



COUNTY OF SANTA CLARA
Behavioral Health Services
 Supporting Wellness and Recovery

Policy & Procedure Number: BHSD # CON-003

Primary Category	Impacts
BHSD System	<input checked="" type="checkbox"/> Managed Care <input checked="" type="checkbox"/> Administration <input type="checkbox"/> Service Delivery
Funding Stream	<input checked="" type="checkbox"/> Medi-Cal <input type="checkbox"/> Non-Medi-Cal <input checked="" type="checkbox"/> Managed Care <input type="checkbox"/> Fee for Service <input type="checkbox"/> MSA <input type="checkbox"/> Block Grant <input type="checkbox"/> General Funds
Provider Type	<input checked="" type="checkbox"/> BHSD County Clinics <input checked="" type="checkbox"/> Contracted Providers <input checked="" type="checkbox"/> Inpatient Providers

BHSD POLICY & PROCEDURE

I. BHSD P&P INFORMATION

Assigned Policy Name: Contracting for Psychiatric Inpatient Hospital Service Availability

Assigned Policy Number: CON-003

Policy Owner: PM III, Contracts

Impacted Managed Care Policy Area(s): Mark All That Apply

- | | |
|------------------------------------------------------------|--------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Administration (ADM) | <input checked="" type="checkbox"/> Appeals, Grievances, Incidents (AGI) |
| <input type="checkbox"/> Clinical (CLI) | <input type="checkbox"/> Compliance and Confidentiality (COP) |
| <input checked="" type="checkbox"/> Contracts (CON) | <input type="checkbox"/> Data Management (DTM) |
| <input checked="" type="checkbox"/> Fiscal (FIS) | <input type="checkbox"/> General Operations (GEO) |
| <input type="checkbox"/> Health and Safety (HAS) | <input type="checkbox"/> Health Education (HED) |
| <input checked="" type="checkbox"/> Legal (LEG) | <input type="checkbox"/> Medical & Pharmacy (MPS) |
| <input type="checkbox"/> Member Services & Materials (MSM) | <input type="checkbox"/> Personnel (PER) |
| <input type="checkbox"/> Provider Relations (PRR) | <input type="checkbox"/> Quality Management (QAM) |
| <input type="checkbox"/> Reporting (RPT) | <input type="checkbox"/> Service Delivery (SDM) |
| <input type="checkbox"/> Utilization Management (UMR) | |

II. BHSD P&P APPROVAL

Section A: HHS Compliance and County Counsel

HHS Compliance:

Date:

County Counsel:

Date:

Section B: BHSD Director

BHSD Director:

DocuSigned by:

Sherril Teras

Date: 3/8/2024

Approved/Issue Date: 2/28/24	Last Review/Revision Date:	Next Review Date: 2/27/27	Inactive Date:
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III. REPLACES

- BHSD PP# 1301 Execution of Contracts

IV. REFERENCES:

- Social Security Act §1902. State plans for medical assistance.
- Social Security Act §1923. Adjustment in Payment for Inpatient Hospital Services Furnished by Disproportionate Share Hospitals
- 9 CCR § 1810.310. Implementation Plan
- 9 CCR § 1810.425. Hospital Selection Criteria
- 9 CCR § 1810.430. Contracting for Psychiatric Inpatient Hospital Service Availability
- 9 CCR § 1810.435. MHP Individual, Group and Organizational Provider Selection Criteria

V. PURPOSE:

The Behavioral Health Services Department (BHSD) Plan must ensure it contracts with Disproportionate Share Hospitals (DSH) and Traditional Hospitals, when the hospitals meet regulatory selection criteria, unless the Plan requests and the Department of Health Care Services (DHCS) grants an exemption from contracting. The DHCS grant of exemption determination is made on an annual basis.

VI. POLICY:

As part of its implementation plan, the BHSD Plan contracts with DSH and Traditional Hospitals to provide specialty mental health services in a voluntary or involuntary treatment setting. The types of hospitals and/or health facilities that are eligible to participate in the DSH Program consist of general acute care hospitals, acute psychiatric hospitals, and psychiatric health facilities.

The Plan requires that contracted hospitals meet the following selection criteria:

1. Comply with federal Medicaid laws, regulations and guidelines and State statutes and regulations and not violate the terms of the contract between the MHP and DHCS.
2. Sign a provider agreement with the BHSD Plan.
3. Provide psychiatric inpatient hospital services, within its scope of licensure, to all beneficiaries who are referred by the MHP, unless compelling clinical circumstances exist that contraindicate admission, or the MHP negotiates a different arrangement with the hospital.
4. Refer beneficiaries for other services when necessary.
5. Not refuse an admission solely on the basis of age, sex, race, religion, physical or mental disability, or national origin.

The Plan may consider but is not limited to any or all of the following additional criteria when selecting hospitals:

1. History of Medi-Cal certification, licensure, and accreditation.
2. Circumstances and outcomes of any current or previous litigation against the hospital.
3. The geographic location(s) that would maximize beneficiary participation.
4. Ability of the hospital to:



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- a. Offer services at competitive rates.
- b. Demonstrate positive outcomes and cost effectiveness.
- c. Address the needs of beneficiaries based on factors including age, language, culture, physical disability, and specified clinical interventions.
- d. Serve beneficiaries with severe mental illness and serious emotional disturbances.
- e. Meet the quality improvement, authorization, clinical and administrative requirements of the MHP.
- f. Work with beneficiaries, their families, and other providers in a collaborative and supportive manner.

In order to contract with the BHSD Plan, hospitals, are required to meet federal contracting requirements as provided in 42 CFR § 438.6(I).

VI. DEFINITIONS:

Behavioral Health Services Department (BHSD). Encompasses all behavioral health operations, managed care functions, contracts, interfaces, funding streams and services to Santa Clara County beneficiaries. Includes and is not limited to the local County Mental Health Plan (MHP) and Drug Medi-Cal Organized Delivery System (DMC-ODS), Mental Health Services Act (MHA) and Santa Clara County programs reliant on General Funds.

Beneficiary. A person seeking or receiving behavioral health services from BHSD that is either a person certified as eligible for Medi-Cal or Medicare services, or someone for whom there is no third-party payor who may become responsible for paying all or part of the person’s medically necessary behavioral health services.

Disproportionate Share Hospital (DSH). A hospital whose Medicaid inpatient utilization rate as defined Social Security Act §1923 (b)(2) is at least one standard deviation above the mean Medicaid inpatient utilization rate for providers receiving Medicaid payments in the State, or where the hospital’s low income utilization rate as defined Social Security Act §1923 (b)(3) exceeds 25 percent. The types of hospitals and/or health facilities that are eligible to participate in the DSH Program consist of general acute care hospitals, acute psychiatric hospitals, and psychiatric health facilities.

The Plan. Provides oversight to behavioral health Medi-Cal carve out programs in Santa Clara County. BHSD Medi-Cal managed care plans include the Mental Health Plan (MHP) and Drug Medi-Cal Organized Delivery System (DMC-ODS).

VII. OVERSIGHT AND MONITORING PROCEDURE

Processes	Requirements
DSH Eligibility and Notification	<ol style="list-style-type: none"> 1. DSH eligibility is determined annually by the DHCS using the established Medicaid Utilization Rate (MUR) and Low-Income Utilization Rate (LIUR) formulas. The MUR calculates the ratio of Medi-Cal days to the total patient days. The LIUR calculates the ratio of Medicaid/Medi-Cal revenue to the total paid patient revenue. To be eligible the hospital must have a LIUR in excess of twenty five percent with a MUR of at least one percent, or a MUR of at least one standard deviation above the statewide mean. 2. Prior to the beginning of each State Fiscal year, DHCS shall notify all MHP's of the DSH and Traditional Hospitals for that fiscal year.
Request for Exemption from Contracting	<ol style="list-style-type: none"> 1. The Plan will submit the request to DHCS as a separate submission from the Implementation Plan. 2. The request must address the projected effect on beneficiaries. 3. At a minimum, the Request for Exemption from Contracting shall include: <ol style="list-style-type: none"> a. The name of the hospital for which the Request for Exemption from Contracting is requested. b. An analysis of the most recently available data from the Office of Statewide Health Planning and Development (OSHPD) on the availability, within an accessible geographic area, of the hospital beds for psychiatric inpatient hospital services with and without a contract. Other data may be substituted if OSHPD data are not available or if equally reliable data are more comprehensive. c. The estimated impact on maximum and average travel time and distances for beneficiaries to obtain psychiatric inpatient hospital services, from hospitals either with or without a contract. 4. The Plan will notify the DSH or Traditional Hospital of the Request for Exemption from Contracting at the same time the Request for Exemption is sent to DHCS. 5. DHCS will approve or deny in writing the MHP's Request for Exemption from Contracting within 30 calendar days of its receipt and shall notify both the MHP and the DSH or Transitional Hospital of its decision. <ol style="list-style-type: none"> a. DHCS shall deny any Request for Exemption from Contracting when failure to contract is likely to result



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	in hardship to beneficiaries as measured by local community standards.
Hospital Contract Standards	<ol style="list-style-type: none"> 1. Treatment requirements, as a condition for reimbursement for psychiatric inpatient hospital services, that ensure beneficiaries will receive the same level of services as provided to all other patients served. 2. Assurances that beneficiaries will not be discriminated against in any manner, including admission practices, placement in special wings or rooms, or provision of special or separate meals. 3. Specifics of how the hospital shall make records available for authorized review for fiscal audits, program compliance and beneficiary complaints. 4. Language specifying that the per diem rate included in the contract is considered payment in full, subject to third party liability and patient share of costs, for psychiatric inpatient hospital services to a beneficiary. 5. Language specifying that the rate structure in the contract includes all services defined as psychiatric inpatient hospital services in this Chapter and that the rate structure does not include psychiatric inpatient hospital professional services rendered to a beneficiary covered under the contract unless the hospital is a Short-Doyle/Medi-Cal Hospital. 6. Requirements that a hospital adheres to Title XIX of the Social Security Act and conforms to federal and State statutes and regulations.

VIII. WORKFLOW PROCEDURE	
Responsible Party	Action Required
BHSD Contracts Administration Division	1. If the Plan determines to contract with DSH and Traditional Hospitals, the BHSD Contracts Administration Division will send a letter to the DSH or Traditional Hospital to make an offer to enter into an agreement. The DSH and Traditional Hospitals are given a date to respond by, and if no response is

	<p>provided, it will be interpreted as the hospital is not interested in contracting at this time.</p> <p>2. If the Plan determines not to contract with a DSH or Traditional Hospital, the Plan’s Contracts Administration Division will submit a Request for Exemption from Contracting to DHCS with its Implementation Plan.</p>
BHSD Quality Director or Designee	<p>1. Reviews and approves (1) letters to DSH or Traditional Hospital and (2) Request for Exemption from Contracting to DHCS prior to submission by BHSD Contracts Administration Division.</p>
IX. ATTACHMENTS	A.

X. REVISION HISTORY				
Policy Name	Active Dates Range	Date Approved	Reason for Review	Summary of Changes