



State of California—Health and Human Services Agency  
Department of Health Care Services



EDMUND G. BROWN JR.  
GOVERNOR

DATE: December 21, 2016

MHSUDS INFORMATION NOTICE NO.: 16-063

TO: COUNTY BEHAVIORAL HEALTH PROGRAM DIRECTORS  
COUNTY DRUG & ALCOHOL ADMINISTRATORS  
COUNTY BEHAVIORAL HEALTH DIRECTOR'S ASSOCIATION  
CALIFORNIA COUNCIL OF COMMUNITY BEHAVIORAL HEALTH  
AGENCIES  
CALIFORNIA ASSOCIATION OF ALCOHOL AND DRUG PROGRAM  
EXECUTIVES  
COALITION OF ALCOHOL AND DRUG ASSOCIATIONS  
CALIFORNIA ALLIANCE OF CHILDREN AND FAMILY SERVICES

SUBJECT: SUBSTANCE USE DISORDER (SUD) TREATMENT SERVICES FOR  
YOUTH IN CALIFORNIA

### PURPOSE

The purpose of this Mental Health and Substance Use Disorders Services (MHSUDS) Information Notice is to remind counties of existing Medi-Cal coverage of substance use disorder treatment services through the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) benefit. This Information Notice also provides counties with information regarding claiming for Medi-Cal billing for Substance Use Disorder (SUD) treatment services.

### BACKGROUND

The EPSDT benefit provides comprehensive screening, diagnostic, treatment and preventive health care services for individuals under the age of 21 who are enrolled in full scope Medicaid (Medi-Cal). Federal EPSDT statutes and regulations require States to furnish all Medicaid coverable, appropriate, and medically necessary services needed to correct and ameliorate health conditions, regardless of whether those services are covered in the state's Medicaid State Plan. 42 U.S.C. section 1396a(a) (43) and 42 U.S.C. section 1396d(r). SUD services are outlined in California's Medicaid State Plan and are available to children and youth as medically necessary. (Medicaid State Plan, Attachment 3.1-A, Section 13.d, and Attachment 3.1-B, Section 13.d.)

For additional information about the EPSDT benefit and delivery of SUD services to youth, counties may wish to refer to a joint information bulletin issued by the Centers for Medicare and Medicaid Services (CMS), Center for Medicare and CHIP Services (CMCS), in conjunction with the Substance Abuse and Mental Health Services Administration (SAMHSA). The information bulletin is available through a link listed at the end of this Information Notice (page 3, 4<sup>th</sup> bullet point).

## POLICY

### *DMC Services under the State Plan*

The array of services available through Drug Medi-Cal are set forth in 22 CCR section 51341.1. Prior authorization for these services is not required, with the exception of residential services. As with any Medi-Cal service, physicians prescribing these services must properly document the medical necessity for the services and meet all other applicable program requirements.

When residential services are deemed medically necessary, prior authorization is required (Medicaid State Plan Amendment 13-038 – Limitations on Attachment 3.1-A, page 20a) and the county is responsible for residential authorizations (SAPT and DMC State County Contract – Exhibit A, Attachment I A2, Part V, Section 2 Covered Services, Subsection B(1)(b)).

### *Claiming for DMC*

Documentation of medical necessity in the beneficiary medical record is essential to support all claims for EPSDT services. (22 CCR section 51341.1(h)(1)(A)(v)(a).) The Short Doyle Medi-Cal claims adjudication system and the associated payment system will be updated to allow billing for the EPSDT residential service. Counties will use the same billing codes as are currently used for perinatal residential services with one change: the requirement for a perinatal (HD) modifier on the claim will be removed for EPSDT non-perinatal residential claims. The current State rate for perinatal residential services will be used for the EPSDT residential services.

### *DMC services under the Drug Medi-Cal Organized Delivery System (DMC-ODS) Waiver*

In August 2015, CMS approved California's implementation of the DMC-ODS pilot under the provisions of the State's broader 1115 waiver to demonstrate the efficacy of the organized delivery of SUD services in the Medi-Cal program. Under the DMC-ODS pilot, opt-in counties provide a continuum of care to Medi-Cal beneficiaries residing in the opt-in counties. The continuum of care includes both the services identified in the Medicaid State Plan and those additional services that are provided pursuant to the County's DMC-ODS Contract. With the exception of residential services, prior authorization is not

required to receive DMC-ODS covered services. Counties must provide prior authorization for residential services within 24 hours of the prior authorization request being submitted from the provider.

Nothing in the DMC-ODS pilot changes pre-existing EPSDT requirements.  
Claiming for DMC-ODS

Procedure codes and modifiers for DMC services are contained in Information Notice #16-057:  
[http://www.dhcs.ca.gov/formsandpubs/Documents/Info%20Notice%202015/MHSUDS\\_I\\_N\\_16-057.pdf](http://www.dhcs.ca.gov/formsandpubs/Documents/Info%20Notice%202015/MHSUDS_I_N_16-057.pdf)

## RESOURCES

CMS policy guidance and information bulletins related to the provision of SUD services provided to youth can be accessed using the following links:

- Information regarding Early Identification and Screening for Youth with SUD may be found at: <http://www.medicaid.gov/federal-policy-guidance/downloads/CIB-03-27-2013.pdf>
- Information on pharmacotherapy for youth with SUD may be found at: <http://www.medicaid.gov/Federal-Policy-Guidance/downloads/CIB-07-11-2014.pdf>
- Information regarding coverage of Peer Supports may be found at: <http://www.medicaid.gov/Federal-Policy-Guidance/downloads/SMD081507A.pdf>
- Information regarding Caregiver to Caregiver Support may be found at: <http://www.medicaid.gov/federal-policy-guidance/downloads/CIB-05-07-2013.pdf>
- Joint CMCS and SAMHSA Informational Bulletin: Coverage of Behavioral Health Services for Youth with Substance Use Disorders may be found at <https://www.medicaid.gov/federal-policy-guidance/downloads/cib-01-26-2015.pdf>

Sincerely,

Original signed by

Karen Baylor, Ph.D., LMFT, Deputy Director  
Mental Health & Substance Use Disorder Services