



C A L I F O R N I A   D E P A R T M E N T   O F

# Mental Health

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January 16, 2007

DMH INFORMATION NOTICE NO.: 07-01

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

SUBJECT: THE HEALTHY FAMILIES PROGRAM

REFERENCE: DMH INFORMATION NOTICES 98-14, 98-16, AND 99-12

This notice is provided to update information originally provided in DMH Information Notices 98-14, 98-16, and 99-12 regarding the Healthy Families Program (HFP). In addition, it provides county mental health departments with new information regarding the HFP, and the HFP Serious Emotional Disturbance (SED) carve-out benefit that was not available at the time the original information notices were issued.

## **BACKGROUND**

Established in 1998, the HFP provides low-cost insurance for children under the age of nineteen whose families do not have insurance, do not qualify for zero share of cost Medi-Cal, and whose income is at or below 250% of the federal poverty level. Eligible children may be U.S. citizens, U.S. non-citizen nationals, or eligible-qualified immigrants. HFP insurance covers health, dental, and vision services. Most covered services are provided by health plans under contract with the Managed Risk Medical Insurance Board (MRMIB), the state agency that administers the HFP.

HFP health plans provide "basic" mental health services per California Code of Regulations (CCR), Title 10, Chapter 5.8, §2699.6700(a)(12). However, if a child is thought to have a mental health condition that meets the SED criteria as stated in the Welfare and Institutions (W&I) Code Section 5600.3, the HFP enrollee is referred to the appropriate county mental health department for a SED assessment. If the county mental health department determines that the child meets the SED criteria, it assumes responsibility for the provision and payment of the treatment of the SED condition(s), with the exception of the first thirty (30) days of psychiatric inpatient services per fiscal year, which remain the responsibility of the HFP health plan. HFP health plans are required by their contracts with MRMIB to have in effect a signed memorandum of understanding (MOU) with the county mental health

departments in the counties in which they serve HFP enrollees. The MOU describes how the HFP health plans and the county mental health departments coordinate care for HFP enrollees served by both parties.

The HFP website, <http://www.healthyfamilies.ca.gov/hf/hfhome.jsp>, contains detailed program information including: program eligibility requirements, covered benefits, premium and co-payment information, HFP health plans information, as well as electronic forms and downloadable program documents.

### **BASIC MENTAL HEALTH BENEFITS**

The HFP health plans are responsible for providing twenty (20) outpatient visits per year for evaluation, crisis, treatment, medications, and laboratory services. The HFP health plans are also responsible for providing up to thirty (30) days of psychiatric inpatient services per fiscal year for enrollees with non-serious conditions that can be successfully managed with short-term interventions by the enrollee's primary care provider. Some MRMIB/health plan contracts allow inpatient and outpatient days to be traded for more days of intensive community support services, such as day treatment, at the discretion of the HFP health plan.

### **SED BENEFIT**

When a HFP enrollee is thought to meet the SED criteria as defined in the W&I Code Section 5600.3, the enrollee is referred to his or her local county mental health department for a SED assessment. Referrals may come from the HFP health plan or its provider; community services, such as a school or a child welfare agency; or families and/or enrollees may self-refer. In addition, counties may determine that HFP enrollees currently receiving services in their systems meet the SED criteria without a referral. If the mental health department determines that the child meets the SED criteria, it assumes responsibility for the provision and payment of the treatment of the SED condition(s), with the exception of the first thirty days of psychiatric inpatient services per fiscal year, which remain the responsibility of the HFP health plan.

HFP SED enrollees served by county mental health departments are eligible to receive the full range of medically-necessary services available through the Medi-Cal Specialty Mental Health Program, with the exception of therapeutic behavioral services (TBS) which are Medi-Cal only services. Medically-necessary services include: mental health services, medication support services, day treatment intensive, day rehabilitation, crisis intervention, crisis stabilization, crisis residential services, psychiatric health facility services, psychiatric inpatient hospital services, targeted case management, psychiatric services, psychological services, and psychiatric nursing facility services. Service requirements, lockouts, provider selection criteria, services to dually-diagnosed persons under 21 years of age, and the quality management requirements for Medi-Cal specialty mental health services apply to the

HFP SED benefit. In addition, HFP SED enrollees may use the same county mental health department problem resolution processes as Medi-Cal beneficiaries, with the exception of the State Fair Hearing process, which is only for Medi-Cal beneficiaries. These requirements and processes are described in Title 9, California Code of Regulations, Chapter 11. Current Medi-Cal specialty mental health providers can provide services under the HFP SED benefit. No additional certification or provider enrollment procedures are needed, with the exception of certification for HFP inpatient providers which is described later in this letter.

When a county mental health department determines that a HFP enrollee meets the SED criteria, the responsibility for mental health services is as follows:

- HFP health plans remain responsible for all components of the annual thirty-day psychiatric inpatient hospital benefit, including the bed rate, ancillaries, professional services, medications, and laboratory services. HFP health plans will authorize services, select providers, and negotiate rates and payment arrangements for these inpatient services.
- County mental health departments are responsible for psychiatric inpatient hospital benefits, including the bed rate, ancillaries, professional services, medications, and laboratory services that exceed the annual thirty-day limit.
- County mental health departments are responsible for all medically-necessary treatment, medication, and laboratory services provided on an outpatient basis for SED conditions.
- Once the mental health department has determined that a HFP enrollee meets the SED criteria, the health plan is not responsible for providing the 20 outpatient visit benefit.

County mental health departments must document that a HFP enrollee meets the SED criteria in the enrollee's clinical record. Counties may develop procedures for how SED status is documented for these enrollees, and must be able to demonstrate to MRMIB, DMH, and other agencies providing HFP oversight where the documentation is located in the clinical record.

## **CLAIMING AND REIMBURSEMENT**

### ***General***

County mental health departments receive federal financial participation (FFP) from Title XXI of the Social Security Act for specialty mental health services provided to HFP enrollees that are determined to meet the SED criteria. HFP SED services are reimbursed at the enhanced FFP reimbursement rate, currently 65%. County mental health departments use realignment or other local funds as match for the FFP.

Counties are reimbursed based on claims for services actually provided to eligible HFP enrollees. Claims are processed through the Short Doyle/Medi-Cal (SD/MC) claiming system. All SD/MC edits used in processing Medi-Cal claims also apply to HFP claims. The statewide maximum allowances, and the negotiated rates and cost settlement provisions of the Medi-Cal Specialty Mental Health Program apply to the HFP SED benefit. Additional information regarding HFP claiming is available via DMH's Information Technology Web Services (ITWS) system at <https://mhitws.cahwnet.gov/>. ITWS requires a user name and password to access this system documentation. For more information on ITWS or to request system access, please contact the ITWS administrator at [itws@dmh.ca.gov](mailto:itws@dmh.ca.gov) or (916) 654-3117.

### ***Inpatient***

DMH Information Notices 98-14 and 98-16 state that counties will be issued a single provider number to be used for claiming HFP psychiatric inpatient hospital services for hospitals that would normally claim Medi-Cal through the Electronic Data Systems process. That decision was never implemented and automatic assignment of these numbers never actually occurred. Most HFP enrollees will not exceed the annual 30 day psychiatric inpatient limit and many counties will not need these special numbers. Therefore, county mental health departments should request a HFP inpatient provider number only when they have a HFP child who has exceeded his or her annual 30 day psychiatric inpatient benefit from the HFP health plan. If the county has no HFP children who have exceeded the 30 day limit, it does not need to request a HFP inpatient provider number. Counties in need of these numbers must request them from DMH using the following instructions:

1. Request a legal entity number from DMH's Statistics and Data Analysis (SDA) section making sure to inform SDA staff that the number is for HFP inpatient services. Complete the Legal Entity File Update form as follows:
  - a. Legal entity number: Leave this blank, DMH will assign the legal entity number in the following format: "HFPC" (where CC = county code), e.g., Alameda County's legal entity number would be "HFP01."
  - b. Provider number: Leave this blank, DMH will assign the provider number.
  - c. Provider name: format as follows, "County Name HFP FFS IP" e.g., Alameda County HFP FFS IP.
  - d. Provider address: Enter the county mental health department's administrative address.
  - e. Date added to legal entity file: enter the first day of the month that the first HFP inpatient hospitalization occurred for which the county will claim.
2. After DMH issues the county a legal entity number, request a provider number from DMH's SDA section. Complete the Provider File Update form as follows:
  - a. Enter the legal entity number assigned by DMH and the same provider name, address, and effective date as used on the legal entity request.

- b. Enter DMH mode of service 05;
  - c. Enter DMH service function code 10.
3. DMH will issue the county the next provider number in the county's sequence; the number will not follow a special format.
4. After DMH issues the legal entity number and the provider number, submit a Medi-Cal Certification and Transmittal form to DMH's Medi-Cal Oversight Section using the information from the legal entity and provider file forms. Select "(07) – General Hospital."
5. All other aspects of requesting legal entity and provider numbers, and processing Medi-Cal Certification and Transmittal forms remain the same as for Medi-Cal providers.

Counties must use these "generic" provider numbers for HFP inpatient services provided at fee-for-service Medi-Cal (FFS/MC) hospitals. Only one such number per county is needed to claim for services at multiple FFS/MC hospitals. Services are then claimed through the SD/MC claiming system using the special provider number.

**Counties must include professional fees in their HFP inpatient claims since they must follow the SD/MC system structure.** If counties claim for the professional fees separately and before the inpatient claim is processed, the inpatient claim will not be paid but can be settled at cost settlement. In addition, if counties claim professional fees separately, they must still claim for the inpatient services so that the services will appear on the explanation of balances (EOB) and can be paid at cost settlement.

HFP inpatient services actually provided at SD/MC hospitals should be claimed using the county's normal provider number for the SD/MC hospital.

### ***Medication Coverage***

The HFP SED benefit is designed such that HFP SED enrollees receive similar services as children enrolled in Medi-Cal under the Medi-Cal Specialty Mental Health Services Program. County mental health departments are intended to be reimbursed for providing services to HFP SED enrollees based on California's Medi-Cal model. County mental health departments are responsible for covering the cost of medications provided to HFP SED enrollees served by counties based on instructions in DMH Information Notices 98-14 and 98-16, but there is no current mechanism in place for county mental health departments to be reimbursed for providing medications, since medications cannot be claimed through the SD/MC claiming system. Therefore, county mental health departments may be bearing the entire cost of medications provided to HFP SED enrollees.

DMH is aware of this reimbursement problem and is currently working with MRMIB and the Department of Health Services (DHS) to identify and implement a solution that will allow

counties to be reimbursed for these expenditures. DMH will issue a separate letter on this subject as soon as more information is available.

***Suspense Period and the HFP Weekly Eligibility File***

DMH Information Notices 98-14, 98-16, and 99-12 indicate that HFP claims will be suspended for 90 days to account for the HFP retroactive disenrollment period. The HFP no longer has a retroactive disenrollment period. Therefore, the SD/MC system no longer suspends HFP claims. HFP claims are processed according to the standard SD/MC process and timelines.

DMH Information Notice 99-12 references a data file called, "Condensed HFP Weekly Eligibility File" (HFP\_WEEKLY\_ELIG\_CON.ZIP). This file was originally provided to counties via DMH's ITWS system as a tool to determine HFP eligibility. This file has not been provided since January 2004 and will not be provided in the future. DMH determined that very few counties were actually using the HFP file, and it was no longer necessary to produce it. Counties can use the MEDS monthly extract file (MMEF) to determine HFP eligibility and for claiming purposes.

If you have questions regarding this correspondence, or the HFP SED benefit in general, please contact Erika Cristo at (916) 654-5722.

Sincerely,

Original signed by:

STEPHEN W. MAYBERG, Ph.D.  
Director

cc: California Mental Health Planning Council  
Chief, County Operations Section  
Chief, Medi-Cal Operations Section  
Chief, Medi-Cal Program Compliance  
Managed Risk Medical Insurance Board