



Quality Assurance Bulletin

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Program Support Bureau

County of Los Angeles - Department of Mental Health
Marvin J. Southard, DSW, Director

California Code of Regulations (CCR) Changes which Alter the State DMH Audit Appeal Process

Background

The EPSDT Appeal process is set forth in Title 9, Chapter 11, of the California Code of Regulations that generally govern the delivery and claiming of Medi-Cal Specialty Mental Health Services. When these regulations were put in place, appeals of EPSDT audit disallowances had to be filed through the local Mental Health Plan (MHP) which in Los Angeles County is the Department of Mental Health (LAC DMH). In addition, the initial regulations provided for only one level of appeal, which was to the State Department of Mental Health (State DMH). At the request of contractors to MHPs throughout California, the State DMH convened a workgroup with representation from the County Mental Health Director's Association, contractors of various local MHPs, and its own staff to discuss these issues and explore possible changes in the regulations. A proposed regulatory package was developed that added a second level of appeal and allowed contractors of local MHPs to appeal directly to the State. These proposals have now passed through all the regulatory processes and have been incorporated into Title 9, Chapter 11. Attachment 1 is a copy of the added language.

Implementation of the Changes

Effective immediately, when EPSDT audit findings are received, a Legal Entity (LE) will have the option of filing an informal appeal with the State DMH either through the LAC DMH or directly to the State DMH. We encourage LE to file their appeals directly with the State under these new procedures. When a LE files directly with the State, the regulations include the requirement that the LE provide the MHP/LAC DMH with a copy of their request for an informal appeal and all of the supporting documentation. Once a LE has submitted a request for an informal appeal directly to the State, LAC DMH can no longer be a participant in the process. Thus, if a LE submits an informal appeal directly to the State DMH and is not satisfied with the findings, that LE is the only body that can request a formal appeal. The regulations again require a LE to provide the MHP/LAC DMH with a copy of the informal appeal findings and, if they choose, the request for a formal appeal and all the supporting documentation.

The LAC DMH wishes to emphasize the importance of the LE providing it with all informal and formal appeal documents as required by the regulations. Without this information the LAC DMH's financial information will not match the LE's financial information, which will create problems at virtually all phases of the multiple financial reconciliation processes that occur and could put the LE at risk of unanticipated recoupments.

Any questions and all informal and formal appeal information should be directed to:

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LAC Department of Mental Health
550 S. Vermont Ave.
Los Angeles, CA 90020

Attachment

c: Executive Management Team	Judy Miller, Compliance Program Office
District Chiefs	Nancy Butram, Revenue Management
Program Heads	Donna Warren-Kruer, Managed Care
Department QA staff/Liaisons	T.J. Hill, ACHSA
Susan Rajlal, Legislative Analyst	Kimberly Nall, Finance

TITLE 9. REHABILITATIVE AND DEVELOPMENTAL SERVICES

DIVISION 1. DEPARTMENT OF MENTAL HEALTH

CHAPTER 11. MEDICAL SPECIALTY MENTAL HEALTH SERVICES

Amend Section 1810.203.5 to read:

1810.203.5 Appeal

“Appeal” means:

(a) *No Change*

(b) *No Change*

(c) *No Change*

(d) A request by an MHP and/or MHP subcontractor for review of client record review findings that resulted in the disallowance of paid claims.

NOTE: Authority cited: Section 14680, Welfare and Institutions Code. Reference: Section 14684, 5778, Welfare and Institutions Code and Title 42, Code of Federal Regulations, Part 438, Subpart F.

Adopt Section 1850.350 to read:

Section 1850.350 MHP/MHP Subcontractor Client Record Review Findings Appeal Process.

(a) MHP and MHP subcontractor appeals process

(1) The appeal process consists of:

(A) An informal appeal process as specified in section 1850.350 (b).

(B) A formal appeal process as specified in section 1850.350 (c).

(2) The appeal process may only be used for disallowances of paid claims resulting from client record review findings.

(b) The informal appeal shall be conducted by a Department review officer to clarify or resolve facts and issues in dispute.

(1) An informal appeal request by an MHP or MHP subcontractor shall be made in writing to the Department within 60 calendar days following the receipt of the client record review findings in dispute.

(2) The informal appeal request shall include:

(A) Written documentation supporting the rationale for the informal appeal for each disallowance in dispute.

(B) Other supporting information and/or material to be considered by the Department.

(C) A contact name, phone number and address.

(D) A statement of whether the MHP or MHP subcontractor requests that a decision be made solely upon the written documentation submitted or in conjunction with a telephone or face-to-face conference.

(3) If an MHP subcontractor is requesting the informal appeal, the MHP subcontractor shall notify the MHP at the same time of filing the request with the Department by sending the MHP:

(A) A copy of the request

(B) Complete documentation supporting the rationale for the appeal.

(4) If an MHP is requesting an informal appeal regarding a matter involving an MHP subcontractor, the MHP shall notify the MHP subcontractor at the same time of filing the request with the Department by sending the MHP subcontractor:

(A) A copy of the request

(B) Complete documentation supporting the rationale for the appeal.

(5) The Department shall render the informal appeal decision in writing based on the information provided within 30 calendar days:

(A) Of receipt of the informal appeal request if the MHP or MHP subcontractor has requested a decision based solely on the written documentation submitted. The date of receipt shall be the date stamped as received by the Department.

or

(B) Of conclusion of the telephone or face-to-face conference, if requested.

(6) Decisions rendered are considered final unless a formal appeal is requested by the entity initiating the informal appeal.

(c) A request for a formal appeal shall be filed, with the State Agency indicated in the informal appeal decision notification, within 30 calendar days of the date of issuance of the decision.

(1) Requests for formal appeal may only be filed after the Department of Mental Health has issued a written decision regarding an informal appeal on the same matter.

(2) Requests for a formal appeal may only be filed by the entity that initiated the informal appeal.

(3) At the same time as specified in section (c), a copy of the request shall be provided by the appellant to the following:

(A) The Department of Mental Health.

(B) The MHP, if an MHP subcontractor is requesting the formal appeal.

(C) The MHP subcontractor, if an MHP is requesting the formal appeal regarding a matter involving an MHP subcontractor.

(d) The formal appeal shall be conducted by an independent hearing officer/administrative law judge.

(e) The formal appeal hearing process shall be conducted in accordance with the procedures contained in California Code of Regulations, Title 22, Division 3, Subdivision 1, Chapter 3, Article 1.5.

(f) The decision of the hearing officer/administrative law judge is final upon adoption.

NOTE: Authority cited: Section 14680, Welfare and Institutions Code. Reference: Sections 5775, 5776, 5778, 14171, Welfare and Institutions Code.