



JENNIFER KENT
DIRECTOR

State of California—Health and Human Services Agency
Department of Health Care Services



EDMUND G. BROWN JR.
GOVERNOR

DATE: September 26, 2018

MHSUDS INFORMATION NOTICE NO.: 18-043

TO: COUNTY BEHAVIORAL HEALTH DIRECTORS
COUNTY DRUG & ALCOHOL ADMINISTRATORS
COUNTY BEHAVIORAL HEALTH DIRECTORS ASSOCIATION OF CALIFORNIA
CALIFORNIA COUNCIL OF COMMUNITY BEHAVIORAL HEALTH AGENCIES
COALITION OF ALCOHOL AND DRUG ASSOCIATIONS
CALIFORNIA ASSOCIATION OF ALCOHOL & DRUG PROGRAM EXECUTIVES, INC.
CALIFORNIA ALLIANCE OF CHILD AND FAMILY SERVICES
CALIFORNIA OPIOID MAINTENANCE PROVIDERS
CALIFORNIA STATE ASSOCIATION OF COUNTIES

SUBJECT: BENEFICIARY HANDBOOK REQUIREMENTS AND TEMPLATE

PURPOSE

The purpose of this Mental Health and Substance Use Disorder Services (MHSUDS) Information Notice (IN) is to inform county Mental Health Plans (MHPs) of the updated requirements related to the beneficiary handbook, pursuant to Title 42, Code of Federal Regulations (CFR), part 438. The beneficiary handbook template is included as an enclosure.

BACKGROUND

On May 6, 2016, the Centers for Medicare and Medicaid Services (CMS) published the Medicaid and Children's Health Insurance Program Managed Care Final Rule, aimed at aligning the Medicaid managed care regulations with requirements for other major sources of coverage. MHPs are classified as Prepaid Inpatient Health Plans,¹ and therefore, must comply with all applicable federal managed care requirements. The Final Rule stipulates new requirements for the format, content, and distribution of beneficiary handbooks, which became effective July 1, 2017.²

¹ All MHPs are considered Prepaid Inpatient Health Plans (PIHPs).

² Title 42, CFR, Part 438.

On March 30, 2016, CMS issued the Parity in Mental Health and Substance Use Disorder Services Final Rule (Parity Rule) in the Federal Register (81. Fed. Reg. 18390) to strengthen access to mental health and substance use disorder services for Medicaid beneficiaries. The Parity Rule aligned certain protections required of commercial health plans under the Mental Health Parity and Addiction Equity Act of 2008 to the Medicaid program.

REQUIREMENTS

MHPs must provide each beneficiary with the beneficiary handbook when the beneficiary first accesses services, and thereafter upon request. A template for this beneficiary handbook is included as an enclosure to this IN. The content of the beneficiary handbook includes information that enables the beneficiary to understand how to effectively access specialty mental health services. The template indicates fields where the MHP should insert county-specific information. MHPs will need to edit the template to add their county-specific information where indicated in the template.

The MHP must also give each beneficiary notice of any significant change³ to the information contained in the beneficiary handbook at least 30 days before the intended effective date of the change.

Information in the beneficiary handbook must include the following,⁴ at a minimum:

- Benefits provided by the MHP;
- How and where to access any benefits provided by the MHP, and how transportation is provided;
- The amount, duration, and scope of benefits available under the MHP contract in sufficient detail to ensure that beneficiaries understand the benefits to which they are entitled;
- How beneficiaries can obtain information from the MHP about how to access services, and procedures for obtaining benefits, including any requirements for service authorizations and/or referrals for specialty care;
- The extent to which, and how, after-hours and emergency coverage are provided;
- What constitutes an emergency medical condition and emergency services;
- The fact that prior authorization is not required for emergency services and the beneficiary has a right to use any hospital or other setting for emergency care;
- Any restrictions on the beneficiary's freedom of choice among network providers;

³ A change is considered significant when there is an increase or decrease in the amount or types of services that are available, or if there is an increase or decrease in the number of network providers, or if there is any other change that would impact the benefits available through the MHP.

⁴ Title 42, CFR, Part 438.10.

- The extent to which, and how, beneficiaries may obtain benefits from out-of-network providers;
- Beneficiary rights and responsibilities;
- How to exercise an advance directive;
- How to access auxiliary aids and services, including additional information in alternative formats or languages;
- The toll-free telephone number that is answered 24 hours a day, seven days a week that can tell beneficiaries how to access specialty mental health services;
- Information on how to report suspected fraud or abuse; and
- Any other content required by the state.

The beneficiary handbook must also contain information on the grievance, appeal, and State Hearing procedures and timeframes, including:

- The right to file grievances and appeals;
- The requirements and timeframes for filing a grievance or appeal;
- The availability of assistance in the filing process;
- The right to request a State Hearing after the MHP has made a determination on a beneficiary's appeal that is adverse to the beneficiary; and
- The fact that, when requested by the beneficiary, benefits that the MHP seeks to reduce or terminate will continue if the beneficiary files an appeal or requests a State Hearing within the timeframes specified for filing.

The beneficiary handbook will be considered to be provided to the beneficiary if the MHP:

- Mails a printed copy of the beneficiary handbook to the beneficiary's mailing address;
- Provides the beneficiary handbook by email after obtaining the beneficiary's agreement to receive it by email;
- Posts the beneficiary handbook on the MHP's website⁵ and advises the beneficiary in paper or electronic form that the beneficiary handbook is available on the internet, including the applicable internet address, provided that

⁵ In accordance with 42 CFR part 438.10(c)(6), beneficiary information may be provided electronically by the MHP only if all of the following are met: (i) the format is readily accessible; (ii) the information is placed in a location on the MHP's website that is prominent and readily accessible; (iii) the information is provided in an electronic form which can be electronically retained and printed; (iv) the information is consistent with content and language requirements; and (v) the beneficiary is informed the information is available in paper form without charge upon request and provided upon request within five business days.

beneficiaries with disabilities who cannot access this information online are provided auxiliary aids and services upon request at no cost; and/or

- Provides the beneficiary handbook by any other method that can reasonably be expected to result in the beneficiary receiving the information.

All written materials for beneficiaries, including the beneficiary handbook, must use easily understood language and format, use a font size no smaller than 12 point, be available in alternative formats, e.g. large-print,⁶ in an appropriate manner that takes into consideration the special needs of beneficiaries with disabilities or limited English proficiency, and include taglines and information about how to request auxiliary aids and services, including the provision of materials in alternative formats.

Each MHP must make its written materials that are critical to obtaining services available in the prevalent non-English languages in the MHP's county, including, at a minimum, the beneficiary handbook, provider directory, appeal and grievance notices, and denial and termination notices. Written materials must also be made available in alternative formats upon request of the beneficiary at no cost. Auxiliary aids and services, such as TTY/TDY and American Sign Language, must also be made available upon request of the beneficiary at no cost. Written materials must include taglines in the prevalent non-English languages in the state, and in large-print, explaining the availability of written or oral translation to understand the information provided and the toll-free and TTY/TDY telephone number of the MHP's customer service unit. Oral interpretation must be available in all non-English languages, not just those identified as prevalent.

Questions regarding this MHSUDS Information Notice or its enclosure may be directed to the DHCS Mental Health Services Division County Support Unit Liaison for your county. A current list of county assignments can be found at <http://www.dhcs.ca.gov/services/MH/Pages/CountySupportUnit.aspx>.

Sincerely,

Original signed by

Brenda Grealish, Acting Deputy Director
Mental Health & Substance Use Disorder Services

Enclosure

⁶ Large-print means printed in a font size no smaller than 18 point.