State of the State

California Department of Health Care Services
Mental Health Services Division

California Quality Improvement Coordinators Annual Meeting
March 14, 2018
Presentation Outline

- Mental Health Updates
- Medicaid Managed Care and Parity Updates
- 1915(b) SMHS Waiver Special Terms and Conditions
- Administrative and Financial Sanctions
- Compliance and Monitoring
- Questions and Open Discussion
Mental Health Updates

Specialty Mental Health Services (SMHS) Audit

- Office of Inspector General (OIG)

Mental Health Services Act (MHSA) Audit

- CSA Audit

MHP Technical Assistance Calls

- Monthly All MHP Calls – 3rd Tuesday of Each Month
- Monthly Individual MHP Calls
Mental Health Updates

Children’s Services

- Presumptive Transfer
- Pathways to Wellbeing
- Children’s Crisis Residential Programs
- Continuum of Care Reform

MHP Contract and Beneficiary Handbook

- CMS approved the MHP contract boilerplate
- Revised beneficiary handbook
- Parity amendment forthcoming
- Other amendments
Managed Care and Parity Updates

Information Notices

- Network Adequacy
- Grievance and Appeal Systems
- Statewide Uniform Credentialing Policy
- Provider Directory Requirements
- Claiming for Eligible Costs Related to Managed Care and Parity
- Forthcoming Guidance

Network Adequacy

- Network Adequacy Certification Tool and Supporting Documentation due March 30, 2018

Parity in Mental Health and Substance Use Disorder Services

- Compliance Plan – Posted October 2, 2017
- Authorization of SMHS
- Continuity of Care
- Uniform Method for Determining Ability to Pay (UMDAP) Statute
1915(b) SMHS Waiver Special Terms and Conditions
Special Terms and Conditions

Current Dashboards*
- Adult SMHS - Statewide
- Adult SMHS - County
- Children/Youth SMHS - Statewide
- Children/Youth SMHS - County

Upcoming Dashboard Elements
- Timeliness Metrics/Reporting
- Interpretation and Translation Capability

Transparency & Quality
- Plans of Correction
- EQRO Performance Improvement Project Reports
- Beneficiary Problem Resolution
- Quality Improvement Work Plans

* [http://www.dhcs.ca.gov/services/MH/Pages/SMHS_Performance_Dashboard.aspx](http://www.dhcs.ca.gov/services/MH/Pages/SMHS_Performance_Dashboard.aspx)
Administrative and Financial Sanctions
DHCS may impose administrative and financial sanctions for non-compliance pursuant, but not limited, to the following:

- California Code of Regulations, Title 9, Sections 1810.380 and 1810.385;
- California Welfare and Institutions Code (WIC) Section 14712(e).
Reasons for Imposing Sanctions

• Any threat to health and safety that has the potential to endanger beneficiaries
• Non-compliance with any applicable federal or State laws or regulations
• Non-compliance with the contract between DHCS and the MHP, 1915(b) SMHS Waiver, or any specified Special Terms and Conditions
• Non-compliance with MHP reporting requirements
Reasons for Imposing Sanctions

• Not providing or arranging for medically necessary covered SMHS in a timely manner
• Repeated and uncorrected findings of non-compliance
• Lack of achievement in meeting DHCS’ performance standards
Factors DHCS May Consider

- The nature, scope, and gravity of the violation
- The MHP's history of violations
- The willfulness of the violation
- The nature and extent to which the MHP cooperated with DHCS’ investigation of the violation
- The nature and extent to which the MHP aggravated or mitigated any injury or damage caused by the violation
- The nature and extent to which the MHP took corrective action to ensure the violation did not recur
- Whether the violation was an isolated incident
Types of Sanctions

• Any actions deemed necessary to ensure contract and regulatory compliance, including but not limited to:
  – Plans of Correction
  – Withholding of payments due to the MHP
  – Monetary sanctions
  – Contract termination
Compliance and Monitoring
Inpatient Disallowances
Fiscal Years 2013-2016

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th># of Hospitals Reviewed</th>
<th>% of Acute Days Disallowed</th>
<th>% of Administrative Days Disallowed</th>
<th>% of Total Days Disallowed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-2014</td>
<td>6</td>
<td>56%</td>
<td>49%</td>
<td>55%</td>
</tr>
<tr>
<td>2014-2015</td>
<td>6</td>
<td>50%</td>
<td>58%</td>
<td>54%</td>
</tr>
<tr>
<td>2015-2016</td>
<td>6</td>
<td>57%</td>
<td>63%</td>
<td>55%</td>
</tr>
<tr>
<td>2016-2017</td>
<td>6</td>
<td>31%</td>
<td>17%</td>
<td>30%</td>
</tr>
<tr>
<td>Averages</td>
<td>6</td>
<td>49%</td>
<td>47%</td>
<td>49%</td>
</tr>
</tbody>
</table>

The disallowance rate for acute days ranges from 31% to 57%, with an average disallowance rate of 53%. For administrative days, disallowance rates range from 17% to 63% with an average rate of 69%. This rate was lower in FY16/17 than it was in FY13/14 for the same hospitals. The total days disallowed ranges from 30% to 55%, with an average rate of 49%.

**Green denotes average rates for 2 consecutive triennial reviews of the same group of hospitals.**
## Outpatient Disallowances
### Fiscal Years 2013-2016

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th># of MHPs Reviewed</th>
<th># of Claims reviewed</th>
<th># of Claims Disallowed</th>
<th>% of Total Claims Disallowed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-2014</td>
<td>19</td>
<td>7439</td>
<td>3508</td>
<td>47%</td>
</tr>
<tr>
<td>2014-2015</td>
<td>20</td>
<td>7623</td>
<td>3803</td>
<td>50%</td>
</tr>
<tr>
<td>2015-2016</td>
<td>17</td>
<td>7615</td>
<td>1383</td>
<td>18%</td>
</tr>
<tr>
<td>2016-2017</td>
<td>19</td>
<td>6524</td>
<td>637</td>
<td>10%</td>
</tr>
<tr>
<td>3-Year Cycle</td>
<td>56</td>
<td>21762</td>
<td>5823</td>
<td>27%</td>
</tr>
</tbody>
</table>

This table shows the disallowance rates for a complete three-year review cycle (all 56 county MHPs). The percentage of total claims disallowed decreased from 47% in FY13/14 to 10% in FY16/17. **Green denotes average rates for 2 consecutive triennial reviews of the same group of MHPs.**
Reasons for Recoupment

FY12/13 Disallowances by Reason for Recoupment

Total Claims Reviewed = 6,286
Percent of Claims Disallowed = 35%

Reasons for Recoupment

RR #7: No documentation of beneficiary participation (22%)
RR #19a: No service provided (18%)
RR #3: Focus of proposed intervention to address condition (14%)
RR #9: No progress note (14%)
RR #6: Client plan not completed annually (11%)
RR #5: Initial client plan not completed timely (6%)
RR #4: Expectation of proposed intervention (4%)
RR #14: Group activity apportionment (4%)
RR #17: Solely clerical (2%)
RR #1: No included diagnosis (1%)
RR #10: Time claimed greater than documented (1%)
RR #11: Beneficiary ineligible for FFP due to setting (1%)
RR #15: Progress note not signed (1%)
RR #18: Solely payee related (1%)
Reasons for Recoupment

RR #19a: No Service Provided (25%)
RR #7: No beneficiary participation CP (18%)
RR #3: Intervention does not address mental health condition (12%)
RR #4: Intervention would not diminish impairment or prevent deterioration (9%)
RR #9: No progress note (9%)
RR #6: CP not completed at least on an annual basis (7%)
RR #17: Solely clerical (5%)
RR #5: Initial CP not completed within timelines (5%)
RR #15: No signature (or electronic equivalent) of person providing service (3%)
RR #16: Solely transportation (2%)
RR #18: Solely payee-related (1%)
RR #1: No included diagnosis

FY 13/14 Disallowances by RR

Total Claims Reviewed = 6,174
Percent of Claims Disallowed = 51%
Reasons for Recoupment

**FY 15/16 Disallowances by Reason for Recoupment**

- **28%**: No progress note (RR #9)
- **13%**: No documentation of beneficiary participation (RR #7)
- **14%**: Focus of proposed intervention to address condition (RR #3)
- **7%**: Time claimed greater than documentation (RR #10)
- **3%**: Client plan not completed annually (RR #6)
- **3%**: Solely clerical (RR #17)
- **2%**: No service provided (RR #19a)
- **1%**: Impairment as a result of mental disorder (RR #2)
- **1%**: Initial client plan not completed timely (RR #5)
- **1%**: Beneficiary ineligible for FFP due to setting (RR #11)
- **1%**: Not within scope of practice (RR #19d)

**Total Claims Reviewed = 7,615**

**Percent of Claims Disallowed = 18%**
Reasons for Recoupment

**Reasons for Recoupment**

RR #9: No progress note was found for service claimed (26%)
RR #6: CP not updated timely, Interventions not on updated plan (21%)
RR #7: No documentation of beneficiary participation in CP (13%)
RR #3: Focus of intervention does not address impairment (11%)
RR #10: The time claimed was greater than the time documented (10%)
RR #4: Intervention will not improve or diminish impairment (7%)
RR #5: Initial CP not completed timely (4%)
RR #19a: No service was provided (4%)
RR #17: The service provided was solely clerical (2%)
RR #13: Service provided was solely for Academic, Vocational, Recreation, Socialization (1%)
RR #15: The progress note was not signed (1%)
RR #19d: The service was not provided within the scope of practice of the person delivering the service (1%)

FY 16/17 Disallowances by RR

Total Claims Reviewed = 7,623
Percent of Claims Disallowed = 10%
## Non-Compliance Trends
### Fiscal Year 2016/2017

<table>
<thead>
<tr>
<th>Chart Component Reviewed</th>
<th>Non- Compliance %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Medical Necessity</strong> - focus of the proposed and actual intervention(s) is to address the mental health condition</td>
<td>12%</td>
</tr>
<tr>
<td><strong>Assessments</strong> - completed within established timeliness and frequency standards</td>
<td>21%</td>
</tr>
<tr>
<td><strong>Medication Consents</strong> – reasonable treatment alternatives</td>
<td>13%</td>
</tr>
<tr>
<td><strong>Medication Consents</strong> – range of frequency</td>
<td>18%</td>
</tr>
<tr>
<td><strong>Medication Consents</strong> – dosage</td>
<td>17%</td>
</tr>
<tr>
<td><strong>Medication Consents</strong> – method of administration</td>
<td>23%</td>
</tr>
<tr>
<td><strong>Medication Consents</strong> – duration of taking the medication</td>
<td>18%</td>
</tr>
</tbody>
</table>
# Non-Compliance Trends

**Fiscal Year 2016/2017**

<table>
<thead>
<tr>
<th>Chart Component Reviewed</th>
<th>Non- Compliance % (300 Charts)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medication Consents – possible side effects (longer than 3 mos)</td>
<td>10%</td>
</tr>
<tr>
<td>Medication Consents – consent may be withdrawn</td>
<td>12%</td>
</tr>
<tr>
<td>Client Plans - specific, observable, and/or specific quantifiable goals/treatment objectives</td>
<td>19%</td>
</tr>
<tr>
<td>Client Plans - proposed type(s) of intervention/modality including a detailed description of the intervention to be provided</td>
<td>32%</td>
</tr>
<tr>
<td>Client Plans - proposed frequency of intervention(s)</td>
<td>25%</td>
</tr>
<tr>
<td>Progress Notes - timely documentation of relevant aspects of client care</td>
<td>52%</td>
</tr>
<tr>
<td>Progress Notes – timeliness of documentation</td>
<td>20%</td>
</tr>
</tbody>
</table>
# System Compliance

## Fiscal Years 2013-2016

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th># of MHPs Reviewed</th>
<th>Total # of Items in the Annual Protocol</th>
<th>Average % Out or Partial Compliance</th>
<th>% Range Out of Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-2014</td>
<td>19</td>
<td>114</td>
<td>11%</td>
<td>3%-29%</td>
</tr>
<tr>
<td>2014-2015</td>
<td>20</td>
<td>151</td>
<td>12%</td>
<td>0%-33%</td>
</tr>
<tr>
<td>2015-2016</td>
<td>17</td>
<td>187</td>
<td>5%</td>
<td>0%-19%</td>
</tr>
<tr>
<td>2016-2017</td>
<td>19</td>
<td>200</td>
<td>6%</td>
<td>1%-12%</td>
</tr>
<tr>
<td>3-Year Cycle</td>
<td>56</td>
<td>538</td>
<td>8%</td>
<td>0%-21%</td>
</tr>
</tbody>
</table>

This table shows the rates of non-compliance (including out-of-compliance and partial compliance) items in the System Review (Sections A – J and the Attestation) protocol. While the total number of items in the System Review Protocol has increased, the average rate and range of non-compliance decreased from FY13/14 to FY16/17. **Green denotes average rates for 2 consecutive triennial reviews of the same group of MHPs.**
## Non-Compliance Trends
### Fiscal Year 2015/2016

<table>
<thead>
<tr>
<th>Component Reviewed</th>
<th>Compliance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cultural Competence Training - Contractors</td>
<td>65%</td>
</tr>
<tr>
<td>Ownership Disclosures - Contractors</td>
<td>65%</td>
</tr>
<tr>
<td>Written Log of Requests</td>
<td>66%</td>
</tr>
<tr>
<td>24/7 Access Line</td>
<td>68%</td>
</tr>
<tr>
<td>NOA-As</td>
<td>75%</td>
</tr>
<tr>
<td>Implementation Plans</td>
<td>76%</td>
</tr>
<tr>
<td>Service Verification</td>
<td>76%</td>
</tr>
<tr>
<td>Cultural Competence Training - Tracking</td>
<td>76%</td>
</tr>
<tr>
<td>Component Reviewed</td>
<td>Compliance % (19 counties)</td>
</tr>
<tr>
<td>--------------------------------------------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>24/7 Access Line – Info about SMHS</td>
<td>32%</td>
</tr>
<tr>
<td>24/7 Access Line – Problem Resolution</td>
<td>47%</td>
</tr>
<tr>
<td>TARs – 14 days</td>
<td>53%</td>
</tr>
<tr>
<td>24/7 Access Line – Urgent Condition</td>
<td>58%</td>
</tr>
<tr>
<td>Written Log of Requests</td>
<td>58%</td>
</tr>
<tr>
<td>Interpretation Requirements – Minor Children</td>
<td>68%</td>
</tr>
<tr>
<td>NOA – C</td>
<td>74%</td>
</tr>
<tr>
<td>Grievances Resolved Timely</td>
<td>74%</td>
</tr>
</tbody>
</table>
Enhanced Monitoring Activities

- Triennial Reviews
- POC Validations
- Statewide or Regional TA and Training
- MHP Submission of Evidence of QI Actions
- Targeted MHP Specific Trainings
- POC Validation Visits
- Focused Desk Reviews
- Focused, Modified or Comprehensive Onsite System and Chart Reviews
- Administrative and Financial Sanctions
## MHP Tier Distribution
(as of 3/14/18)

<table>
<thead>
<tr>
<th>Tier</th>
<th>Criteria</th>
<th>System Review</th>
<th>Outpatient Chart Review</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td><strong>100-95% Compliance Rate</strong></td>
<td>25 MHPs</td>
<td>11 MHPs</td>
</tr>
<tr>
<td></td>
<td>No Long-Standing/Significant Findings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tier 2</td>
<td><strong>94-90% Compliance Rate</strong></td>
<td>10 MHPs</td>
<td>8 MHPs</td>
</tr>
<tr>
<td></td>
<td>Long-Standing/Significant Findings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tier 3</td>
<td><strong>89-80% Compliance Rate</strong></td>
<td>18 MHPs</td>
<td>13 MHPs</td>
</tr>
<tr>
<td></td>
<td>Long-Standing/Significant Findings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tier 4</td>
<td><strong>79-70% Compliance Rate</strong></td>
<td>1 MHPs</td>
<td>8 MHPs</td>
</tr>
<tr>
<td></td>
<td>Long-Standing/Significant Findings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tier 5</td>
<td><strong>69-60% Compliance Rate</strong></td>
<td>2 MHPs</td>
<td>4 MHPs</td>
</tr>
<tr>
<td></td>
<td>Long-Standing/Significant Findings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tier 6</td>
<td><strong>59-50% Compliance Rate</strong></td>
<td>0 MHPs</td>
<td>3 MHPs</td>
</tr>
<tr>
<td></td>
<td>Long-Standing/Significant Findings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tier 7</td>
<td><strong>49-0% Compliance Rate</strong></td>
<td>0 MHPs</td>
<td>9 MHPs</td>
</tr>
<tr>
<td></td>
<td>Long-Standing/Significant Findings</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Hybrid Reviews

• FY 17/18 Pilot test for hybrid reviews – 2 counties
• Chart review and system review
• Secure MoveIT Server
• Hybrid review would include:
  – Entrance conference
  – Submission of documentation
  – Desk review of documentation
  – Ongoing communication with MHP
  – Onsite facilitated dialogue with MHPs
  – Exit conference
Training and Technical Assistance

• Chart documentation E-learning modules:
  – Overview: Recovery and Documentation
  – Assessments
  – Client Plans
  – Progress Notes
  – Medication Consents
  – Day Programs
  – Preparing for a Compliance Review
  – Supervising Documentation Practices

• Developing a Successful Plan of Correction
Questions and Open Discussion
Contact Information

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  Autumn.Boylan@dhcs.ca.gov