or a registered nurse who is either staff to the day treatment intensive program or the person directing the service.

Certification Requirements
DMH intends to set additional standards for certification of individual, group and organizational providers of day treatment intensive and day rehabilitation. MHPs will be required, at a minimum, to conduct a review of the provider's program description to ensure that the day treatment intensive and day rehabilitation requirements in this notice are incorporated. For individual and group providers, this review will not be required to be conducted on the provider's site. For organizational providers, the review must be included in the required on-site review. DMH will also be applying these new standards to its own on-site reviews of MHP owned and operated provider sites. The changes in review requirements will apply to reviews of new providers and to the reviews required as a part of biannual recertifications conducted on or after July 1, 2003. MHPs and providers, however, must comply with the new standards effective January 1, 2003.

DMH expects to issue DMH/MHP contract amendments to the MHPs no later than November 1, 2002, with the amendments effective January 1, 2003. MHPs are encouraged to consult with DMH as needed to resolve any questions or concerns regarding implementation of the changes. Please contact your contract managers in the Technical Assistance and Training Section below for assistance.

DMH Technical Assistance and Training Contract Managers

Bay Area Region	Ruth Walz	(707) 252-3168
Central Region	Anthony Sotelo	(916) 651-6848
Northern Region	Jake Donovan	(916) 651-9867
Southern Region	Eddie Gabriel	(916) 654-3263

Sincerely,

(Original signed by)

Wm. DAVID DAWSON
Chief Deputy Director

Enclosure

cc: California Mental Health Planning Council
Chief, Technical Assistance and Training