



**DEPARTMENT OF MENTAL HEALTH
POLICY/PROCEDURE**

SUBJECT PAYMENT FOR OUTSIDE COUNTY SERVICES	POLICY NO. 801.07	EFFECTIVE DATE 09/01/2004	PAGE 1 of 3
APPROVED BY:  Director	SUPERSEDES 401.9 09/01/2004	ORIGINAL ISSUE DATE 08/01/1995	DISTRIBUTION LEVEL(S) 1

PURPOSE

- 1.1 To establish a payment procedure to allow reimbursement to other county local mental health programs for the provision of mental health inpatient services to a Los Angeles County resident when such services are provided outside of Los Angeles County. The Los Angeles County resident receiving the inpatient service may be a Medi-Cal beneficiary or an indigent with no third party coverage. The hospital providing the service must either be a Fee-For-Service (FFS), Short-Doyle/Medi-Cal (SD/MC), or a Los Angeles County Department of Mental Health (LACDMH) Medical Director designated hospital.

POLICY

- 2.1 Other California counties may be reimbursed by LACDMH for mental health inpatient services rendered to a Los Angeles County resident when in compliance with LACDMH policies and procedures.

PROCEDURE

- 3.1 Out-of-county mental health inpatient services provided in either a *FFS, SD/MD, or LACDMH Medical Director designated hospital* will be paid if they meet the Medi-Cal medical necessity criteria. The host county must notify LACDMH within 24 hours of admission except for a Friday, Saturday, Sunday, or holiday when the notification of the hospitalization must be made the following business day. Failure to notify the Medical Director or the Medical Director designee will result in the denial of the claim.
- 3.2 LACDMH review to determine if the LAC patient meets the medical necessity criteria will be conducted retrospectively to the actual psychiatric hospitalization. The following are necessary for this review:



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- 3.2.1 Documentation that the admission of the patient to the appropriately licensed out-of-county psychiatric inpatient facility was accomplished by a doctor with admitting privileges at that psychiatric inpatient facility, who determined that that level of care was necessary. (The clinical need for inpatient service is not always fully congruent with Medi-Cal medical necessity.)
- 3.2.2 Documentation that appropriate treatment and discharge planning, commensurate with this level of care, was provided to the patient during the course of the patient’s stay.
- 3.2.3 Lockouts, overrides, computer edits, and other limitations shall be followed according to the regulations of the LAC/State DMH Manual on the Rehabilitation Option and Targeted Case Management.
- 3.2.4 On or before fourteen (14) calendar days after discharge, the out-of-county psychiatric inpatient facility shall send the complete documentation of Medi-Cal medical necessity for the patient’s stay to:

Los Angeles County Department of Mental Health
Office of the Medical Director
550 S. Vermont Ave., 12th Floor
Los Angeles, CA 90020

- 3.2.4.1 Based on the documentation, a copy of the Management Information System (MIS) Client Face Sheet (DMH 224) will be completed on each patient by the LACDMH Office of Standards and Records and submitted to MIS Division for retroactive data entry into the MIS under a designated out-of-county provider/reporting unit code.
- 3.3 In the event that medical transportation services required for continuous inpatient treatment elsewhere have been documented, payment for the transportation services will be made only if there is appropriate documentation of medical necessity for the patient’s continued psychiatric inpatient treatment. However, reimbursement for modes of transportation used exceeding the standards



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provided in California Code of Regulation, Title 22, Section 51323, shall be limited to reasonable charges.

- 3.3.1 Reasonable charge is the lower of the prevailing rate or the rates in the Medi-Cal Allied Health Services Provider Manual, Medical transportation – Maximum Allowances (HCPCS Codes).
- 3.4 Claiming for the costs incurred for the hospitalization of the client will require the following list of documents from the out-of-county provider:
 - 3.4.1 A formal request for payment of specific services.
 - 3.4.2 Medical record of the patient for the billed services. Such medical record must support Medi-Cal medical necessity.
 - 3.4.3 Client invoice detailing the costs for the provided service. Mail invoice to:

Los Angeles County Department of Mental Health
Accounting Division
550 S. Vermont Ave., 8th Floor
Los Angeles, CA 90020
Attn: Medi-Cal Unit
 - 3.4.4 Accounting Division will process the invoice for payment to outside counties.

AUTHORITY

California Code of Regulation, Title 22, Section 51323
Medi-Cal Allied Health Services Provider Manual
Directive from the Los Angeles County Director of Mental Health

REVIEW DATE

This policy shall be reviewed on or before August 1, 2009.