



SAN MATEO COUNTY HEALTH
**BEHAVIORAL HEALTH
& RECOVERY SERVICES**

DATE: November 20, 2019

BHRS POLICY: 19-05

SUBJECT: Medical Necessity Criteria for Specialty Mental Health Services

AUTHORITY: California Code of Regulations Title 9. Division 1—Department of Mental Health 1830.205; MHSUDS Information Notices, 15-030, 16-016, 16-051, and 17- 004E [Enclosure 1](#)

NEW POLICY: November 20, 2019
Attachment A: Added April 27, 2021

ATTACHMENTS: Attachment A: Specialty Mental Health Outpatient Services ICD-10 Covered Diagnosis Table

SUPERSEDES: Policy 05-03: Child/Youth Eligibility Criteria
Policy 96-12: Medical Necessity – Adults Receiving System of Care Services – Procedure for Reassessment
Policy 92-09: Adult and Older Adult Eligibility Criteria

PURPOSE:
To define the medical necessity criteria for San Mateo County Behavioral Health and Recovery (BHRS) Specialty Mental Health Services (SMHS).

SCOPE:
This policy applies to all County and Contracted Providers of San Mateo BHRS who provide SMHS.

DEFINITIONS:

Medical Necessity:

The criteria that identify service need based on inclusion of specific signs, symptoms, and conditions and proposed treatment associated with mental illness. Determination of medical necessity requires inclusion of a covered diagnosis; an established level of impairment; an expectation that specialty mental health treatment is necessary to address the condition; and the condition would not be responsive to physical health care based treatment. Medical necessity is defined by the California Code of Regulations and several California Department of



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Health Care Services (DHCS) Mental Health & Substance Use Disorder Services (MHSUDS)
Information Notices and letters.

Target Population: For the purposes of county mental health services, target population refers to individuals with severe disabling conditions that require mental health treatment giving them access to available services based on these conditions. Public mental health systems are obligated to serve those identified individuals across the age spectrum and acuity of need. Services for each target population are based on acuity of need and impairment as well as varying eligibility criteria. Uninsured individuals are served to the extent resources are available. (W&I 5600.2, W&I 5600.3)

Serious and Persistent Mental Illness – W&I Code Section 5600.3(2): An adult is considered to have a serious mental disorder if she/he has an identified mental disorder that is severe in degree, persistent in duration, which causes behavioral functioning that interferes substantially with the primary activities of daily living, and results in an inability to maintain stable adjustment and independent functioning without treatment, support, and rehabilitation for a long or indefinite period of time.

Seriously Emotionally Disturbed - W&I Code Section 5600.3(a)(2): A child or adolescent is considered to have a serious emotional disturbance if she/he has a mental disorder identified in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders (DSM), other than a primary substance use or developmental disorder, which results in behavior inappropriate to the child's age according to expected developmental norms. Members of this target population shall meet one or more of the following criteria as a result of the mental disorder:

- Has substantial impairment in at least two areas (self-care, school functioning, family relationships, ability to function in the community);
- Is either at risk of removal from home or has already been removed OR the mental disorder and impairments have been present for more than six months or are likely to continue for more than one year without treatment;
- Displays psychotic features, risk of suicide or risk of violence due to mental disorder.

POLICY:

For Medi-Cal beneficiaries to be eligible for and receive SMHS the beneficiary must meet the medical necessity criteria outlined in CCR, title 9, § 1830.205(b) subsections (1-3). In addition, the beneficiary must meet the current DSM criteria for an included International Classification of Diseases (ICD) diagnosis for outpatient SMHS in accordance with the MHP contract. Uninsured individuals may also receive SMHS as outlined below.



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The target population for SMHS includes individuals who fall into one or more of the following categories:

- Individuals of any age with Medi-Cal Coverage
- Uninsured individuals (indigent status served as resources permit through realignment or other identified funding)
- Individuals of any age who are in psychiatric crisis (generally eligible for services)
- At risk and underserved individuals of any age
- Child/Youth with Serious Emotional Disturbance (SED) who have no insurance resources
- San Mateo County Foster Children, wards and dependents who meet medical necessity criteria
- Other individuals may also be eligible; consult with BHRS management if necessary

Medical Necessity Criteria for Specialty Mental Health Services:

All Staff conducting the initial assessment and ongoing assessment of medical necessity meet the qualifications for Licensed Professional of Healing Arts (LPHA). Medical necessity will be reestablished at the time of treatment plan completion by an LPHA. Medical necessity reestablishment will be ongoing and formalized at least once yearly, with the treatment plan competition, and at the time of new services being started.

To meet medical necessity individuals must meet both requirements:

1. The beneficiary must meet medical necessity criteria outlined in subsections (1-3) to be eligible for Outpatient SMHS services. (CCR, title 9, § 1830.205(b))
2. The condition would not be responsive to physical health care based treatment only. (CCR, title 9, § 1830.205(b)(3)(C))

To be eligible for Medi-Cal reimbursement for Specialty Mental Health Services, clients must meet all three criteria (A-Diagnostic, B-Impairment, & C-Intervention related)

A. Diagnosis Requirement: The beneficiary meets DSM criteria for an included ICD diagnosis for outpatient SMHS in accordance with the current MHP contract with DHCS and documented list of included diagnoses located at the DHCS information notice website located at https://www.dhcs.ca.gov/formsandpubs/Pages/Behavioral_Health_Information_Notice.aspx (MHSUDS IN Nos., 15-030, 16-016, 16-051, and 17- 004E, and/or current DHCS information notices).

B. Impairment Requirement: The beneficiary must have at least one of the following impairments as a result of the mental disorder or emotional disturbance (listed above in A. Diagnosis Requirement):

1. A significant impairment in an important area of functioning



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2. A probability of significant deterioration in an important area of life functioning
3. A probability that the child will not progress developmentally as individually appropriate (for children)
4. For full-scope Medi-Cal beneficiaries under the age of 21 years, a condition as a result of the mental disorder or emotional disturbance that SMHS can correct or ameliorate
 (CCR, title 9, § 1830.205 (b)(2)(A-C))

Note: A client may receive services for an included diagnosis when an excluded diagnosis is also present.

C. Intervention Requirement: The proposed and actual intervention(s) meet the intervention criteria listed below:

- a) The focus of the proposed and actual intervention(s) addresses the condition identified in No. 1B Impairment Requirement (1-3) above, or for full- scope Medi-Cal beneficiaries under the age of 21 years, a condition as a result of the mental disorder or emotional disturbance that the SMHS can correct or ameliorate per No. 1 Impairment Requirement (b)(4). (CCR, title 9, §1830.205(b) (3)(A))
- b) The expectation is that the proposed and actual intervention(s) will do at least one (1) of the following (A, B, C, or D):
 - A) Significantly diminish the impairment
 - B) Prevent significant deterioration in an important area of life functioning
 - C) Allow the child to progress developmentally as individually appropriate
 - D) For full-scope Medi-Cal beneficiaries under the age of 21 years, correct or ameliorate the condition
 *(CCR, title 9, § 1830.205 (b)(3)(B)(1-4))

Approved: _____ *Signature on File*
 Scott Gilman, MSA
 BHRS Director