STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

PETE WILSON, *Governor*

DEPARTMENT OF MENTAL HEALTH
– 9TH STREET
RAMENTO, CA 95814
(916) 654-2309

February 6, 1995

DMH INFORMATION NOTICE NO.: 95-03

TO: LOCAL MENTAL HEALTH DIRECTORS
LOCAL MENTAL HEALTH PROGRAM CHIEFS
LOCAL MENTAL HEALTH ADMINISTRATORS
COUNTY ADMINISTRATIVE OFFICERS
CHAIRPERSONS, MENTAL HEALTH ADVISORY BOARDS

SUBJECT: PSYCHIATRIC INPATIENT HOSPITAL SERVICES WAIVER

REFERENCE: RESCINDS AND REPLACES DMH INFORMATION NOTICE 94-18 (DEC. 30, 1994)

EXPIRES: Retain Until Rescinded

The Department of Mental Health has been advised by the Health Care Financing Administration (HCFA) that a decision regarding approval of the Freedom of Choice Waiver for Psychiatric Inpatient Hospital Services has been delayed. Although we anticipated approval of the waiver by January 19, 1995, HCFA has indicated that it requires additional time to study the issues contained in the waiver request. HCFA has also indicated that a decision is anticipated by March 1, 1995.

Mental Health Plans (MHPs) will continue to implement the following policy until further notice regarding Fee-For-Service Medi-Cal psychiatric inpatient hospital service consolidation:

1) Since there is currently no Freedom of Choice Waiver in effect, MHPs may <u>not</u> restrict <u>planned</u> psychiatric inpatient hospital admissions to contract facilities during this period of time.

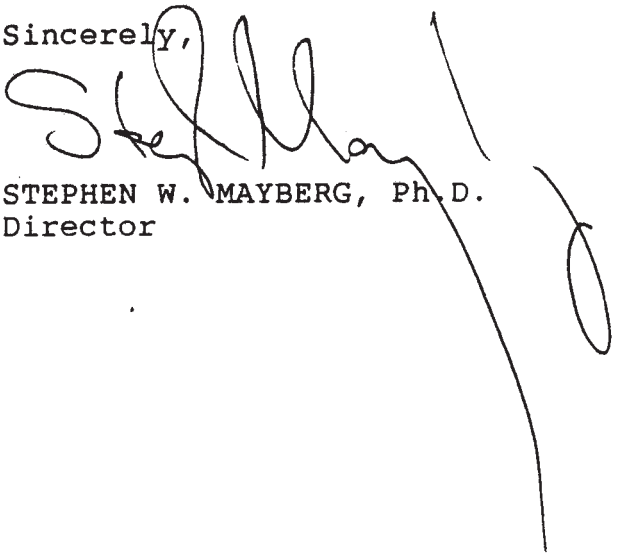
2) Until the appropriate federal waiver is in effect, MHPs may <u>not</u> involuntarily transfer Medi-Cal beneficiaries between hospital providers. However, such transfers may occur with consent of the beneficiary.

We will inform all Local Mental Health Directors by fax as soon we receive word on approval of the waiver.

In summary, although a decision on approval of the waiver has not yet been made, this will not affect implementation of Inpatient Consolidation, except as noted above. MHPs continue to have responsibility for authorization of Medi-Cal psychiatric inpatient hospital services effective January 1, 1995.

If you should have any questions, you may contact George Bukowski, Chief, Managed Care Implementation, at (916) 654-5691.

Sincerely,



STEPHEN W. MAYBERG, Ph.D.
Director

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