



# DEPARTMENT OF MENTAL HEALTH POLICY/PROCEDURE

<b>SUBJECT</b> <b>MEDI-CAL PREPAID HEALTH PLAN TREATMENT AND BILLING</b>	<b>POLICY NO.</b> <b>401.6</b>	<b>EFFECTIVE DATE</b> <b>09/01/04</b>	<b>PAGE</b> <b>1 of 3</b>
<b>APPROVED BY:</b>  <div style="text-align: right;">Director</div>	<b>SUPERSEDES</b>  <b>01/01/95</b>	<b>ORIGINAL ISSUE DATE</b> <b>12/16/94</b>	<b>DISTRIBUTION LEVEL(S)</b> <b>2</b>

## PURPOSE

- 1.1 To provide Department of Mental Health (DMH) policy and guidelines concerning treatment and billing procedures for clients covered under Medi-Cal Prepaid Health Care Plans.
- 1.2 This revision reflects changes in the contracts between the Department of Health Services (DHS) and California Prepaid Health Care Plans. As of October 1, 1994, all contracts have eliminated the provision of Short/Doyle Medi-Cal (SD/MC) services from pre-paid health care plan contracts. (Refer to DMH policies #401.7 and 401.8.)

## POLICY

- 2.1 Clients receiving medical benefits through Prepaid Health Care Plans (e.g., Health Maintenance Organizations (HMO), Primary Care Physician Plans (PCPP), and Primary Care Case Management (PCCM) must first look to those entities as being responsible for the provision of their mental health services.
  - 2.1.1 If these clients present themselves at DMH directly operated clinic or contract agencies, the clients should be advised that their health care plan is responsible for managing their care. Except in cases deemed “medically necessary,” consumers should be referred back to their respective plans unless the managed care plan or the client, as appropriate, is willing to pay for the full cost of their care.
  - 2.1.2 “Medically necessary” describes and emergent situation requiring immediate treatment. A service is “medically necessary” when it is reasonable and necessary to prevent significant illness or to alleviate severe pain (W&I Code 14059.5).

## OVERVIEW

- 3.1 Prepaid Health Care Plans serve a diverse population, including individuals who are insured by Medi-Cal, Medicare, and employer or individually paid plans.
- 3.2 Prepaid Health Care Plans are capitated programs in which the consumer has opted or been placed in a specific prepaid managed health care plan in lieu of the fee-for-service choice of provider plan. The plan or carrier has already been paid by the government to provide both health and mental health services.



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- 3.3 Effective September 1, 1993, Prepaid Health Care Plans replaced Primary Care Case Management programs (PCCM) for California Medicaid recipients applying for Aid to Families with Dependent Children (AFDC). Eligible applicants who have not already selected a primary care physician will be assigned a primary care physician under a Medi-Cal Prepaid Health Care Plan. Persons already assigned to a PCCM will be allowed to continue with that program.

### **MEDI-CAL PREPAID HEALTH CARE PLANS**

- 4.1 These are capitated plans that have been paid in advance by the government to provide health services and mental health services. Medi-Cal allows for treatment of covered services outside the plan, only for “medically necessary” treatment or with prior authorization from the managed care plan. Payment for these services cannot be accepted from the consumer.
- 4.2 Effective October 1, 1994, SD/MC providers will be able to provide mental health services to Prepaid Health Plan (PHP) members when the member meets the definition of medical necessity as defined in the Short-Doyle/Medi-Cal Manual for the Rehabilitation Option and Targeted Case Management. These services are defined as services provided in addition to treatment provided by a psychiatrist or psychologist. Examples include Day Treatment Intensive, Day Rehabilitation, Adult Residential, and Case Management Brokerage Services. Clients whose needs can be met by the specialty mental health services provided by PHP as defined by Title 22 CCR, or whose disorders do not meet the definition of medical necessity, are to be referred back to their PHP for treatment. Examples of such specialty services include Acute Inpatient Treatment, Individual Therapy, Group Therapy, and Medication Support.

4.2.1 Member of the Department of Health Services (DHS) Community Health Plan are treated by County operated clinics.

4.2.2 Collection Follow-Up

The consumer has no liability toward payment for any services rendered. The PHP care plan is responsible for payment of authorized services, while SD/MC is billed for the Rehabilitation Option and Targeted Case Management services.

### **AUTHORITY**

Welfare and Institutions Code, Section 14059.5  
Title 22 CCR

### **REVIEW DATE**



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