

Senate Bill 323 Behavioral Health Senator Holly Mitchell

Revised April 20, 2017



OVERVIEW

Senate Bill 323 (Mitchell) will help community clinics provide the full spectrum of behavioral health care to our most vulnerable communities by adding Drug Medi-Cal (DMC) and Specialty Mental Health (SMH) to the types of services that federally qualified health centers (FQHCs) and rural health clinics (RHCs) may provide and be reimbursed under contract, outside of the PPS rate.

DMC and SMH services would join dental and pharmacy as being available for FQHCs and RHCs to “carve out” of the prospective payment system (PPS) rate, which constitutes FQHC and RHC reimbursement under Medi-Cal. Instead of receiving PPS reimbursement for these “carved out” services, FQHCs and RHCs may elect to seek contracts to provide DMC as an enrolled Drug Medi-Cal provider and SMH as a contractor with a county mental health plan.

This change in law will increase access to behavioral health care in the low-income communities.

THE PROBLEM

FQHCs are required to offer medical and behavioral health care to all patients, regardless of ability to pay. The scope of these services varies among FQHCs – even different sites of a single FQHC may provide different services – because the services are designed to respond to the needs of the FQHC’s local community and target population.

Health centers are reimbursed for services in Medi-Cal using a site specific per-visit bundled rate called PPS.

Most FQHCs provide behavioral health services by building behavioral health care costs into their PPS rates. A patient can come in for a medical visit or a behavioral health visit, and as long as the rules for PPS reimbursement are followed, the FQHC will receive the same PPS reimbursement no matter which type of service is provided. Building the costs of behavioral health services into the PPS rate allows FQHCs to fully integrate behavioral health into their primary care service delivery model.

However, the PPS payment system rules constrain FQHCs’ ability to provide the full spectrum of DMC and SMH services by limiting the type of services, type of provider, and location where services may be offered.

For example, group counseling with a certified alcohol and drug counselor is not reimbursable in the PPS system, so access to these services can be limited for FQHC patients. Under this bill, the FQHC would be able to provide group counseling with a certified alcohol and drug counselor by electing to “carve out” the cost of that service from the PPS rate and provide it under the DMC program.

THE SOLUTION

This bill would authorize FQHCs and RHCs to elect to enroll as a DMC certified provider and/or SMH provider under contract with a county mental health plan in order to provide DMC and SMH services pursuant to the terms of a mutually agreed upon contract.

The bill would prohibit the costs associated with DMC and SMH services from being included in the per-visit PPS rate if the FQHC or RHC elects this carve-out option. If an FQHC already has DMC or SMH costs in the PPS rate, this bill would require the costs of providing DMC and SMH services to be adjusted out of the FQHC’s or RHC’s clinic base rate as a scope-of-service change under specified circumstances.

SPONSOR

CaliforniaHealth+ Advocates
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TALKING POINTS

- A January 2015 report from the UCLA Center for Health Policy Research confirmed that community-based primary care is often the first line of defense for detection and treatment of mental health issues when it found that 70% of behavioral health conditions are first diagnosed in the primary care setting.
- SB 323 will improve Californians' access to Substance Use Disorder treatment and specialty mental health services by eliminating a barrier which prevents community health centers from participating in the Drug Medi-Cal (DMC) and Specialty Mental Health (SMH) programs.
- Under the Medi-Cal expansion and new DMC-ODS waiver, FQHCs are critically needed in the behavioral health continuum of care, but find it difficult to enroll in Drug Medi-Cal or contract with counties as specialty mental health providers, even when the counties want to contract with health centers.
- Such contracting also allows FQHCs to provide different types of services with different types of providers (i.e. peer support specialists; group counseling; drug abuse counselors) which may be more limited under the FQHC prospective payment system (PPS).
- SB 323 will improve access to behavioral health service by providing legal certainty and clarify that FQHCs and RHCs can provide important behavioral health services outside the PPS rate.
- This bill would authorize FQHCs and RHCs to elect to enroll as a DMC certified provider and SMH provider to provide DMC and SMH services pursuant to the terms of a mutually agreed upon contract with counties or the state-run DMC program.
- The bill would prohibit the costs associated with DMC and SMH services from being included in the FQHC's or RHC's per-visit PPS rate, and would require the costs of providing DMC and SMH services to be adjusted out of the FQHC's or RHC's clinic base rate as a scope-of-service change under specified circumstances.
- The bill would exempt the department from reimbursing the PPS rate for any services provided and reimbursed under a contract with DMC or a county mental health plan.
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