STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY PETE WILSON, Governor

DEPARTMENT OF MENTAL HEALTH
1600 - 9TH STREET
SACRAMENTO, CA 95814
(916) 654-3551

October 27, 1995

DMH INFORMATION NOTICE NO.: 95-16

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

SUBJECT: MENTAL HEALTH PLAN PROCEDURES TO REQUEST EXEMPTION FROM CONTRACTING WITH TRADITIONAL MEDI-CAL PSYCHIATRIC INPATIENT PROVIDERS (Title 9, California Code of Regulations, Chapter 10, Section 1729).

The enactment of Assembly Bill 757, Statutes of 1994, provided the basis for the development of a managed care system for mental health services for Medi-Cal beneficiaries. This law added Section 14684 to the Welfare and Institutions Code to insure access to beneficiaries within a managed care system and for existing Medi-Cal providers to continue to provide services.

The regulations for Medi-Cal Psychiatric Inpatient Hospital Services require Mental Health Plans to contract with Traditional Hospital Providers. These are defined in Section 1722 of the regulations as providers that account for five (5) percent or twenty thousand ($20,000) of the total fiscal year Medi-Cal psychiatric inpatient hospital service payments for beneficiaries of a county. There are certain circumstances when a Mental Health Plan (MHP) must request an exemption from the contracting requirement with providers designated as Traditional Hospital Providers.

The following are procedures for MHPs to follow in seeking an exemption from contracting with Medi-Cal psychiatric inpatient hospitals that are Traditional Providers as specified in regulation.

I. Request for Exemption from contracting should be sent by the MHP to the appropriate Regional Chief, Medi-Cal Oversight.

Moss T. Nader, Ph.D., Chief
Medi-Cal Oversight, Southern Region
Department of Mental Health
P.O. Box 59063
Norwalk, California 90652-0063
(310) 868-2273

Robert Cacic, Chief
Medi-Cal Oversight, Northern Region
Department of Mental Health
1600 9th Street, Room 120
Sacramento, California 95814
(916) 654-3607

A. Request for Exemption should be in letter form and should address the following issues:

1. Name of hospital for which request for exemption from contracting is being requested.

2. An analysis of most recently available data from Office of Statewide Health Planning and Development (OSHPD) on the availability (within a reasonable geographic area) of hospital beds for psychiatric inpatient services. (Other data may be substituted if OSHPD data is not available or if other data is more comprehensive.)

3. Statement on estimated impact on maximum and average travel time and distances for beneficiaries to obtain psychiatric inpatient hospital services by providers with and without a contract.

B. The MHP must notify the Traditional Hospital Provider of the Request for Exemption from contracting at the same time that the Request for Exemption is sent to the Department. The MHP should attach their letter of notification to the Traditional Provider with the Request for Exemption sent to the Department.

II. Department procedures for approval/denial.

A. The Department will send a notice of approval or denial within 30 calendar days of receipt of Request for Exemption from contracting.

B. The Department will notify both the MHP and Provider of the decision.

C. The Department will deny any Request for Exemption when lack of a contract is likely to result in hardship to beneficiaries as measured by local community standards.

GARY M. PETTIGREW
Deputy Director
Systems of Care

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

RECEIVED
NOV 07 1995
MENTAL HEALTH
Program Support Bureau