

California

Data as of July 2003

Mental Health and Substance Abuse Services in Medicaid and SCHIP in California

As of July 2003, 7,125,996 people were covered under California's Medicaid/SCHIP programs. Of those enrolled, 6,459,012 participated in the traditional Medicaid program and 666,984 were financed by a Medicaid/SCHIP §1115 waiver program. In Federal fiscal year 2001, California spent \$19.8 billion to provide Medicaid services.

In California, low-income children may be enrolled in the Medicaid program or the separate SCHIP program, based on the child's age and the family's income.

- The Medicaid program serves infants from families that earn 200 percent Federal Poverty Level (FPL) or less; children aged 1–6 from families that earn 133 percent FPL or less; and children aged 6–18 from families that earn 100 percent FPL or less.
- As an expansion of Medicaid, the SCHIP program provides one month of eligibility for children leaving Medicaid due to an increase in family income, but who still qualify for the separate SCHIP program.
- The separate SCHIP program, the Healthy Families Program (HFP), serves all uninsured children under age 19 from families with incomes of 250 percent FPL or less who do not qualify for the Medicaid program. Families with children enrolled in the program must pay a monthly premium between \$4 and \$27 that varies according to family income, the number of children in the family enrolled in the SCHIP program, and the family's choice from the community provider plan (CPP).

The California Medicaid program operates using four types of managed care entities to deliver health care services to Medicaid beneficiaries:

- California delivers primary and acute care through a comprehensive managed care organization (MCO).
- California delivers mental health services through prepaid inpatient health plans (PIHP) and dental services through prepaid ambulatory health plans (PAHP).

Both groups of beneficiaries are required to enroll in managed care. The type of managed care entity that delivers primary and acute care varies among counties. Mental health and substance abuse services are delivered according to the following:

- Mental health conditions that do not require the services of a licensed mental health care practitioner (e.g., a psychiatrist, psychologist, licensed clinical social worker [LCSW], marriage and family therapist [MFT], registered nurse [RN], or psychiatric technician [PT]) are—
 - Delivered to beneficiaries enrolled in comprehensive MCOs by the individual's MCO
 - Delivered through fee-for-service if the beneficiary is not an MCO enrollee

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- Mental health conditions that require the services of a licensed mental health care practitioner are delivered by a PIHP. There is only one mental health PIHP in each county. Currently all PIHPs are operated by the county mental health department.
- Substance abuse services are delivered through fee-for-service to all Medicaid beneficiaries.

As of July 2003, there were 6,459,012 Medicaid beneficiaries in the Medicaid program, with 3,312,307 of these enrolled in comprehensive managed care organizations, and 1,557 enrolled in a PCCM program. All Medi-Cal eligibles in the 57 participating counties are automatically enrolled in that county's PIHP that delivers only specialty mental health services. There were 159,236 enrollees participating in the specialized PAHP delivering only dental services.

Medicaid

*Who Is Eligible for Medicaid?*¹

Families and Children

1. Families with deprived children who are property eligible.²
2. Pregnant women and infants from families with incomes of 200 percent FPL or less.
3. Children aged 1–6 from families with incomes of 133 percent FPL or less.
4. Children aged 6–18 from families with incomes of 100 percent FPL or less.
5. Recipients of adoption assistance and foster care under Title IV-E of the Social Security Act; and children who were in the foster care system on their 18th birthday who remain eligible for Medicaid until their 21st birthday.
6. Refugees.

Aged, Blind, and Disabled

1. Individuals who are eligible to receive Supplemental Security Income (SSI) or California's supplementary payment.
2. All people who meet the SSI definition of disability, are blind, or are over age 65 who earn less than about 130 percent FPL.
3. All working individuals between the ages of 16 and 64 who meet the SSI definition of disability and have an income of 250 percent FPL or less. Those with incomes of 150 percent FPL or more must pay a premium that varies by income in order to participate in the Medicaid program.
4. Individuals under age 21 who are receiving active treatment as inpatients in psychiatric facilities or programs, reside in a nursing facility, or reside in an intermediate care facility for people with mental retardation (ICF-MR).

¹ California also has special programs such as transitional Medi-Cal (TMC), a tuberculosis program (TB), and dialysis.

² All must meet property limits if applicable.

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Medically Needy and Medically Indigent

Members of the following groups may qualify for Medicaid coverage as medically needy individuals if they have incomes below a limit set by the State that varies by family size (e.g., \$600 per month for a family of 1; \$934 for a family of 2 adults, etc.), or if they have sufficient medical expenses to spend down to that income level. The groups are—

- Pregnant women
- Children under age 21
- Aged, blind, and disabled (ABD)
- Caretaker relatives
- Parents with a deprived child
- Adults aged 21–64 in long-term care (LTC) who are not aged, blind, or disabled

Waiver Populations

California does not have a §1115 waiver that expands Medicaid eligibility.

What Mental Health/Substance Abuse Services Are Covered by Medicaid?

Medicaid must cover some types of services (mandatory services) and may cover some other types of services (optional services). The information presented here identifies the types of services California Medicaid covers and the coverage requirements for those services. The services are presented as they are grouped in the Medicaid State plan that California must maintain under Medicaid law. Only those types of services that include mental health or substance abuse services are discussed.

Mandatory State Plan Services

Inpatient Hospital Services		
Service	Description	Coverage Requirements
Inpatient psychiatric care	Psychiatric treatment provided in an inpatient setting, including the psychiatric ward of a general hospital	Except in an emergency, beneficiaries may not be admitted to a hospital without the prior approval of the Medicaid agency or its designated agent. <ul style="list-style-type: none">• For an emergency admission, approval may be obtained up to 10 days after admission.

Outpatient Hospital Including Rural Health Center and Federally Qualified Health Center Services		
Service	Description	Coverage Requirements
Outpatient psychiatric and substance abuse care	<ul style="list-style-type: none">• Services provided in the outpatient department of a hospital or in an organized clinic, including the following services—<ul style="list-style-type: none">– Psychology– Physician (with psychiatric specialty designation)• Detoxification by the use of methadone may be carried out only in an inpatient or outpatient facility approved by the California State Department of Alcohol and Drug Programs.	<ul style="list-style-type: none">• Beneficiaries may not receive outpatient heroin detoxification services without the prior authorization of the Medicaid agency.• Beneficiaries may not receive more than 8 psychiatry visits within a 120-day period without the prior authorization of the Medicaid agency.• All services provided in an outpatient department or hospital clinic must meet the same coverage requirements as those provided in another setting.

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	<ul style="list-style-type: none"> All heroin detoxification services must be performed by or under the supervision and orders of a licensed physician. 	
Federally Qualified Health Centers (FQHCs) and Rural Health Centers (RHCs)	<ul style="list-style-type: none"> Mental health and substance abuse services that would be covered if provided by a physician. FQHCs/RHCs visits are excluded from county mental health programs. 	Services provided by an FQHC or RHC must meet the same requirements as those provided by a physician.

Physician Services		
Service	Description	Coverage Requirements
Physician services	Services, including psychology services, performed by a physician acting within his/her scope of practice as defined in State law	<ul style="list-style-type: none"> Beneficiaries may not receive more than 8 psychiatry visits within a 120-day period without the prior authorization of the Medicaid agency The service must be within the physician's scope of practice.

Early Periodic Screening, Diagnosis, and Treatment (EPSDT) Services to Children Under 21		
Service	Description	Coverage Requirements
Early Periodic Screening, Diagnosis, and Treatment (EPSDT) Mental Health Services	Services including rehabilitative mental health services for seriously emotionally disturbed children, including: collateral, assessment, individual therapy, group therapy, medication service, crisis intervention, day care intensive, day care rehabilitation, and therapeutic behavioral services (TBS). The services are offered in local mental health clinics or in the community.	<ul style="list-style-type: none"> Services must be needed to treat or ameliorate a condition identified in an EPSDT screen. The beneficiary must be under age 21. For all PIHP services, beneficiaries must meet medical necessity criteria consisting of clearly identified diagnoses and functional impairments requiring the services of a psychiatrist, psychologist, LCSW, MFT, RN, and/or PT.
Local Education Agency (LEA) Services	Services provided by a local education agency as part of an individual education plan (IEP), including psychology assessment and treatment services	<ul style="list-style-type: none"> Services must be needed to treat or ameliorate a condition identified in a EPSDT screen. The beneficiary must be under age 21. The service must be part of an individual education plan (IEP). Beneficiaries may not receive more than 2 LEA services per month (24 per year) without the prior approval of the Medicaid agency or its designated agent.

Optional State Plan Services

Other Licensed Practitioners		
Service	Description	Coverage Requirements
Psychology	Services provided by a psychologist practicing within his/her scope of practice, including individual, group, and family counseling, as well as psychological testing	Beneficiaries may not receive more than two psychological services per month.

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Inpatient Psychiatric Services (for persons under the age of 22)		
Service	Description	Coverage Requirements
Inpatient psychiatric facility services for individuals under 22 years of age	Psychiatric treatment provided in an inpatient psychiatric facility	<p>Except in an emergency, beneficiaries may not be admitted to a hospital without the prior approval of the Medicaid agency or its designated agent.</p> <ul style="list-style-type: none"> In an emergency, approval for the admission may be obtained after admission.

Rehabilitative Services		
Service	Description	Coverage Requirements
Mental health services	<ul style="list-style-type: none"> The State Department of Mental Health implements the Specialty Mental Health Services Consolidation for Medi-Cal and in most cases, mental health services are provided by county mental health departments. Medical or remedial services are provided for the maximum reduction of mental disability and restoration of a beneficiary to his/her best possible functional level. Under Title 22 CCR §51305 and §51309, services include— <ul style="list-style-type: none"> Individual and group mental health services Crisis intervention Crisis stabilization Medication management Day treatment intensive Day rehabilitation Short-term crisis residential treatment Adult residential treatment Psychiatric health facility (PHF) services The mental health services listed above are provided by or under the supervision of psychiatrist, psychologist; LCSW, MFT, RN, or a PT, when functioning within their licensed scope of practice. 	<ul style="list-style-type: none"> Beneficiaries must meet medical necessity criteria consisting of clearly identified diagnoses and functional impairments requiring the services of a psychiatrist, psychologist, LCSW, MFT, RN, and/or PT. Beneficiaries may only receive services that are part of a coordinated client treatment plan signed by a physician. Rehabilitative mental health services are provided in the least restrictive setting appropriate for maximum reduction of psychiatric impairment and restoration of functioning.
Substance abuse services	<p>Services to stabilize and rehabilitate patients who have a substance-related disorder, including³—</p> <ul style="list-style-type: none"> Day Rehabilitative treatment Methadone maintenance, levo-alpha-acetyl-methadol (LAAM), and naltrexone treatment Narcotic treatment program Outpatient drug treatment Perinatal residential substance abuse services Substance abuse treatment for 	<ul style="list-style-type: none"> Beneficiaries may only receive outpatient heroin detoxification after receiving prior authorization from the Medicaid agency. Daily treatment is only covered through the 21st day. Services are only provided as part of a coordinated patient, treatment, or service plan approved by a licensed physician. (Only crisis services may be provided without a service plan.) Services must be provided by or under the supervision of a qualified substance abuse

³ Please refer to Department of Alcohol and Drug programs (Title 22 California Code of Regulations §51341 and §51341.1) for more specifics on Medi-Cal services.

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	pregnant women	treatment professional functioning within the scope of his/her practice.
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Targeted Case Management		
Service	Description	Coverage Requirements
Targeted Case Management (TCM)	<p>Services to assist individual Medicaid beneficiaries to access needed medical, social, educational, and other services. Service activities include—</p> <ul style="list-style-type: none"> • Evaluation • Plan development • Emergency intervention • Placement services • Assistance in daily living • Linkage and consultation 	<ul style="list-style-type: none"> • To qualify for TCM services, a beneficiary must— <ul style="list-style-type: none"> – Be or have been hospitalized for psychiatric care in an inpatient facility, or admitted to a skilled nursing facility, and judged appropriate for a different level of care. – Be at risk of being admitted for psychiatric care to an inpatient facility, psychiatric health facility, or a skilled nursing facility; but be appropriate for care in a nonmedical facility. – Be a mentally disabled individual living with family, a significant other, or in an independent or semi-independent living arrangement who needs support services to maintain stability at this level. – Be a mentally disabled individual who requires care and supervision in a licensed nonmedical community care facility. – Be a severely emotionally disabled child or adolescent at risk of needing out-of-home placement. – Be a mentally disabled child or youth who does not fall into the target groups previously cited, but who is perceived to be in need of guidance and assistance to secure appropriate treatment and care. • The agency providing the TCM services must verify the need for services within 60 days of the beneficiary's admission for case management service, and at least every 6 months thereafter.

SCHIP Medicaid Expansion Program

Who Is Eligible for the SCHIP Medicaid Expansion Program?

California's SCHIP Medicaid expansion program serves all children from families that earn 250 percent FPL or less, but who do not otherwise qualify for Medicaid. In other words, two groups of children are covered in this program:

1. All children through age 18 who would qualify for Medicaid based on income, but have assets above the Medicaid limit that range from \$2,000 and upwards depending on family size
2. Children leaving Medicaid due to an increase in family income, but who still qualify for one month of eligibility in the separate SCHIP program.

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What Mental Health/Substance Abuse Services Are Covered by the SCHIP Medicaid Expansion Program?

Service coverage in the SCHIP Medicaid Expansion Program is identical to coverage in the Medicaid program described in the previous section.

Separate SCHIP Program

Who Is Eligible for the Separate SCHIP Program?

The Separate SCHIP program, called the Healthy Family Program (HFP), serves the following groups of children—

1. Uninsured children from birth through 1 year from families with incomes of 200 to 250 percent FPL
2. Uninsured children aged 1–5 from families with incomes of 133–250 percent FPL
3. Uninsured children aged 6–19 from families with incomes of 100–250 percent FPL

Families with children enrolled in the SCHIP program must pay a monthly premium as follows—

1. \$4 to \$7 per child, up to a maximum of \$14 per family, if the family's income is between 100 and 150 percent FPL
2. \$7 to \$9 per child, up to a maximum of \$27 per family, if the family's income is between 151 and 250 percent FPL

What Mental Health/Substance Abuse Services Are Covered by the Separate SCHIP Program?

Mental health/substance abuse benefits in the HFP are modeled after the health coverage provided to California's State employees under California's benchmark plan, the California Public Employees' Retirement System (CalPERS). Two systems provide mental health services to HFP subscribers. The HFP participating health plans provide basic mental health services and medically necessary treatment of severe mental illness to beneficiaries who do not have a dual diagnosis of severe emotional disturbance (SED) and either developmental disability or substance abuse disorder. If a child is thought to be SED, the HFP subscriber is referred to the county mental health department for a SED evaluation. If the county mental health department determines that the child meets SED criteria, it will assume responsibility for treatment of SED. The first 30 days of inpatient services per benefit year, however, will be covered under the HFP participating health plan.

Inpatient		
Service	Description	Coverage Requirements
Mental health	Diagnosis and treatment of mental illness in an inpatient	<ul style="list-style-type: none">• Inpatient services are provided without limit for serious mental illnesses (SMI).

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	hospital setting	<ul style="list-style-type: none"> For members with a serious emotional disturbance (SED), the plan will provide up to 30 days of inpatient services. After 30 days, responsibility for providing inpatient and related professional services to the member transfers to the county mental health department. For nonSMI and nonSED members, inpatient mental health care is limited to 30 days per benefit year. With the agreement of the member, or the member's legal guardian or other responsible adult, and if appropriate, any of the following may be substituted for 1 day of inpatient care— <ul style="list-style-type: none"> 2 days of residential treatment 3 days of day care treatment 4 days of outpatient visits
Substance abuse	Detoxification services provided in an inpatient hospital setting	Hospitalization for alcoholism or drug abuse as medically appropriate to remove toxic substances from the system

Outpatient (Office Visits)		
Service	Description	Coverage Requirements
Mental health	Diagnosis and treatment of mental illness in a setting other than an inpatient hospital	<ul style="list-style-type: none"> Outpatient services are provided without limit for serious mental illness. For members with SED, outpatient visits pertaining to the SED condition will be provided by the county mental health department. Outpatient treatment for all nonSMI and nonSED conditions is limited to 20 outpatient services benefits per year. Participants must meet coverage requirements established by their health plan.
Substance abuse	Mental health and substance abuse services provided in any setting other than an inpatient or residential setting	<ul style="list-style-type: none"> Crisis intervention and treatment of alcoholism or drug abuse is provided on an outpatient basis as medically necessary. Twenty visits per benefit year. Additional visits may be covered if approved and authorized by the health plan.

Local County Department of Mental Health Services to SED Children		
Service	Description	Coverage Requirements
Mental health	Mental health services needed to treat a child with a confirmed SED condition	If the child is suspected to have SED, the child is referred to the appropriate county mental health department for an SED assessment. If the mental health department determines that the child meets the SED criteria, the local county mental health department will authorize the delivery of medically necessary health care services to treat a child with a SED condition.