Chapter III: Mental Health Services
## Chapter III: Mental Health Services

### Mental Health Services Covered in the Chapter*

- **Specialty Mental Health Services**
  - Rehabilitative mental health services
    - Medication support
    - Day treatment intensive care and rehabilitation
    - Crisis intervention, stabilization, and residential treatment
    - Adult residential treatment
    - Psychiatric health facility services
  - Inpatient mental health services
    - Psychiatric inpatient hospital services
    - Acute psychiatric inpatient hospital services
    - Psychiatric health facility services
    - Psychiatric inpatient hospital professional services
  - Targeted case management
  - Psychiatric services
  - Psychologist services
  - Psychiatric nursing facility services
  - Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) Specialty Mental Health Services services (including intensive care coordination, intensive home-based services, therapeutic behavioral services, and therapeutic foster care).

- **Non-specialty Mental Health Services**
  - Individual and group mental health evaluation and treatment (psychotherapy)
  - Psychological testing
  - Outpatient services for monitoring drug therapy and for beneficiaries with mild to moderate impairment of mental, emotional, or behavioral functioning
  - Outpatient laboratory, drugs, supplies, and supplements
  - Psychiatric consultation

- **Psychotherapeutic/Psychiatric Medications**

*This is a non-exhaustive list of services. It may not include all available services.*
Under federal Medicaid law, mental health services are an optional benefit for most populations. However, all state Medicaid programs must provide mental health services to beneficiaries under age 21 pursuant to the Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) benefit of the Medicaid Act. In California, Medi-Cal covers mental health services through different delivery systems: 1) specialty mental health services are delivered by County Mental Health Plans (MHPs); 2) non-specialty mental health services are delivered by Medi-Cal Managed Care Health Plans (MCPs); and 3) some services, such as psychotherapeutic medications, are delivered by Fee-for-Service (FFS) Medi-Cal. The Affordable Care Act (ACA) also requires MCPs to provide mental health services in compliance with the federal Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA). As a result, mental health services cannot be subject to limitations that are more onerous than those limitations typically imposed on physical and surgical benefits.

A. Specialty Mental Health Services in Medi-Cal

Since 1995, California has offered some Medi-Cal covered mental health services to beneficiaries through a prepaid inpatient health plan (PIHP) administered by each county. These PIHPs are known as MHPs in California. Specialty mental health services covered by MHPs include:

- rehabilitative mental health services (which includes mental health, medication support, day treatment intensive, day rehabilitation, crisis intervention, crisis stabilization, adult residential treatment, crisis residential treatment, and psychiatric health facility services);
- psychiatric inpatient hospital services;
- targeted case management;
- psychiatrist services;
- psychologist services;
- psychiatric nursing facility services; and
- EPSDT specialty mental health services (including intensive care coordination, intensive home-based services, therapeutic behavioral services, and therapeutic foster care).

**ADVOCACY TIPS:**

- For Medi-Cal beneficiaries who are not enrolled in a Medi-Cal MCP, non-specialty mental health services are delivered through FFS Medi-Cal.
- While there are regulations governing specialty mental health services in Title 9 of the California Code of Regulations, they have not been updated in many years and some of the regulations have been superseded by state or federal law. More up-to-date information can often be found in Mental Health/Substance Use Disorder Services Information Notices or other state guidance documents.
MHPs must make specialty mental health services available 24 hours a day, seven days a week, as needed to treat a beneficiary’s urgent condition. An urgent psychiatric condition exists when, without timely intervention, the beneficiary’s condition is “highly likely to result in an immediate emergency psychiatric condition.” In addition, each MHP is required to maintain a 24-hour toll-free telephone number with language capabilities for all languages spoken in the county to provide general information about specialty mental health services to beneficiaries and providers, and to facilitate authorization of urgent specialty mental health services.

Each MHP is financially responsible for payment of emergency psychiatric services provided to its enrollees. MHPs may not require prior authorization for emergency services. Emergency psychiatric services are covered by the MHP when the recipient has been admitted to a hospital or a psychiatric health facility due to a mental disorder that is either creating a current danger to self or others, or causing the person to be immediately unable to provide for, or utilize, food, shelter or clothing.

To receive inpatient and outpatient specialty mental health services from a MHP, a person must have a listed diagnosis, and meet specified impairment and intervention criteria. The specific diagnoses and impairment criteria vary depending on whether someone is being treated on an inpatient or outpatient basis, as detailed below.

1. Inpatient Specialty Mental Health Services

MHPs cover the following inpatient specialty mental health services: acute psychiatric inpatient hospital services, psychiatric health facility services, and psychiatric inpatient hospital professional services. In general, MHPs only provide inpatient care in hospitals that participate in FFS Medi-Cal.

Beneficiaries with the following diagnoses are eligible for Medi-Cal inpatient specialty mental health services:

- Pervasive Developmental Disorders
- Disruptive Behavior and Attention Deficit Disorders
- Feeding and Eating Disorders of Infancy or Early Childhood
- Tic Disorders
- Elimination Disorders
- Other Disorders of Infancy, Childhood, or Adolescence
- Cognitive Disorders (only Dementias with Delusions, or Depressed Mood)
- Substance Induced Disorders, only with Psychotic, Mood, or Anxiety Disorder
- Schizophrenia and Other Psychotic Disorders
- Mood Disorders
- Anxiety Disorders
- Somatoform Disorders
• Dissociative Disorders
• Eating Disorders
• Intermittent Explosive Disorder
• Pyromania
• Adjustment Disorders
• Personality Disorders

To receive inpatient specialty mental health services, beneficiaries must also show that they meet applicable impairment criteria. For inpatient specialty mental health services, beneficiaries must demonstrate a need for psychiatric inpatient hospital services by showing that either:16

• The beneficiary has symptoms or behaviors due to a mental disorder that meet one of the following:
  • Represent a current danger to self or others, or significant property destruction;
  • Prevent the beneficiary from providing for, or utilizing, food, clothing or shelter;
  • Present a severe risk to the beneficiary's physical health; or
  • Represent a recent, significant deterioration in ability to function.

OR

• The beneficiary requires an in-patient admission for one of the following:
  • Further psychiatric evaluation;
  • Medication treatment; or
  • Other treatment that can reasonably be provided only if the patient is hospitalized.

2. Outpatient Specialty Mental Health Services

To receive outpatient specialty mental health services, a person must have a listed diagnosis, and meet specified impairment and intervention criteria, as detailed below.17

Beneficiaries with the following diagnoses are eligible for Medi-Cal outpatient specialty mental health services:

• Pervasive Development Disorders
• Disruptive Behavior and Attention Deficit Disorders
• Feeding and Eating Disorders of Infancy or Early Childhood
• Elimination Disorders
• Other Disorders of Infancy, Childhood, or Adolescence
• Schizophrenia and other psychotic disorders, except psychotic disorders due to a general medical condition
• Mood disorders, except mood disorders due to a general medical condition
• Anxiety disorders, except anxiety disorders due to a general medical condition
• Somatoform disorders
• Factitious disorders
• Dissociative disorders
• Paraphilias
• Gender Identity Disorder
• Eating disorders
• Impulse control disorders not elsewhere classified
• Adjustment disorders
• Personality disorders, excluding antisocial personality disorder
• Medication-induced movement disorders related to other included diagnoses

To receive inpatient specialty mental health services, beneficiaries must also show that they meet applicable impairment and intervention criteria. For outpatient specialty mental health services, beneficiaries age 21 and over must demonstrate a need for specialty mental health services by showing that their included mental health diagnosis either:

• Causes significant impairment in an important area of life functioning; or
• Creates a reasonable probability of significant deterioration in an important area of life functioning.

In addition, a beneficiary age 21 or over must show that the proposed specialty mental health services will address their included diagnosis, and either significantly diminish the impairment it causes, or prevent significant deterioration in an important area of life functioning, and that the beneficiary’s condition could not be treated by a physical health intervention. MHPs may place limits on services only when such limits are consistent with medical necessity consistent with current clinical standards and practices.

3. Specialty Mental Health Services for Children and Youth Under Age 21

Consistent with the EPSDT benefit, MHPs must use less stringent medical necessity criteria, and must provide a broader array of services to beneficiaries under age 21. Specifically, MHPs must comply with federal and state law that requires state Medicaid programs to provide services when they are necessary to correct or ameliorate a child or adolescent’s illness or condition. Compared to the adult medical necessity standard, which requires a more narrow showing that a person’s mental health condition is causing substantial impairment, and that the requested intervention is likely to significantly diminish the level of impairment, or prevent further deterioration, the EPSDT standard requires that services be delivered whenever they are necessary to address or improve a child or adolescent’s mental health condition, and cannot be addressed by a physical health intervention.

In addition, MHPs must provide mental health diagnostic services and treatment to beneficiaries under 21 when they meet those medical necessity criteria, even when requested services are “not otherwise covered... specialty mental health services.” Some specialty mental health services under EPSDT
for children and adolescents have been established through litigation, including intensive care coordination, intensive home-based services, therapeutic behavioral services, and therapeutic foster care.23

B. Non-Specialty Mental Health Services in Medi-Cal

For many years, adult beneficiaries with a mental health condition who were not eligible to receive specialty mental health services had few options to receive non-specialty mental health services. Then starting in 2014, MCPs were required to deliver non-specialty mental health services to their enrollees. As part of the ACA, starting on January 1, 2014, California was required to provide behavioral health services, including mental health services, to the Medicaid Expansion population.24 California elected to align the mental health benefits offered to both the traditional and expansion Medi-Cal populations, and thus provides the same scope of behavioral health services to all Medi-Cal beneficiaries.25 To implement the alignment, California requires MCPs to cover the following mental health services:26

- Individual and group mental health evaluation and treatment (psychotherapy);
- Psychological testing, when clinically indicated to evaluate a mental health condition;
- Outpatient services for the purposes of monitoring drug therapy;
- Outpatient laboratory, drugs, supplies, and supplements; and
- Psychiatric consultation.

ADVOCACY TIPS:

✓ MHPs must work to coordinate services for children who move to a different county as a result of an adoption or child welfare placement. If you are working with families of such children, make sure both the sending MHP and the receiving MHP are working together to ensure the child is receiving all medically necessary specialty mental health services.

✓ When a Medi-Cal beneficiary has co-occurring diagnoses, i.e. an included and an excluded diagnosis, the beneficiary will be eligible to receive specialty mental health services from the MHP for the included diagnosis provided that the other components of the specialty mental health services medical necessity criteria are also met. MHPs must coordinate care with other providers delivering services for excluded diagnoses, including primary care physicians, regional centers, community-based organizations, etc., depending on the beneficiary’s unique needs, to ensure that the beneficiary receives appropriate services to address all aspects of general health and well-being.
While the Department of Health Care Services (DHCS) has been clear that “eligibility and medical necessity criteria for Medi-Cal specialty mental health services provided by MHPs have not changed pursuant to this policy, MCPs are obligated to cover outpatient mental health services to adult beneficiaries with mild to moderate impairment of mental, emotional, or behavioral functioning.”

For this reason, the scope of services provided by the Medi-Cal plans to adult enrollees is sometimes referred to as “mild to moderate.” These services must be provided to adult beneficiaries when they are “reasonable and necessary to protect life, to prevent significant illness or significant disability, or to alleviate severe pain.”

As described above, however, both specialty and non-specialty mental health services must be provided through EPSDT to beneficiaries under age 21 when they are necessary to correct or ameliorate a child’s or adolescent’s illness or condition. Therefore, children and youth are entitled to non-specialty and specialty mental health services regardless of the severity of their condition.

C. Psychotherapeutic Medications

Most psychotherapeutic medications in Medi-Cal are provided on a fee-for-service basis. These medications may be prescribed by either an MCP or MHP provider, and fulfilled by a participating pharmacy. In general, MCPs are responsible for coordinating the provision of these carved-out medications to their enrollees. Prescription and administration of psychotropic medications requires specific procedures and informed consent from the beneficiary or appropriate authorizing entity.

**ADVOCACY TIPS:**

- ✓ While plans are responsible for different services, they still have a responsibility to coordinate services between plans. These coordination obligations are spelled out in Memoranda of Understanding (MOUs) between plans. Advocates should review those MOUs when assisting clients who are receiving both specialty and non-specialty mental health services, or who are moving from one plan type to the other.

- ✓ When there is a dispute between an MHP and an MCP over who is responsible for providing a medically necessary mental health service, the plans must have a process for resolving such disputes, and may submit disputes to DHCS for resolution if they are unable to resolve them on their own. The dispute resolution process between plans is required to ensure that beneficiaries have continued access to medically necessary services while the dispute is pending.
Endnotes

1 Most mental health services are provided pursuant to the rehabilitative services option (42 U.S.C. § 1396d(a)(13); 42 C.F.R. § 440.130) or other licensed practitioner option (42 U.S.C. § 1396d(a)(6); 42 C.F.R. 440.60). Some services may also be delivered as part of broader optional benefits, such as pharmacy benefits (42 U.S.C. §§ 1396d(a)(12), 1396r-8; 42 C.F.R. § 440.120), or targeted case management (42 U.S.C. § 1396n(g)).


3 For the requirement to comply with parity with regards to Medicaid MCPs. see 42 U.S.C. § 1396u-2(b)(8). See also 42 C.F.R. §§ 438.900-438.930.


7 Cal. Code Regs., tit. 9, § 1810.405(c); MHSUDS Info. Notice 18-054, supra note 6, at 4.


9 Cal. Code Regs., tit. 9, § 1810.405(d).


12 Cal. Code Regs., tit. 9, §§ 1820.225(b), 1820.200(d); see also MHSUDS Info. Notice 19-026, supra note 11, at 8; MHSUDS Info. Notice 18-054, supra note 6, Enclosure 1, at 3.


14 See Cal. Code Regs., tit. 9, § 1820.100(a); see also All Plan Letter 17-018, supra note 6, at 10.


16 Cal. Code Regs., tit. 9, § 1820.205(a)(2); see also MHSUDS Info. Notice 19-026, supra note 11, at 6-7.


18 Cal. Code Regs., tit. 9, § 1830.205(b)(2); see also MHSUDS Info. Notice 19-026, supra note 11, at 6-7.

19 Cal. Code Regs., tit. 9, § 1830.205(b)(3).

20 MHSUDS Info. Notice 19-026, supra note 11, at 4. For more information on the requirements for limits based on medical necessity, see id.


22 Cal. Code Regs., tit. 9, § 1810.215. For more information on covered SMHS for beneficiaries under 21, see MHSUDS Info. Notice 16-061, supra note 2.


26 All Plan Letter 17-018, supra note 6, at 4. These services are also covered in fee-for-service for beneficiaries who are not enrolled in a Medi-Cal plan. See Cal. Welf. & Inst. Code § 14132.03.

27 All Plan Letter 17-018, supra note 6, at 4.


34 See All Plan Letter 17-018, supra note 6, Attachment 2, at 11; see also Cal. Dep’t Health Care Servs., Benefits and their Delivery System 35 (2018), https://www.dhcs.ca.gov/services/Documents/CareCoordination/Care_Coordination_Carve_Out_Pro_Cons_All_Divisions.pdf.