

Understanding the DHCS (Department of Health Care Services) Cal Aim Updates for Outpatient Medi-Cal Services (Fee For Service Individual and Group Providers)



LA County Department of Mental Health
Quality Assurance – Policy & Technical Development Team

California Advancing & Innovating Medi-Cal (CalAIM)

- CalAIM is a long-term commitment to transform and strengthen Medi-Cal
 - Address Medi-Cal beneficiaries' needs across a continuum of care,
 - Ensure all beneficiaries receive coordinated services
 - Improve health outcomes
 - Ensure beneficiary access to the right care at the right place at the right time

UPCOMING CalAIM POLICY INITIATIVES	GO-LIVE DATE
Criteria to Access Specialty Mental Health Services (SMHS)	January 2022
Documentation Redesign for SMHS	July 2022
Co-Occurring Treatment	July 2022
No Wrong Door	July 2022
Standardized Screening & Transition Tools	January 2023
Behavioral Health CPT Coding Transition (Payment Reform)	July 2023

CalAIM Overall Impact

Shift Thinking

Focus on providing good clinical care and decision-making related to improving treatment to beneficiaries instead of worrying about technicalities and audit risk

Certain requirements have been removed, however this does not change our standard of care. The normal course of care is to assess, diagnose, develop a plan of action and then provide treatment.

These changes will allow flexibility to this normal course when clinically appropriate.

Criteria to Access Specialty Mental Health Services (SMHS) & Medical Necessity

- Effective **January 1st, 2022**
- Criteria to access SMHS and Medical Necessity are now separate
- Redefines what we currently know as Medical Necessity Criteria
 - Previous “Medical Necessity Criteria” created barriers to accessing care

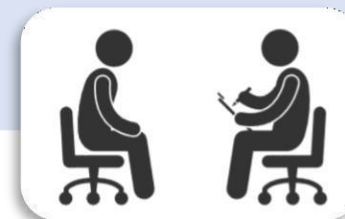
Criteria to Access SMHS

- Applies to a person (is this person eligible to receive SMHS?)



Medical Necessity

- Applies to services (is the service provided clinically appropriate?)



Criteria to Access SMHS

For Beneficiaries Ages 21+

Criteria to Access SMHS

For Beneficiaries Ages 21+

Beneficiary has to meet criteria (1) **AND** (2):

(1) Beneficiary has one or both:

- ☐ Significant impairment, where impairment is defined as distress, disability, or dysfunction in social, occupational, or other important activities
- ☐ A reasonable probability of significant deterioration in an important area of life functioning

(2) The condition is due to either one of the following:

- ☐ A diagnosed mental health disorder, according to the criteria of the DSM and the ICD
- ☐ A suspected mental health disorder, not yet diagnosed

Criteria to Access SMHS

For Beneficiaries Ages 21+

- New criteria to access SMHS:
 - ✓ A mental health diagnosis is no longer a prerequisite for receiving SMHS
 - ✓ No more “Included” Diagnosis List – can be a mental health disorder or suspected mental health disorder not yet diagnosed per DSM and ICD
- This does not mean we are treating everything
 - ✓ Neurocognitive disorder (e.g. dementia) or substance-related & addictive disorders are not “mental health disorders” for the purpose of determining criteria to access SMHS
 - ✓ Managed Care Plans (MCP) would continue to treat conditions due solely to a medical condition (e.g. traumatic brain injury, dementia) or when there are no significant impairments/probability of deterioration
 - ✓ Not expanding eligible SMHS that we currently provide (e.g. ABA is not a SMHS)

Criteria to Access SMHS

For Beneficiaries Ages 21+

Beneficiary Scenarios

40-year-old beneficiary presents with symptoms of depression, is unable to take care of his hygiene, has difficulty getting out of bed, and was fired from a job due to multiple absences.

Does this beneficiary meet Criteria to Access SMHS?

Yes, he meets the following criteria:

(1) Beneficiary has one or both:

✓ **Significant impairment, where impairment is defined as distress, disability, or dysfunction in social, occupational, or other important activities**

☐ A reasonable probability of significant deterioration in an important area of life functioning

(2) The condition is due to either one of the following:

☐ A diagnosed mental health disorder, according to the criteria of the DSM and the ICD

✓ **A suspected mental health disorder, not yet diagnosed**

Criteria to Access SMHS

For Beneficiaries Ages 21+

Beneficiary Scenarios

30-year-old beneficiary reports depressed mood and difficulty sleeping but maintains that he is able to work, take care of his family, and function on a daily basis. He has no history of problems at work or inpatient hospitalizations.

Does this beneficiary meet Criteria to Access SMHS?

No, he doesn't meet the below criteria and would be best served by the Managed Care Plan.

(1) Beneficiary has one or both:

- ☐ Significant impairment, where impairment is defined as distress, disability, or dysfunction in social, occupational, or other important activities
- ☐ A reasonable probability of significant deterioration in an important area of life functioning

(2) The condition is due to either one of the following:

- ☐ A diagnosed mental health disorder, according to the criteria of the DSM and the ICD

✓ **A suspected mental health disorder, not yet diagnosed**

Criteria to Access SMHS

For Beneficiaries Ages 21+

Beneficiary Scenarios

27-year-old homeless beneficiary presents with psychotic symptoms (e.g. hearing voices, talking to himself, yelling at bystanders, etc.) that are preventing him from caring for his basic needs and functioning socially. He was recently released from an inpatient hospital with a psychotic diagnosis.

Does this beneficiary meet Criteria to Access SMHS?

Yes, he meets the following criteria:

(1) Beneficiary has one or both:

- ✓ Significant impairment, where impairment is defined as distress, disability, or dysfunction in social, occupational, or other important activities
- ✓ A reasonable probability of significant deterioration in an important area of life functioning

(2) The condition is due to either one of the following:

- ✓ A diagnosed mental health disorder, according to the criteria of the DSM and the ICD
- ☐ A suspected mental health disorder, not yet diagnosed

Criteria to Access SMHS

For Beneficiaries Under 21

Criteria to Access SMHS

For Beneficiaries Under 21

For beneficiaries under the age of 21, there are two different avenues for meeting criteria to access SMHS

Beneficiary has to meet criteria (1):

- (1) Beneficiary has a condition placing them at high risk of a mental health disorder due to experience of trauma evidenced by any of the following:
- ☐ Scoring in the high-risk range under a trauma screening tool approved by DHCS
 - ☐ Involvement in the Child Welfare System
 - ☐ Juvenile Justice Involvement
 - ☐ Experiencing homelessness

*At this time, DHCS has not yet approved any trauma screening tool

Criteria to Access SMHS

For Beneficiaries Under 21 – Definitions for Criteria 1

Involvement in Child Welfare:

1. The beneficiary has an open child welfare services case
 - A child has an open child welfare services case if:
 - ✓ The child is in foster care or in out of home care, including both court-ordered and by voluntary agreement
 - ✓ The child has a family maintenance case (pre-placement or post-reunification), including both court ordered and by voluntary agreement.
 - A child can have involvement in child welfare whether the child remains in the home or is placed out of the home.
2. The beneficiary is determined by a child welfare services agency to be at imminent risk of entering foster care but able to safely remain in their home or kinship placement with the provision of services under a prevention plan
3. The beneficiary is a child whose adoption or guardianship occurred through the child welfare system.

Juvenile Justice Involvement:

1. The beneficiary has ever been detained or committed to a juvenile justice facility
2. Includes beneficiaries who have ever been in custody and held involuntarily through operation of law enforcement authorities in a juvenile justice facility, including youth correctional institutions, juvenile detention facilities, juvenile justice centers, and other settings such as boot camps, ranches, and forestry/conservation camps
3. The beneficiary is currently under supervision by the juvenile delinquency court and/or a juvenile probation agency
4. Includes beneficiaries on probation who have been released home or detained/placed in foster care pending or post-adjudication, under probation or court supervision, participating in juvenile drug court or other diversion programs, and who are otherwise under supervision by the juvenile delinquency court and/or a juvenile probation agency

Homelessness:

Individuals who lack a fixed, regular, and adequate nighttime residence including children and youth who:

1. Are sharing the housing of other persons due to loss of housing, economic hardship, or a similar reason;
2. Are living in motels, hotels, trailer parks, or camping grounds due to the lack of alternative adequate accommodations
3. Are living in emergency or transitional shelters; or are abandoned in hospitals;
4. Who have a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings
5. Who are living in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations, or similar settings;
6. Are migratory children who qualify as homeless for the purposes of this subtitle because the children are living in circumstances described above

Established in section 11434a of the federal McKinney-Vento Homeless Assistance Act.15

Criteria to Access SMHS

For Beneficiaries Under 21

Or Beneficiary has to meet criteria (2) **AND** (3):

(2) Has at least one:

- ☐ A significant impairment
- ☐ A reasonable probability of significant deterioration in an important area of life functioning
- ☐ A reasonable probability of not progressing developmentally as appropriate
- ☐ A need for SMHS, regardless of presence of impairment, that are not included w/in the MH benefits that a Medi-Cal managed care plan is required to provide

AND

(3) Condition above is due to one of the following:

- ☐ A diagnosed mental health disorder (per DSM and ICD)
- ☐ A suspected mental health disorder not yet diagnosed
- ☐ Significant trauma placing them at risk of a future mental health condition, based on the assessment of a licensed mental health professional

Criteria to Access SMHS

For Beneficiaries Under 21 – Services not included w/in MCP

Responsibility of the MHP

- Services provided: Specialty Mental Health Services
 - Mental Health Services (assessment, plan development, therapy, **REHAB**, collateral)
 - **TARGETED CASE MANAGEMENT**
 - Medication Support Services
 - **INTENSIVE CARE COORDINATION**
 - **INTENSIVE HOME BASED SERVICES**
 - **CRISIS INTERVENTION**
 - **THERAPEUTIC BEHAVIORAL SERVICES**
 - **DAY REHABILITATION & DAY TREATMENT INTENSIVE**
 - **CRISIS STABILIZATION**

Responsibility of the MCP

- Services provided: Non Specialty Mental Health Services
 - Mental health evaluation and treatment, including individual, group and family psychotherapy
 - Psychological and neuropsychological testing, when clinically indicated to evaluate a mental health condition
 - Outpatient services for purposes of monitoring drug therapy
 - Psychiatric consultation
 - Outpatient laboratory, drugs, supplies and supplements

Criteria to Access SMHS

For Beneficiaries Under 21

- New criteria to access SMHS:
 - ✓ A mental health diagnosis is not a prerequisite for receiving SMHS
 - ✓ No more “Included” Diagnosis List – can be a mental health disorder or suspected mental health disorder not yet diagnosed per DSM and ICD
 - ✓ Those w/ a condition placing them at high risk due to trauma are able to access SMHS
- This does not mean we are treating everything
 - ✓ Neurocognitive disorder (e.g. dementia) or substance-related & addictive disorders are not “mental health disorders” for the purpose of determining criteria to access SMHS
 - ✓ Managed Care Plans (MCP) would continue to treat conditions due solely to a medical condition
 - ✓ Not expanding eligible SMHS that we currently provide (e.g. ABA is not a SMHS)

Criteria to Access SMHS

For Beneficiaries Under 21

Beneficiary Scenarios

6-year-old beneficiary was recently removed from her parents' custody and has an open DCFS case. She is displaying anxious symptoms (e.g. nightmares, bedwetting, frequently worrying about her parents) in her new foster home.

Does this beneficiary meet Criteria to Access SMHS?

Yes, she has meets the following criteria:

✓ **(1) Beneficiary has a condition placing them at high risk of a mental health disorder due to experience of trauma evidenced by any of the following:**

☐ Scoring in the high-risk range under a trauma screening tool approved by DHCS

✓ **Involvement in the Child Welfare System**

☐ Juvenile Justice Involvement

☐ Experiencing homelessness

Criteria to Access SMHS

For Beneficiaries Under 21

Beneficiary Scenarios

10-year-old beneficiary with an extensive trauma history and presents with aggressive behaviors that are interfering with her ability to function at school and home.

Does this beneficiary meet Criteria to Access SMHS?

Yes, she meets the following criteria:

✓ (2) The beneficiary meets both of the following:

- Has at least one:

✓ A significant impairment

- ☐ A reasonable probability of significant deterioration in an important area of life functioning
- ☐ A reasonable probability of not progressing developmentally as appropriate
- ☐ A need for SMHS, regardless of presence of impairment, that are not included w/in the MH benefits that a Medi-Cal managed care plan is required to provide*

AND

- Condition above is due to one of the following:

- ☐ A diagnosed mental health disorder (per DSM and ICD)
- ☐ A suspected mental health disorder not yet diagnosed

✓ Significant trauma placing them at risk of a future mental health condition, based on the assessment of a licensed mental health professional

Criteria to Access SMHS

For Beneficiaries Under 21

Beneficiary Scenarios

12-year-old client who is functioning well overall. No history of any trauma or past behavioral problems. Parents are getting divorced and want him to talk to someone as he is starting to “talk back” to them.

Does this beneficiary meet Criteria to Access SMHS?

No, he doesn't meet either of the below criteria and can receive services from the Managed Care Plan.

(1) Beneficiary has a condition placing them at high risk of a mental health disorder due to experience of trauma evidenced by any of the following:

- ☐ Scoring in the high-risk range under a trauma screening tool approved by DHCS
- ☐ Involvement in the Child Welfare System
- ☐ Juvenile Justice Involvement
- ☐ Experiencing homelessness

(2) The beneficiary meets both of the following:

Has at least one:

- ☐ A significant impairment
- ☐ A reasonable probability of significant deterioration in an important area of life functioning
- ☐ A reasonable probability of not progressing developmentally as appropriate
- ☐ A need for SMHS, regardless of presence of impairment, that are not included w/in the MH benefits that a Medi-Cal managed care plan is required to provide

AND

Condition above is due to one of the following:

- ☐ A diagnosed mental health disorder (per DSM and ICD)
- ☐ A suspected mental health disorder not yet diagnosed
- ☐ Significant trauma placing them at risk of a future mental health condition, based on the assessment of a licensed mental health professional

Criteria to Access SMHS

For Beneficiaries Under 21

Beneficiary Scenarios

7-year-old beneficiary has symptoms of ADHD and displays some difficulty with concentrating and completing assignments at school. Socially, he has friends. He has no history of inpatient hospitalizations.

Does this beneficiary meet Criteria to Access SMHS?

It depends, it appears he does meet a suspected diagnosis and does not meet significant impairment. However, it remains to be seen if he needs services provided by the MHP.

(1) Beneficiary has a condition placing them at high risk of a mental health disorder due to experience of trauma evidenced by any of the following:

- ☐ Scoring in the high-risk range under a trauma screening tool approved by DHCS
- ☐ Involvement in the Child Welfare System
- ☐ Juvenile Justice Involvement
- ☐ Experiencing homelessness

(2) The beneficiary meets both of the following:

Has at least one:

- ☐ A significant impairment
- ☐ A reasonable probability of significant deterioration in an important area of life functioning
- ☐ A reasonable probability of not progressing developmentally as appropriate
- ! A need for SMHS, regardless of presence of impairment, that are not included w/in the MH benefits that a Medi-Cal managed care plan is required to provide

???

AND

Condition above is due to one of the following:

- ☐ A diagnosed mental health disorder (per DSM and ICD)
- ✓ A suspected mental health disorder not yet diagnosed
- ☐ Significant trauma placing them at risk of a future mental health condition, based on the assessment of a licensed mental health professional

Mental Health Plan (MHP) vs. Managed Care Plan (MCP)

Responsibility of the MCP

- Beneficiaries 21+ w/ mild to moderate distress or mild to moderate impairment of mental, emotional, or behavioral functioning resulting from mental health disorders, as defined by the DSM
- Beneficiaries under 21, to the extent eligible for services through EPSDT, regardless of level of distress or impairment or the presence of a diagnosis
- Beneficiaries of any age with potential mental health disorders not yet diagnosed.

Note: LACDMH Quality Assurance is working on providing additional guidance regarding the process to refer clients to the MCP

Questions related to Criteria for SMHS

Q: Given this new criteria, can beneficiaries now qualify for SMHS even if they are diagnosed with a z-code or what was previously an excluded diagnosis?

A: *Yes. There is no longer an included diagnosis list and there are new avenues to access SMHS beyond having a mental health disorder.*

Q: For services claimed before the assessment is completed, do providers still need to provide a diagnosis?

A: *Yes. Claims for services will need to have a valid ICD10 diagnosis code.*

Q: Is there a limit to how long a deferred diagnosis (e.g. Z03.89) or other z code can be used?

A: *The Quality Assurance Unit is awaiting further guidance from the State DHCS. For the time being, we recommend providing a more specific diagnosis following the completion of the assessment.*

Medical Necessity for a Service

Medical Necessity for a Service

Medical Necessity For Beneficiaries 21+

A service is “medically necessary” or a “medical necessity” when it is reasonable and necessary to protect life, to prevent significant illness or significant disability, or to alleviate severe pain

Medical Necessity For Beneficiaries Under 21

A service is “medically necessary” or a “medical necessity” when needed to correct or ameliorate a mental health condition

(Note: services do not need to be curative or restorative to ameliorate a mental health condition per CMS)

Medical Necessity for a Service

- ✓ Normal course of care – assess, diagnose, develop a plan of action, and then provide treatment
- ✓ Providing services outside of this normal course of care will not be disallowed as long as the service was medically necessary/clinically appropriate.

✓ Before –

- Only emergent services were reimbursable prior to the completion of the assessment and treatment plan
- Practitioners needed to document the client had an urgent condition and a plan in the progress note in order to get reimbursed for the service

✓ Now –

- Medically necessary/clinically appropriate services are reimbursable prior to the completion of an assessment and treatment plan
- First claimed service must be by a practitioner eligible to diagnose in order to enter a valid ICD10 code for claiming
 - If first contact was with a practitioner not eligible to diagnose, can claim COS or MAA (as applicable)

Medical Necessity for a Service

As a reminder, providers must continue to adhere to **Policy 312.02 Opening and Closing of Service Episodes...**

- Prior to opening an episode and conducting an assessment, the potential client or their legal representative must be
 - ✓ Informed that they will be entered into the DMH information system
 - ✓ Informed about the assessment process
 - ✓ Financially screened and be informed of results
- A consent for services would need to be obtained

Medical Necessity for a Service

- ✓ Every service provided needs to be medically necessary (i.e. clinically appropriate) to be reimbursable under Medi-Cal
- ✓ This term is now about the service provided rather than about the client
 - Someone might be able to meet the criteria to access SMHS, but that doesn't necessarily mean services need to be provided to them
- ✓ Practitioners can now provide medically necessary/clinically appropriate services when it's needed rather than worrying about audit risks and technicalities
 - Practitioners can now focus on their clinical judgment and provide the needed service

Questions related to Medical Necessity for Services

Q: Is a completed assessment still required since SMHS can be provided before one is completed?

A: *Yes, a completed assessment is the standard of care and provides a clear clinical picture of a client and what their needs will be. Updated access criteria and medical necessity do not change our current clinical practice and standard of care.*

Q: Can services be provided to a client prior to Consent?

A: *Services prior to consent should not be claimed as a direct service, with the exception of crisis intervention. Depending on the circumstance, it may be claimed as a COS.*

Q: What if a clinician provides SMHS during the assessment period but later determines that the client does not meet criteria to access SMHS at the end of the assessment?

A: *The SMHS provided are covered and reimbursable. The client should then be referred to the appropriate service delivery system (e.g. Regional Center or Managed Care Plan) if needed. This is the basis for the CalAIM No Wrong Door policy.*

In Summary

Practitioners should allow themselves the flexibility to provide clinically appropriate SMHS in the manner that best addresses the client's needs

Reasons for recoupment will now focus on fraud, waste, and abuse instead of technicalities

- ✓ For example, excessive claiming or no documentation to support the service claimed

Although certain requirements have been removed, our standard of care remains the same

- ✓ How we “open” new clients will remain the same (per Policy 312.02 Opening and Closing of Service Episodes)
- ✓ We will still assess and diagnose clients, develop a plan of action to determine what treatment would be clinically appropriate

Questions

The Quality Assurance Unit, as well as State DHCS, understands these changes will take some time to fully implement. As always,

- Be mindful when denying access to Specialty Mental Health Services
- All beneficiaries have the right to minimally receive an assessment for SMHS
- Reach out and ask questions

Any questions related to these updates, please contact the FFS Hotline at (213) 738-3311 or send an email to FFS2@dmh.lacounty.gov.

If they are unable to answer the question, please contact us at:

QualityAssurance@dmh.lacounty.gov