

Duncan-Sanford, Judy A

Subject: FW: Optum Public Sector-CalAIM Changes to Medical Necessity, Diagnosis & Reasons for Recoupment

From: Clark, Destiny V **On Behalf Of** sdu_Provider Services Help

Sent: Wednesday, December 29, 2021 1:59 PM

Subject: Optum Public Sector-CalAIM Changes to Medical Necessity, Diagnosis & Reasons for Recoupment

County of San Diego – Health and Human Services Agency (HHSA)

Behavioral Health Services (BHS) – Information Notice



To:	BHS Contracted Service Providers
From:	Behavioral Health Services
Date:	December 20, 2021
Title	CalAIM Changes to Medical Necessity, Diagnosis & Reasons for Recoupment

Beginning January 1, 2022, with the California Advancing and Innovating Medi-Cal (CalAIM) initiative, the Department of Health Care Services (DHCS) is designing a coherent plan to address beneficiaries' needs across the continuum of care. The goal is to ensure access to the right care in the right place at the right time. To achieve this, DHCS is updating the criteria for access to specialty mental health services; the most recent updates being to medical necessity, diagnosing, and reasons for recoupment.

Medical Necessity:

- Adult beneficiaries 21+ years of age: The language has remained fairly similar, with changes focused on impairments in social, occupational, or other important activities and having a mental health disorder or a suspected undiagnosed mental health disorder.
- Youth beneficiaries under 21 years of age: Now medical necessity may be met by risk of disorders due to trauma, homelessness, involvement with CWS, involvement with juvenile justice system, impairment, or a need for services that a Medi-Cal Managed Care Plan is not required to deliver.

Diagnosing:

- DHCS has removed their approved Title 9 diagnoses list and is now allowing for diagnosis of any mental health disorder, according to the criteria set in the DSM and ICD-10 classifications.
- Services can be provided due to a suspected mental health disorder that has not yet been diagnosed (and/or due to significant trauma for youth) with approved ICD-10 codes such as: "other specified", "unspecified", or other Z codes.
- Neurocognitive disorders or substance-related and addictive disorders are not "mental health disorders" for the purpose of determining whether a beneficiary meets criteria for access to the Specialty Mental Health Services (SMHS) delivery system.

Reasons for Recoupment (Significant Changes):

- All services are reimbursable with the use of Z03.89 prior to a diagnosis, if needed. No longer disallowing services prior to a Client Plan being in place.
 - The Quality Improvement (QI) team will be updating the Medical Record Review (MRR) Reasons for Recoupment document and process to reflect these changes effective January 1, 2022. However, all items

will remain compliance issues until DHCS documentation reform details are provided (current timeline is by July 2022).

- Updated medical necessity criteria must still be met and appropriate documentation present in client's chart to substantiate the need for SMHS. However, progress notes that do not document impairment and intervention will not be recouped.
- Day treatment breaks and/or mealtimes counted in program are no longer considered to be reasons for recoupment.

For additional details on these changes, see [Reasons for Recoupment](#) and [Medical Necessity CalAIM Updates](#), both dated 1/1/22. These documents may also be found on the Optum website under the References tab.

For More Information:

- HHSA, QI Matters at qimatters.hhsa@sdcounty.ca.gov

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Provider Services Staff

Provider Services Team / Optum San Diego

Optum San Diego Public Sector

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