



MEMORANDUM

TO: County Contracted Providers

FROM: Megan Wheelahan, County of Santa Clara Behavioral Health Deputy Director

RE: Medi-Cal Share of Cost (SOC) and Out of County (OOC)

DATE: March 24, 2025

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Summary of Issue: BHSD acknowledges that there has been an increase in Members with high share of costs (SOC) over the last year. DHCS released an all-plan letter explaining that as of January 2025, Members will be able to have their SOC reevaluated and likely it will go down (additional details below). This high share of cost has raised some questions about the requirements of County Contracted Providers (CCP). The goal of this memo is to outline the obligation of CCPs for these Members. Additionally, BHSD leadership acknowledges that many CCPs are being referred Members (either via walk-in or Integrated Screening Tool) who have Out-of-County Medi-Cal. This memo aims to provide guidance on that issue as well.

Member Eligibility Questions:

1. Do CCPs have to accept a referral for a client with a high Share of Cost (SOC)?

Yes, any Member who meets medical necessity for services and are assigned to the County of Santa Clara must be served within our network.

2. What do CCPs do if member refuses to accept financial responsibility consent form and member then refuses services due to potential bill?

Members are responsible for their Share of Cost obligations. A Members can decline services if they chose.

3. How do CCPs get paid for the services rendered while there is still an active SOC?



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- a. CCPs need to ensure that they are charging against the SOC via the DHCS Medi-Cal Providers Transaction Services portal for the billable amount of the services rendered that day.
 - BHSD encourages all CCPs to review their treatment/service consent forms and ensure there is language that allows them to bill insurance and/or obligates individuals for the services rendered
- b. CCP then needs to invoice client for the amount of the services rendered and attempt to collect payment at least three times.
 - If payment cannot be collected from the client, CCP shall keep documentation of all sent invoices and attempts to collect payment. At the end of the fiscal year, BHSD will work with each CCP to cover a reasonable percentage of the total unpaid, billed, share of cost charges accrued during the fiscal year.

4. What does a CCP do with a client who has out of County Medi-Cal?

Members with Santa Clara County (43) as the County of Responsibility or County of Residence can be served in the BHSD System of Care. There are a few exceptions which include Foster Youth, EPS discharges and Presumptive Transfers. Members with Out of County Medi-Cal need to be transitioned to their County of Responsibility or County of Residence for care prior to services being initiated. If client informs your agency that they have initiated a transfer of their Medi-Cal to Santa Clara County, request documentation to confirm. If client does not have documentation of the Intercounty Transfer available, contact BHSDFC@hhs.sccgov.org to confirm it was initiated. Referrals may come to your agency from BHSD Call Center, other providers, Court Assessors and walk-ins, if it is discovered that a client has Out of County Medi-Cal and has not initiated a transfer, the CCP should work with the client to obtain services in their home County. Clients can change coverage month-to-month, monthly eligibility needs to be verified to ensure they are still a Santa Clara County client.

5. Medi-Cal Members that obtain private insurance after admission?

If it is discovered that client has private insurance after admission, Care Coordination (DMC-ODS) or Targeted Case Management (SMHS) can be billed while you help transition the client to their private insurance for services. Care Coordination and Targeted Case Management are not a covered service for private insurance.



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Summary of SOC Policy Change:

In 2022, the California legislature passed a bill, SB 184, to increase the Medi-Cal monthly maintenance threshold from \$600 a month to 138% of the federal poverty level. This change was set to take effect 1/1/25 but was contingent upon an appropriation by the legislature to implement the change. Department of Health Care Services (DHCS) released an [All-Plan Letter \(APL\) 23-31 Share of Cost \(SOC\) Reform](#) in December 2023. This would have prompted DHCS to reevaluate all existing Medi-Cal members with a SOC and to recalculate the SOC using the new maintenance need. This would have significantly reduced the SOC starting January 2025. This change is awaiting the necessary budget appropriation and advocacy is ongoing for the FY 25-26 budget.

BHSD is working toward a long-term solution for the Medi-Cal eligible individuals with a high share of cost needing specialty mental health or substance use treatment services. Until further notice, Santa Clara County Medi-Cal members with a SOC will be directed to county clinics for outpatient services. However, the Plan does have to adhere to regulations regarding Member choice. If a member requests specific agency outside of county clinic, we must respect Member choice. There are services that are not provided by county clinic those referrals will be sent to an agency that provides the services.

For the remainder of FY25 (1/1/25 to 6/30/25), providers need to certify the SOC for the cost of services provided to Medi-Cal members. The agency should obtain the member's agreement to assume financial responsibility for the services provided and provide a billing statement to Medi-Cal member requesting payment for the services rendered until the SOC is met for that month. If SOC is cleared during the month, services provided beyond the SOC amount can be billed to BHSD for billing to DHCS. Agencies **must make three attempts** to collect payment on billing statements. At the end of FY25 if the agency is unable to collect payment from members, BHSD will review documentation and meet with the agency to determine an appropriate amount of unpaid charges to reimburse. An appropriate amount will be determined considering the agency's total budget, other income sources, the total amount of unpaid charges, and the availability of funding from the County.

Below are resource documents including directions to clear SOC.

If you have questions, reach out to BHSD Provider Relations BHSDPR@hhs.sccgov.org.



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Resources:

[DHCS Share of Cost \(SOC\) Description](#)

[DHCS Share of Cost \(SOC\) Procedures](#)

[All Plan Letter No.: 23-31 December 22, 2023](#)

[BHSD Provider Manual](#)

[BHIN 24-008 County of Responsibility and Reimbursement for SMHS DMC and DMC-ODS.pdf](#)