

## Behavioral Health Services (BHS) – Contractor Information Notice

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| <b>To:</b>   | <b>BHS Contracted Service Providers</b>   |
| <b>From:</b> | <b>Behavioral Health Services (BHS)</b>   |
| <b>Date:</b> | <b>April 12, 2024</b>   |
| <b>Title</b> | <b>Discontinuance of Disallowance Payments Under Behavioral Health Payment Reform</b> |

This purpose of this memo is to notify all existing Behavioral Health Services contractors providing Medi-Cal services that the County of San Diego will no longer fund disallowed costs **beginning on July 1, 2024**.

### Background

Disallowed services are defined as Medi-Cal billable units of service that are eligible for Medi-Cal reimbursement; however, due to actions or inactions by the contractor, these units of service have been determined as not eligible for billing to the State, or disallowed, and therefore are ineligible for Medi-Cal funding. This results in 100% of costs being paid for through local County funding.

### Discontinuance of Disallowance Payments

For contracts transitioning to the Fee for Services (FFS) payment structure under Behavioral Health Payment reform the County will continue to fund all units of service through June 30, 2024.

- **Beginning on July 1, 2024**, the County will discontinue funding costs for disallowances.
- For contracts transitioning to the FFS payment structure after July 1, 2024, this requirement will be in effect upon executing/amending the contract to be inclusive of the FFS payment structure under Behavioral Health Payment Reform.
- Costs associated with services to indigent clients will continue to be funded by the County, along with specific contracts that include services identified as being “County billable.”

### Questions and Comments

Please continue to communicate questions and concerns to your CORs through this transition.

#### For More Information:

- Contact your Contracting Officer’s Representative (COR) or
- Junida Bersabe, Principal Accountant, [junida.bersabe@sdcounty.ca.gov](mailto:junida.bersabe@sdcounty.ca.gov), (619) 584-5060