

SANTA CRUZ COUNTY
Behavioral Health Services

POLICIES AND PROCEDURE MANUAL

**Subject: Initial and Concurrent Authorization
for Medi-Cal Crisis Residential and Adult
Residential Services**

Policy Number: 3424

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Replaces: 12/18/2020

Responsible for Updating:
Quality Improvement Director,
Adult Behavioral Health Director

Approval:


Behavioral Health Director

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Date

BACKGROUND:

Santa Cruz County Behavioral Health Services (BHS), a Mental Health Plan (MHP), is required to operate a utilization management (UM) program that ensures Medi-Cal beneficiaries have appropriate access to SMHS. The UM program must evaluate medical necessity, appropriateness, and efficiency of services provided to beneficiaries prospectively, such as through initial or concurrent authorization procedures, or through retrospective authorization procedures. Benefits on conducting concurrent reviews include, but not limited to, timely intervention to reduce risk of adverse outcomes, identification of potential patient safety issues and to ensure active treatment planning and that discharge planning is occurring.

BHS is responsible for certifying that claims for all covered SMHS meet federal and state Requirements. MHPs provide or arrange for the provision of medically necessary SMHS to Medi-Cal beneficiaries that meet criteria for SMHS, and approve and authorize these services according to state requirements and as outlined in BHIN 21-073. This policy focuses on UM practices for psychiatric crisis residential and adult residential authorization activities, whereas **Policy 3422 MHP Outpatient Utilization Review Committees** focused on the retrospective UR activity.

SCOPE:

Policy pertains to Santa Cruz County Behavioral Health Services (BHS), also known as the Mental Health Plan (MHP), and MHP contracted residential program staff who refer and/or authorize a Medi-Cal beneficiary for psychiatric crisis residential and/or adult residential level of care services based on medical necessity and SMHS criteria. This policy was developed in collaboration with MHP stakeholders and shall be reviewed and evaluated at least annually. This policy, and/or the content within the policy, will be available to both MHP beneficiaries and network providers on the BHS website.

PURPOSE: To establish requirements, in compliance with the Parity Rule, for initial and concurrent authorization of Specialty Mental Health Services (SMHS) regarding psychiatric crisis residential and adult residential services.

POLICY: BHS shall approve SMHS based on medical necessity and access criteria determination (see **Policy 2103 – Access to SMHS Medical Necessity and Other Coverage**). In addition to determination of medical necessity and access criteria, BHS staff will conduct initial authorization and concurrent authorization approvals for high level of care services, including psychiatric crisis residential and adult residential services.

DEFINITIONS:

1. **MHP:** The Mental Health Plan is defined as Santa Cruz County Behavioral Health Services (BHS) and contracted network partners who participate in County Utilization Management (UM) Program activities.
2. **Beneficiary Eligibility:** An eligible beneficiary is defined as an individual who is enrolled in Medi-Cal and who meets the medical necessity and access criteria for Specialty Mental Health Services. MHP is also the responsible paying county for un-insured, also referred to as indigent, individuals who have proof of residency within Santa Cruz County.
3. **Housing Council:** Housing Council is a multi-agency MHP network collaborative structure that is managed and facilitated by the MHP to prioritize, authorize and coordinate placements for CRTS, ARTS and board and care settings. MHP Adult MH Management, or designated supervisory staff, facilitates the Housing Council and triages referrals which serve as the initial authorization based on medical necessity for the appropriate level of care and initial duration of services.

Employees of the MHP approved to initiate referrals are approved by the Director of Adult MH Services or in the case of a contracted provider agency, designated by the Contractor.

4. **UM Program:** MHP's UM program activities are conducted by licensed health care professionals, and who have appropriate clinical experience in determining medical necessity and access criteria, within MHP's Quality Improvement (QI). UM program shall establish appropriate limits on a service based on medical necessity, or for the purpose of utilization control, provided that the services furnished are sufficient in amount, duration or scope to reasonably achieve their purpose and that services for beneficiaries with ongoing or chronic conditions are authorized in a manner that reflects the beneficiaries ongoing need for such services and supports. The UM program shall receive and review approved referrals for an initial authorized stay, and conduct a follow-up concurrent review activity to reauthorize medically necessary CRTS and ARTS services based on beneficiary's continued need for services, and when indicated, consultation with the referring program as well as the program serving the beneficiary.
5. **Service Authorization:** Authorization of Specialty Mental Health Services (SMHS) authorized services are based on medical necessity and appropriately cover service scope, duration, and frequency. Provider service requests will be evaluated on set

criteria for crisis residential and adult residential level of care appropriateness, including admission, continued stay, and discharge criteria.

6. **Service Denial or Modification:** Provider service requests that do not meet the service authorization criteria shall receive a written provider letter, or Notice of Adverse Benefit Determination (NOABD), from MHP QI UM Program that explains the reason for either a denial or modification of the requested services.
7. **Crisis Stabilization Program (CSP):** A CSP provides short-term psychiatric crisis stabilization services, lasting less than 24 hours, for beneficiary who's condition requires more intense observation and supervision for evaluation and stability determination. Crisis stabilization service goals include a comprehensive assessment, stabilization of the crisis and restoring the individual's level of functioning for transition to a lower level of care or back into community-based services. Crisis stabilization is distinguished from crisis intervention by being delivered by providers who meet the CCR Title 9 regulatory requirements of a CSP. MHP contracts with Telecare CSP to conduct crisis stabilization services for Santa Cruz County. Telecare CSP is the designated receiver of involuntary 5150/5585 72 -hour evaluation holds and has the authority to release 5150/5585 holds when indicated after conducting an assessment.
8. **Inpatient Psychiatric Setting:** An inpatient psychiatric hospital or Psychiatric Health Facility (PHF) provides acute level of care services until an individual can be safely treated at a lower level of care. Such setting may discharge to a CRTS or ARTS setting. For the purpose of this policy, this setting shall be referred to as "IP".
9. **Crisis Residential Treatment Services (CRTS):** CRTS are designed to serve as an alternative to unnecessary hospitalization and/or post hospital structured rehabilitation setting. CRT settings serve individuals who are experiencing acute psychiatric episode or crisis and whose adaptive functioning is moderately impaired. CRTS are available 24 hours a day, seven days a week, and offer short-term (up to 30 days), intensive and supportive structure in a home-like environment through an active multi-disciplinary rehabilitation program. A CRTS shall adhere to CCR Title 9 program requirements and have active certification by BHS for Medi-Cal outpatient MH services, as a delegate of CA Department of Health Care Services (DHCS), and CA Department of Social Services, Community Care Licensing Division. Initial referrals from BHS for CRTS shall be for an initial authorization period of up to 10-days prior to concurrent review. Nothing shall preclude the beneficiary from being discharged or transferred from the program prior to the initial 10-days based on the needs of the beneficiary.
10. **Adult Residential Treatment Services (ARTS):** ARTS are designed to serve individuals who need intensive treatment structure in a home-like environment because of their mental/emotional state and are at risk of hospitalization. ARTS include daily multi-disciplinary team support focused on rehabilitation and recovery of functioning skills. An ARTS shall adhere to CCR Title 9 program requirements and have active certification by BHS for Medi-Cal outpatient MH services, as a delegate of CA Department of Health Care Services (DHCS), and CA Department of Social Services, Community Care Licensing Division. Initial referrals from BHS for CRTS shall be for an initial authorization period up to 30 to 45 days prior to review, or less based on capacity needs within the system and/or the needs of the individual. Nothing shall preclude the

beneficiary from being discharged or transferred from the program prior to the initial authorization period based on the needs of the beneficiary.

PROCEDURES:

1. Eligibility Verification

- a. Beneficiary service authorizations shall be based on medical necessity, SMHS criteria and beneficiary eligibility.
- b. MHP shall accept authorization referrals for individuals with Santa Cruz County Medi-Cal or who are indigent and have proof of Santa Cruz County residency.
- c. If an admitted individual is not linked to Santa Cruz County Medi-Cal (County # 44) or does not have proof of residency, the contracted facility shall be responsible to coordinate authorization and payment with the county of responsibility.
- d. If an admitted individual has other primary insurance, the contracted facility shall be responsible to coordinate authorization and payment with the primary insurer, as Medi-Cal is the payer of last resource. Santa Cruz County UM may retroactively review these cases for medical necessity and payment, requiring a copy of the Evidence of Benefit (EOB) from the primary insurance included with the submitted chart records.

2. Placement Eligibility

- a. MHP contracts with both crisis residential and adult residential settings for Specialty Mental Health Services (SMHS). Services are designed to serve as an alternative to unnecessary hospitalization and/or post hospital structured rehabilitation setting. Specific placement requirements include:
 - i. Crisis Residential Treatment Setting shall accept:
 1. Medi-Cal and Medi-Cal eligible (or pending) Santa Cruz County residents who are 18 years of age or older.
 2. Individuals who are connected, or not connected, to MHP services SMHS
 3. Individuals who voluntarily agree to placement and meet state and federal admission requirements.
 - ii. Adult Residential Treatment Setting shall accept:
 1. Medi-Cal and Medi-Cal eligible (or pending) Santa Cruz County residents who are 18 years of age or older.
 2. Individuals who are connected to MHP services SMHS and have an assigned MHP Care Coordinator.
 3. Individuals who voluntarily agree to placement and meet state and federal admission requirements.

3. Housing Council Referrals and Initial Authorizations

- a. Housing Council shall prioritize placement requests according to medical necessity and need of the beneficiary. Placement requests may be a step-up or step-down in level of care recommendation to CRTS or ARTS from a council stakeholder. Reason for referral may include:
 - i. Step-up: Beneficiary at risk of losing housing due to decrease in functioning, increase in MH symptoms causing disruptive behaviors; or

- ii. Step-down: Beneficiary level of functioning and/or MH symptoms and behaviors have improved and no longer needs current IMD placement yet requires CRTS or ARTS to support ongoing stabilization and re-entry into community-based supports.
- b. Housing Council CRTS or ARTS requests or a direct referral from outside the MHP to Adult MHP management or designee, are evaluated for approval by MHP Adult MH Management, Supervisor, or a designated delegate(s) in the form of a MHP approved referral or denial.
 - i. MHP Adult MH Management, Supervisor, or designee shall review referrals in Housing council or when submitted and determine medical necessity for the initial authorization to a CRTS or ARTS level of care.
 - ii. MHP shall notify the beneficiary of any denial or modification of authorization request in writing in accordance with **Policy 3223: Notice of Adverse Benefit Determination (NOABD)** procedures, including appeal process.
 - iii. Approved referrals will be submitted by CRTS or ARTS designee to MHP UR Coordinator for initial authorization and duration.
- c. **Requests for Crisis Intervention Services:** Crisis Intervention Services, including services provided at the Crisis Stabilization Program (CSP), do not require a pre-authorization. Level of care determinations are made within the program and do not require further review absent a referral to an ARTS or CRTS for follow-up care under this policy.

4. Inpatient Stay Discharge Referrals and Initial Authorization

- a. Inpatient facilities may develop a discharge plan to a CRTS or ARTS setting based on the medical necessity determination that the discharging individual required continued services and support in a structured treatment setting due to safety risk if discharged to home and community-based services.
- b. Inpatient facilities shall coordinate with appropriate placement setting for bed availability and potential placement.
- c. Inpatient facility shall contact the designated MHP Manager, Supervisor, or delegate, for placement referral authorization. (see Referral Authorization section below)

5. Crisis Residential Treatment Services Placement and Adult Residential Treatment Services Placement

- a. Admission Criteria:
 - i. The beneficiary, on voluntary status, must meet the placement and medical necessity criteria for admission to a crisis residential setting for services.
 - A. Have an included diagnosis;
 - B. Has symptoms or behaviors due to a mental disorder that
 - 1. Present a risk to the person's mental health or physical health; or
 - 2. Represent a current need for ongoing stabilization within a structured home-environment setting, including medication stabilization; or
 - 3. Prevent the person from providing for, or utilizing food, clothing or shelter;

- C. Cannot be safely treated at a lower level of care.
- b. Placement authorization follows the same process for CRTS and ARTS detailed above.

Discharge

- i. CRTS or ARTS provider shall document discharge efforts, including the contacts made at appropriate facilities or Housing Council, including the status of the placement, date of the contact, and the signature of the person making the contact.
- ii. CRTS or ARTS provider shall document in the medical records when there is a discharge barrier due to lack of appropriate discharge placements for the beneficiary's current needs and level of functioning.

6. MHP Continued Authorization of CRT or ART Services (UM Concurrent Review)

- a. Continued services shall be reimbursed when a beneficiary experience one of the following:
 - i. Continued presence of indications that meet the medical necessity criteria;
 - ii. Serious adverse reaction to medications or treatment intervention requiring continued stabilization at level of care;
 - iii. Presence of new indications that meet medical necessity criteria;
 - iv. Need for continued stabilization or treatment that can only be provided if the beneficiary remains in the residential setting; and,
 - v. Due to a lack of appropriate discharge setting, for example a step-down program or housing in the community, there will be a significant risk to the beneficiary's current stability with a high probability of deterioration which requires a continued stay in the program until an alternative plan can be developed. Lack of Housing in and of itself shall not be sufficient to constitute a need for continued stay.
 - 1. There must be evidence that the beneficiary will deteriorate without a continued stay due to the lack of available step-down program.
- b. MHP UM Concurrent Review Activities
 - 1. MHP shall ensure that furnished services meet medical necessity for residential criteria through review of CRTS or ARTS documented records sufficient to determine medical necessity.
 - a) MHP shall base medical necessity determination for continued stay on criteria listed above and review of the treating provider's admission evaluation, treatment plan and goals, treatment progress notes and treating physician's notes.
 - 2. MHP UM shall record all received initial and concurrent authorization approval decisions and document UM activities, including but not limited to, medical necessity justification, approval date range or denial/modification date, next scheduled concurrent review appointment, and any peer review information.
 - 3. MHP and CRTS or ARTS UM delegates shall establish ongoing concurrent review sessions. If CRTS or ARTS, fail to conduct concurrent reviews as scheduled, the MHP may deny continued stay authorization.

4. MHP UM may concurrently authorize multiple days based on the submitted request if each authorized day meets admission and/or continued stay medical necessity criteria.
5. In cases where the MHP determines medical necessity criteria is not met, yet the CRTS/ARTS believes criteria is met, the MHP shall initiate physician, or delegate, consultation to resolve authorization dispute.
6. The CRTS/ARTS shall document a lack of appropriate discharge placements for the individual in the medical records when detailing the significant risk to the beneficiary's current stability without a continued stay in the program until an alternative plan can be developed.
7. MHP shall collect and document the CRTS/ARTS placement activity, as well as additional psych-social clinical disposition information, as justification for continued stay approval criteria.
8. MHP UM's decisions to approve, modify or deny provider authorization requests shall be communicated to the CRTS/ARTS UM designee, in writing within 24 hours of the decision.
9. MHP shall notify the beneficiary of any denial or modification of authorization request in writing in accordance with **Policy 3223: Notice of Adverse Benefit Determination (NOABD)** procedures, including beneficiary appeal process.
 - i) The lack of appropriate, non-acute treatment facilities and the contacts made at appropriate facilities shall be documented to include the status of the placement, date of the contact, and the signature of the person making the contact.

7. Utilization Review (UR)

- a. MHP is required to certify that submitted claimed services for Specialty Mental Health Services (SMHS) meet federal and state reimbursement requirements, including medical necessity. Utilization Management (UM) activities shall not prohibit BHS from conducting utilization review (UR) and/or auditing activities.
- b. Utilization review services conducted by MHP Quality Improvement, including retroactive documentation auditing of residential medical records, shall continue as a separate function in accordance with state and federal requirements. (see **Policy 3422: Outpatient UR Committees for Adults and Children Services**).
- c. CRTS and ARTS settings continue to participate in monthly MHP UR activities, including medical record reviews. UR staff shall adhere to UR standards based on state and federal requirements. UR may result in denied/disallowed services based on insufficient medical necessity justification in the submitted documentation.

8. Appeals of UR Decision

- a. CRTS and ARTS facilities may utilize the appeal process in accordance to state and federal requirements when in disagreement with the UR findings.
- b. All UR appeals shall be conducted by the Quality Improvement Director, or designated delegate, and include an independent review of the facility's submitted documentation for the appealed dates of service.
- c. An outcome letter shall be submitted to the facility representative who submitted the appeal, and the authorization of services shall be modified in accordance with the findings.

PRIOR VERSIONS: 08/01/2019, 12/18/2020

REFERENCES: CCR, tit. 9, §§ 1820.205 and 1820.225, 42 CFR, Parts 438, 440, 456, and 457 as amended March 30, 2016, as published in the Federal Register (81 Fed. Reg. 18390); Medicaid Mental Health Parity and Addiction Equality Act Compliance Plan October 2, 2017; MHSUDS IN 22-016; BHIN 21-073; Policy 2103; Policy 2201; Policy 3223 ; Policy 3422.

FORMS/ATTACHMENTS: Initial Authorized Referral form, Current Residential Authorization form