

San Diego County MHP and DMC-ODS

Policy/Procedure: **Dispute Resolution**

Date: **September 30, 3035**

I. PURPOSE

To outline the expectations in the event of any dispute or difference of opinion regarding the Party responsible for service coverage arising out of or relating to this MOU.

II. BACKGROUND

On October 12, 2023, DHCS released BHIN [23-056](#) Memorandum of Understanding Requirements for Medi-Cal Managed Care Plans and Medi-Cal Mental Health Plans and [Attachment 1](#) and BHIN [23-057](#) Memorandum of Understanding Requirements for Medi-Cal Managed Care Plans and Drug Medi-Cal Organized Delivery System Counties and [Attachment 1](#). Both BHINs provide guidance to county Mental Health Plans (MHP) and Drug Medi-Cal Organized Delivery Systems (DMC-ODS) entering a Memoranda of Understanding (MOU) with Managed Care Plans (MCP). The MOU template outlines the responsibilities and obligations of each party to coordinate and facilitate the provision of services to members where they are served by both parties. In addition, the BHIN specifies the oversight, compliance, and reporting requirements.

III. POLICY

The Parties must attempt, in good faith, to promptly resolve the dispute mutually between themselves.

IV. SCOPE

The scope of this policy applies to County DMC-ODS and/or MHP, MCP, and their providers who work directly with members, caregivers, and providers.

V. PROCEDURES

- A. Pending resolution of any such dispute, MCP and DMC-ODS and/or MHP must continue without delay to carry out all responsibilities under this MOU unless the MOU is terminated. If the dispute cannot be resolved within 15 Working Days of initiating such negotiations, either Party may pursue its available legal and equitable remedies under California law. Disputes between MCP and DMC-ODS and/or MHP that cannot be resolved in a good faith attempt between the Parties must be forwarded by MCP and/or DMC-ODS and/or MHP to DHCS.
- B. Unless otherwise determined by the Parties, the DMC-ODS Liaison and/or MHP Liaison will be the designated individual responsible for receiving notice of actions, denials, or deferrals from MCP, and for providing any additional information requested in the deferral notice as necessary for a medical necessity determination.
- C. MCP must monitor and track the number of disputes with DMC-ODS and/or MHP where the Parties cannot agree on an appropriate place of care and, upon request, must report all such disputes to DHCS.
- D. [MHP] Disputes between MCP and MHP that cannot be resolved in a good faith attempt between the Parties must be forwarded to DHCS via a written "Request for Resolution" by either MHP or MCP within three business days after failure to resolve the dispute, consistent with the procedure defined in Cal. Code Regs. tit. 9, § 1850.505, "Resolutions of Disputes between MHPs and Medi-Cal Managed Care Plans" and APL 21-013. Any decision rendered by DHCS regarding a dispute between MCP and MHP concerning provision of Covered Services is not subject to the dispute procedures set forth in the Primary Operations Contract Exhibit E, Section 1.21 (Contractor's Dispute Resolution Requirements);

- E. [MHP] A dispute between MHP and MCP must not delay the provision of medically necessary SMHS, physical health care services, or related prescription drugs and laboratory, radiological, or radioisotope services to beneficiaries as required by Cal. Code Regs. tit. 9, § 1850.525;
- F. Until the dispute is resolved, the following must apply:
 - 1. The Parties may agree to an arrangement satisfactory to both Parties regarding how the services under dispute will be provided;
 - 2. [DMC-ODS] When the dispute concerns MCP's contention that DMC-ODS is required to deliver SUD services to a Member and DMC-ODS has incorrectly determined the Member's diagnosis to be a diagnosis not covered by DMC-ODS, MCP must manage the care of the Member under the terms of its contract with the State, including providing or arranging and paying for those services until the dispute is resolved.
 - 3. [MHP] When the dispute concerns MCP's contention that MHP is required to deliver SMHS to a Member either because the Member's condition would not be responsive to physical health care-based treatment or because MHP has incorrectly determined the Member's diagnosis to be a diagnosis not covered by MHP, MCP must manage the care of the Member under the terms of its contract with the State until the dispute is resolved. MHP must identify and provide MCP with the name and telephone number of a psychiatrist or other qualified licensed mental health professional available to provide clinical consultation, including consultation on medications to MCP provider responsible for the Member's care; or
 - 4. When the dispute concerns DMC-ODS and/or MHP contention that MCP is required to deliver physical health care-based treatment, or to deliver prescription drugs or laboratory, radiological, or radioisotope services required to diagnose or treat, DMC-ODS and/or MHP is responsible for providing or arranging and paying for those services until the dispute is resolved.
- G. Nothing in this MOU or provision constitutes a waiver of any of the government claim filing requirements set forth in Title I, Division 3.6, of the California Government Code or as otherwise set forth in local, State, or federal law.
- H. [MHP] If decisions rendered by DHCS find MCP is financially liable for services, MCP must comply with the requirements in Cal. Code Regs. tit. 9, § 1850.530.
- I. [MHP] The Parties may agree to an expedited dispute resolution process if a Member has not received a disputed service(s) and the Parties determine that the routine dispute resolution process timeframe would result in serious jeopardy to the Member's life, health, or ability to attain, maintain, or regain maximum function. Under this expedited process, the Parties will have one Working Day after identification of a dispute to attempt to resolve the dispute at the plan level. All terms and requirements established in APL 21-013 and BHIN 21-034 apply to disputes between MCP and MHP where the Parties cannot agree on the appropriate place of care. Nothing in this MOU or provision must constitute a waiver of any of the government claim filing requirements set forth in Title I, Division 3.6, of the California Government Code or as otherwise set forth in local, state, and federal law.
- J. [MHP] Once MHP receives a deferral from MCP, MHP must respond by the close of the business day following the day the deferral notice is received, consistent with Cal. Welf. & Inst. Code § 14715.

VI. REVIEW STATEMENT

The Medi-Cal Behavioral Health policies and procedures are subject to amendment at any time at the discretion and mutual agreement of the County of San Diego Behavioral Health Services Division and Managed Care Health Plans.

VII. REFERENCES

- A. MCP's Medi-Cal Managed Care Contract Exhibit A, Attachment III
- B. MHP Contract
- C. DMC-ODS Intergovernmental Agreement

- D. California DHCS Behavioral Health Information Notice (BHIN) [23-056](#) Memorandum of Understanding Requirements for Medi-Cal Managed Care Plans and Medi-Cal Mental Health Plans and [Attachment 1](#)
- E. California DHCS Behavioral Health Information Notice (BHIN) [23-057](#) Memorandum of Understanding Requirements for Medi-Cal Managed Care Plans and Drug Medi-Cal Organized Delivery System Counties and [Attachment 1](#).
- F. CalAIM Population Health Policy Guide

VIII. ATTACHMENTS

N/A

IX. REVIEW/REVISION HISTORY

First Issued: September 30, 2025