

AMENDED IN SENATE APRIL 7, 2015

**SENATE BILL**

**No. 296**

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**Introduced by Senator Cannella**

February 23, 2015

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An act to add Section 14727 to the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

SB 296, as amended, Cannella. Medi-Cal: specialty mental health services: documentation requirements.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services, including specialty mental health services. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. In order to facilitate the receipt of medically necessary specialty mental health services by a foster child who is placed outside of his or her county of original jurisdiction, existing law requires the department to create a standardized set of documentation standards and forms.

This bill would require the department, in consultation with specified stakeholders, to develop a single set of service documentation requirements for the provision of specialty mental health services by ~~March 31, 2016~~, *January 1, 2017*, for use commencing July 1, ~~2016~~, *2017*, and would require the department to update the documentation requirements no less than every 2 years. The bill would generally prohibit counties from requiring additional documentation requirements for Medi-Cal specialty mental health services that go beyond the documentation requirements developed by the department.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. The Legislature finds and declares all of the  
2 following:

3 (a) Counties and private providers that contract for service  
4 delivery estimate that over 40 cents out of every dollar spent on  
5 Medi-Cal mental health services goes to paperwork to document  
6 that the services meet federal billing standards and to avoid  
7 potential state audit disallowances.

8 (b) A national expert reviewed what counties in California were  
9 requiring of providers and noted that it took 20 minutes of  
10 documentation to prepare progress notes for a single session of  
11 psychotherapy, as compared to an estimated five minutes in other  
12 states.

13 (c) State guidelines on billing are not significantly different  
14 from the requirements of other states, however, counties have  
15 added other documentation requirements based on the fear that  
16 interpretations of the guidelines during audits may result in some  
17 services being disallowed if the additional documentation is not  
18 included.

19 (d) In order to eliminate this pattern, it is necessary for the State  
20 Department of Health Care Services to develop a single set of  
21 documentation requirements, in consultation with counties and  
22 providers, that limits audit disallowances to circumstances clearly  
23 spelled out in the requirements.

24 SEC. 2. Section 14727 is added to the Welfare and Institutions  
25 Code, immediately following Section 14726, to read:

26 14727. (a) The State Department of Health Care Services shall  
27 consult with counties, providers, national experts, other states, and  
28 other stakeholders to develop a single set of service documentation  
29 requirements for the provision of specialty mental health services.

30 (b) The documentation requirements developed pursuant to this  
31 section shall do all of the following:

32 (1) Minimize time and paperwork required of counties and  
33 providers, consistent with federal standards and practices of other  
34 states.

35 (2) Eliminate duplicative or outdated requirements.

1 (3) Reflect outcome reporting requirements developed pursuant  
2 to the performance outcome system for Early and Periodic  
3 Screening, Diagnosis, and Treatment mental health services  
4 developed pursuant to Section 14707.5.

5 (c) The documentation requirements shall be completed by  
6 ~~March 31, 2016~~, *January 1, 2017*, for use commencing on July 1,  
7 ~~2016~~, *2017*, and shall thereafter be updated no less than every two  
8 years through a stakeholder process, unless changes in the state  
9 Medi-Cal plan or other federal rules require that the requirements  
10 be updated more often.

11 (d) After adoption of the standard requirements by the  
12 department, a county may not require additional documentation  
13 for Medi-Cal specialty mental health services that go beyond these  
14 requirements unless necessary for funding from other funding  
15 sources that are also used to pay for the services.