



CALIFORNIA DEPARTMENT OF
Mental Health

1600 9th Street, Sacramento, CA 95814
(916) 654-2309

April 17, 2002

DMH INFORMATION NOTICE NO.: 02-02

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

SUBJECT: INSTRUCTIONS FOR REPORTING RATES NEGOTIATED FOR
PSYCHIATRIC INPATIENT HOSPITAL SERVICES CONTRACTS

REFERENCE: Sections 1820.110, 1820.115, 1810.375(c), and 1810.430, Title 9,
California Code of Regulations; Section 5778(o), Welfare and
Institutions Code; supersedes DMH Information Notice 01-03*.

EXPIRES: June 30, 2003

The purpose of this letter is to apprise Mental Health Plans (MHPs) in each county of the current list of Fee-For-Service/Medi-Cal (FFS/MC) hospitals with which MHPs will need to contract in Fiscal Year 2002-2003. Also, as required by Section 1810.375(c) of Title 9, California Code of Regulations (CCR), MHPs must report the rates they have negotiated with FFS/MC hospitals to the Department of Mental Health (DMH) by June 1 of each year. DMH relies on the information from the negotiated rates reported by MHPs to establish non-negotiated FFS/MC hospital rates according to Title 9, CCR, Section 1820.115. Timely submission of negotiated rate information by MHPs assists DMH in establishing non-negotiated rates expeditiously, so that non-negotiated rate FFS/MC hospitals can be notified of their rates by the beginning of the new fiscal year.

According to Title 9, CCR, Section 1810.430(a), MHPs are required to contract with Disproportionate Share Hospitals (DSH) and traditional hospital providers that meet provider selection criteria as defined in the regulations, unless DMH grants the MHP an exemption from contracting. DSH providers serve a disproportionate share of low-income people as determined annually by the Department of Health Services in accordance with Welfare and Institutions Code, Section 14105.98. Traditional hospitals are defined in regulation as accounting for five percent or \$20,000, whichever is more, of the total FFS/MC psychiatric

inpatient hospital payments for the MHP's beneficiaries. The process for requesting an exemption from contracting is described in Title 9, CCR, Section 1810.430(c). The enclosed table provides a listing of both DSH and traditional providers for your county based on Fiscal Year 2000-2001 payment data.

The following information on negotiated FFS/MC hospital rates will be needed:

- 1) Name of facility
- 2) Facility address and HSM provider number
- 3) Negotiated rate for any or all of the following accommodation codes that will be used:

<u>CODE</u>	<u>DESCRIPTION</u>
097	Psychiatric Acute (Adolescent and Child)
114	Room and Board - Private, Psychiatric
124	Room and Board - Semi-Private 2 Bed, Psychiatric
134	Room and Board - Semi-Private 3 or 4 Bed, Psychiatric
154	Room and Board - Ward (Medical or General), Psychiatric
204	Intensive Care, Psychiatric

The rate for code 098, Administrative Day, is established by DMH in accordance with the regulations and need not be reported by MHPs. The current rate for most hospitals as of August 1, 2001 is \$289.13.

MHPs must report the rates they have negotiated with the FFS/MC hospitals to DMH by June 1, 2002. Rates that have been negotiated by June 1, 2002, must be reported even if the MHP has not entered into a contract by that date.

Please send the negotiated rate information to Ms. Lana Teves, Department of Mental Health, Managed Care Implementation, 1600 9th Street, Room 100, Sacramento, California 95814, or fax this information to (916) 654-5591. If you should have any questions or need additional information, please contact Ms. Teves at (916) 654-2528.

Sincerely,

Original signed by
Wm. DAVID DAWSON
Chief Deputy Director

Enclosure

cc: California Mental Health Planning Council
Chief, Technical Assistance and Training