State of California
Office of Administrative Law

In re:

Department of Mental Health

Regulatory Action:

Title 9 , California Code of Regulations

APPROVED:
Adopt Sections: 1850.350(a), 1850.350(b), 1850.350(c)
Amend Sections:1810.203.5(d)
Repeal Sections:

WITHDRAWN:
Adopt Sections: 1850.350(d), 1850.350(e), 1850.350(f)
Amend Sections:
Repeal Sections:

NOTICE OF APPROVAL IN PART AND WITHDRAWAL IN PART

Government Code Sections 11349.1, 11349.3

OAL File No. 2010-0524-01 S

This rulemaking action establishes in Title 9 of the California Code of Regulations a progressive (mandatory informal followed by option formal appeal) appeals process for mental health plan program reviews which result in payment disallowances and plans of correction. The appeals process enables mental health plan subcontractors to pursue appeals directly to the Department of Mental Health themselves and without having to go through the mental health plan. The rulemaking adopts the provisions of Title 22 California Code of Regulations sections 51016 through 51048 to govern the conduct of formal appeals.

The following sections were approved by OAL pursuant to section 11349.3 of the Government Code. California Code of Regulations sections(s): 1810.203.5(d), 1850.350(a), 1850.350(b), 1850.350(c). These sections become effective on 8/6/2010.

The following section(s) were withdrawn from OAL review pursuant to Government Code section 11349.3(c): section(s): 1850.350(d), 1850.350(e), 1850.350(f).

Date: 7/7/2010

Dale P. Mentink
Senior Staff Counsel

For: SUSAN LAPSLEY
Director

TITLE 9. REHABILITATIVE AND DEVELOPMENTAL SERVICES

DIVISION 1. DEPARTMENT OF MENTAL HEALTH

CHAPTER 11. MEDI-CAL SPECIALTY MENTAL HEALTH SERVICES

Amend Section 1810.203.5 to read:

1810.203.5 Appeal

"Appeal" means:

(a) *No Change*

(b) *No Change*

(c) *No Change*

(d) A request by an MHP and/or MHP subcontractor for review of client record review findings that resulted in the disallowance of paid claims.

NOTE: Authority cited: Section 14680, Welfare and Institutions Code. Reference: Section 5778, 14684, Welfare and Institutions Code; and Title 42, Code of Federal Regulations, Part 438, Subpart F.

Adopt Section 1850.350 to read:

Section 1850.350 MHP/MHP Subcontractor Client Record Review Findings Appeal Process.

(a) MHP and MHP subcontractor appeals process

(1) The appeal process consists of:

(A) An informal appeal process as specified in section 1850.350 (b).

(B) A formal appeal process.

(2) The appeal process may only be used for disallowances of paid claims resulting from client record review findings.

(b) The informal appeal shall be conducted by a Department review officer to clarify or resolve facts and issues in dispute.

(1) An informal appeal request by an MHP or MHP subcontractor shall be made in writing to the Department within 60 calendar days following the receipt of the client record review findings in dispute.

(2) The informal appeal request shall include:

(A) Written documentation supporting the rationale for the informal appeal for each disallowance in dispute.

(B) Other supporting information and/or material to be considered by the Department.

(C) A contact name, phone number and address.

(D) A statement of whether the MHP or MHP subcontractor requests that a decision be made solely upon the written documentation submitted or in conjunction with a telephone or face-to-face conference.

(3) If an MHP subcontractor is requesting the informal appeal, the MHP subcontractor shall notify the MHP at the same time of filing the request with the Department by sending the MHP:

(A) A copy of the request

(B) Complete documentation supporting the rationale for the appeal.

(4) If an MHP is requesting an informal appeal regarding a matter involving an MHP subcontractor, the MHP shall notify the MHP subcontractor at the same time of filing the request with the Department by sending the MHP subcontractor:

(A) A copy of the request

(B) Complete documentation supporting the rationale for the appeal.

(5) The Department shall render the informal appeal decision in writing based on the information provided within 30 calendar days:

(A) Of receipt of the informal appeal request if the MHP or MHP subcontractor has requested a decision based solely on the written documentation submitted. The date of receipt shall be the date stamped as received by the Department.

or

(B) Of conclusion of the telephone or face-to-face conference, if requested.

(6) Decisions rendered are considered final unless a formal appeal is requested by the entity initiating the informal appeal.

(c) A request for a formal appeal shall be filed, with the State Agency indicated in the informal appeal decision notification, within 30 calendar days of the date of issuance of the decision.

(1) Requests for formal appeal may only be filed after the Department of Mental Health has issued a written decision regarding an informal appeal on the same matter.

(2) Requests for a formal appeal may only be filed by the entity that initiated the informal appeal.

(3) At the same time as specified in section (c), a copy of the request shall be provided by the appellant to the following:

(A) The Department of Mental Health.

(B) The MHP, if an MHP subcontractor is requesting the formal appeal.

(C) The MHP subcontractor, if an MHP is requesting the formal appeal regarding a matter involving an MHP subcontractor.

NOTE: Authority cited: Section 14680, Welfare and Institutions Code. Reference: Sections 5775, 5776, 5778, 14171, Welfare and Institutions Code.