

**LOS ANGELES COUNTY – DEPARTMENT OF MENTAL HEALTH  
BUREAU OF STANDARDS, PRACTICES AND CONDUCT**

May 28, 2004

Below is the most current information regarding the State DMH EPSDT audit for 2004-04, which will occur between January and June 2005. The document discusses Legal Entity selection criteria; audit period, chart review, sample selection, recoupment of dollars and reasons for recoupment.

Please be mindful, this process is still in draft form and changes are made frequently. We will do our best to keep you informed of the most current developments. If you have questions, please email Eydie Dominguez: edominguez@dmh.co.la.ca.us.

## **DRAFT AS OF MAY 28, 2004**

### **EPSDT REVIEW: SAMPLING PROCESS PARAMETERS FOR FY' 04-05**

#### **LEGAL ENTITY SELECTION CRITERIA**

The State DMH has indicated that LA County's selection criteria will be based on:

- Legal Entity approved claims amount greater than or equal to \$2,000,000;
- Legal Entity approved claims amount greater than or equal to \$500,000 and cost per client greater than or equal to \$4,500.

#### **AUDIT PERIOD**

- Reviews will be conducted between January and June 2005.
- For reviews conducted between January and June 2005, the audit period will be April through June 2004.
- For reviews conducted in 2006, the audit period will be the entire FY' 04-05.
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#### **CHART REVIEW**

- Each record will be reviewed for **Medical Necessity, Client Planning, and Progress Notes**. Progress note documentation should support the established medical necessity, as well as the goals and treatment activities delineated in the client plan. **A comprehensive record review protocol (see attached) will be completed on each record.**

#### **SAMPLE SELECTION**

- State DMH is still researching how to arrive at an appropriate sample size. It has been recommended they use claims rather than clients. At this time, State DMH is doing a side-by-side comparison to determine which sample selection methodology would be best. Using the Raosoft calculation methodology, if a Legal Entity had 6,120 clients and 59,496 claims, 190 would be the client sample and 196 would be the claims sample.
- The sample size will be based on the number of unduplicated clients served the previous fiscal year, by county, within Legal Entity. Legal Entities include both counties and contractors.

- Where there is more than one county per Legal Entity, each county will have its own sample size that is calculated and randomly selected based upon its clients served by that Legal Entity.

### **RECOUPMENT**

- Both FFP and SGF dollars will be recouped. SGF dollars will be recouped based on a formula consisting of SGF, baseline, and growth dollar percentages that will be unique to each county.
- Recoupment percentage of the sample will be extrapolated to all claims by that Legal Entity in that county for the review period, i.e., April through June 2004 for the 2005 review; all of FY' 04-05 for the 2006 review.
- The State DMH will recoup the monies owed from future payments due to the Mental Health Plan.

**DRAFT**  
**REASONS FOR RECOUPMENT**  
**FY'03-04 EPSDT**  
**NON-HOSPITAL SERVICES**

**MEDICAL NECESSITY**

1. Documentation in the chart does not establish that the beneficiary has a diagnosis contained in Section 1830.205(b)(1)(A-R).

*CCR, Title 9, Chapter 11, Section 1830.205(b)(1)(A-R)*

2. Documentation in the chart does not establish that, as a result of a mental disorder listed in Section 1830.205(b)(1)(A-R), the beneficiary has, at least, one of the following impairments:
  - A significant impairment in an important area of life functioning
  - A probability of significant deterioration in an important area of life functioning
  - A probability the child will not progress developmentally as individually appropriate
  - (For beneficiaries under the age of 21 years) A defect or mental illness that specialty mental health services can correct or ameliorate

*CCR Title 9, Chapter 11, Sections 1830.205(b)(2)(A),(B),(C) and 1830.210(a)(3)*

3. Documentation in the chart does not establish that the focus of the proposed intervention is to address the condition identified in CCR, Title 9, Chapter 11, Sections 1830.205(b)(2)(A),(B),(C)—(see below):
  - A significant impairment in an important area of life functioning
  - A probability of significant deterioration in an important area of life functioning
  - A probability the child will not progress developmentally as individually appropriate

***NOTE:** EPSDT services may be directed toward the substance abuse disorders of EPSDT-eligible children who meet the criteria for specialty mental health services under this agreement, if such treatment is consistent with the goals of the mental health treatment and services are not otherwise available.*

*CCR, Title 9, Chapter 11, Sections 1830.205(b)(3)(A)*

4. Documentation in the chart does not establish the expectation that the proposed intervention will do, at least, one of the following:
  - Significantly diminish the impairment
  - Prevent significant deterioration in an important area of life functioning
  - Allow the child to progress developmentally as individually appropriate

*CCR, Title 9, Chapter 11, Sections 1830.205(b)(3)(B)(1),(2), and (3)*

<b><u>CLIENT PLAN:</u></b>
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5. Initial client plan was not completed within time period specified in MHP's documentation guidelines, or, lacking MHP guidelines, within 60 days of intake unless there is documentation supporting the need for more time.

*MHP Contract with the DMH, Exhibit A, Attachment 1, Appendix C*

6. Client plan was not completed, at least, on an annual basis as specified in MHP's documentation guidelines.

*MHP Contract with the DMH, Exhibit A, Attachment 1, Appendix C*

7. No documentation of client or legal guardian participation in the plan or written explanation of the client's refusal or unavailability to sign as required in the MHP Contract with the DMH.

*MHP Contract with the DMH, Exhibit A, Attachment 1, Appendix C*

8. For beneficiaries receiving TBS, no documentation of a plan for TBS.

*DMH Letter No. 99-03, pages 6-7*

<b><u>PROGRESS NOTES:</u></b>
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9. No progress note was found for service claimed.

*CCR, Title 9, Chapter 11, Section 1810.440(c); MHP Contract with DMH, Exhibit A, Attachment 1, Appendix C*

10. The time claimed was greater than the time documented.

CCR, Title 9, Chapter 11, Section 1810.440(c); MHP Contract with DMH, Exhibit A, Attachment 1, Appendix C

11. The progress note indicates that the service was provided while the beneficiary resided in a setting where the beneficiary was ineligible for FFP, e.g., Institute for Mental Disease, jail, and other similar settings, or in a setting subject to lockouts per Title 9, Chapter 11.

CCR, Title 9, Chapter 11, Sections 1840.312(g)&(h) and 1840.360-374; CFR, Title 42, Sections 435.1008 and 435.1009; and CCR, Title 22, Section 50273(1-9)

12. The progress note clearly indicates that the service was provided to a beneficiary in juvenile hall and when ineligible for Medi-Cal. (Dependent minor is MC eligible. Delinquent minor is only MC eligible after adjudication for release into community.)

CFR, Title 42, Sections 435.1008 and 435.1009; and CCR, Title 22, Section 50273(1-9)

<b>PROGRESS NOTES (CON'T):</b>
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13. The progress note indicates that the service provided was solely for one of the following:

- a) Academic educational service
- b) Vocational service that has work or work training as its actual purpose
- c) Recreation
- d) Socialization that consists of generalized group activities that do not provide systematic individualized feedback to the specific targeted behaviors

CCR, Title 9, Chapter 11, Section 1840.312(a),(b),(c), and (d)

14. The claim for a group activity was not properly apportioned to all clients present.

CCR, Title 9, Chapter 11, Section 1840.316b)(2)

15. The progress note does not contain the signature (or electronic equivalent) of the person providing the service.

*MHP Contract with the DMH, Exhibit A, Attachment 1, Appendix C*

16. The progress note indicates the service provided was solely transportation.

CCR, Title 9, Chapter 11, Sections 1810.355(a)(1)(B), 1840.312(f), and 1810.247, and 1840.110(a)

17. The progress note indicates the service provided was solely clerical.  
*CCR, Title 9, Chapter 11, Sections 1840.312(f), and 1810.247, 1840.110(a), and 1830.205(b)(3)*
18. The progress note indicates the service provided was solely payee related.  
*CCR, Title 9, Chapter 11, Sections 1840.312(f), and 1810.247, 1840.110(a), and 1830.205(b)(3)*
19. For beneficiaries receiving TBS, progress notes overall clearly indicate that TBS was provided solely for one of the following reasons:
  - a) For the convenience of the family, caregivers, physician, or teacher
  - b) To provide supervision or to ensure compliance with terms and conditions of probation
  - c) To ensure the child/youth's physical safety or the safety of others, e.g., suicide watch
  - d) To address conditions that are not a part of the child/youth's mental health condition