



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



EDMUND G. BROWN JR.
GOVERNOR

DATE: December 18, 2018

MHSUDS INFORMATION NOTICE NO.: 18-060

TO: COUNTY BEHAVIORAL HEALTH DIRECTORS
COUNTY DRUG & ALCOHOL ADMINISTRATORS
COUNTY ADMINISTRATIVE OFFICERS
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

SUBJECT: FISCAL YEAR 2016-17 BEHAVIORAL HEALTH SERVICES
GROWTH SPECIAL ACCOUNT ALLOCATIONS

REFERENCE: SENATE BILL 1020 (CHAPTER 40, STATUTES 2012)
[MHSUDS INFORMATION NOTICE NO.: 18-018](#)

EXPIRES: Retain until superseded

Senate Bill 1020 (Chapter 40, Statutes of 2012) amended Section 30025 of the Government Code to create the Behavioral Health Services Growth Special Account within the Support Services Growth Subaccount within the Sales and Use Tax Growth Account of the Local Revenue Fund 2011. Section 30029.07 of the Government Code requires the State Controller's Office (SCO) to distribute funds allocated to the Behavioral Health Services Growth Special Account pursuant to a schedule provided by the Department of Finance (DOF), which is created in consultation with appropriate state agencies and the California State Association of Counties (CSAC). DOF sent the Fiscal Year (FY) 2016-17 Behavioral Health Services Growth Special Account allocation schedule to the SCO on May 29, 2018, to distribute the \$98,363,657.68 available in the special account. The purpose of this Information Notice is to remind County Mental Health Plans (MHPs) of the federal entitlement to Medi-Cal Specialty Mental Health Early and Periodic Screening, Diagnostic and Treatment (EPSDT) services, and to

describe the methodology used to develop the allocation schedule that DOF provided to SCO for the distribution of these funds.

Federal Entitlement to Medi-Cal Specialty Mental Health EPSDT

As the Department of Health Care Services (DHCS) previously clarified in [Information Notice 13-01](#), 2011 Realignment did not in any way abrogate or diminish the requirement that a MHP provide, or arrange for the provision of, Medi-Cal Specialty Mental Health Services (SMHS), including EPSDT services, for Medi-Cal beneficiaries. The EPSDT benefit, mandated under the Medi-Cal program pursuant to federal law, requires MHPs to provide or arrange for the provision of, SMHS to beneficiaries under age 21 who meet medical necessity criteria for those services and are eligible for the full scope of Medi-Cal services. This applies whether or not such SMHS are specified in the State Plan, as long as they are covered under the federal Medicaid entitlement.

Consultation to Develop Allocation of Growth Funds

As required by Government Code Section 30029.07, DOF consulted with relevant state agencies and the CSAC to develop the allocations of FY 2016-17 growth funds.

Growth Funds Distribution Methodology

The same allocation methodology used to distribute funds from the Behavioral Health Services Growth Special Account in FY 2015-16 was used for FY 2016-17. [MHSUDS Information Notice 18-018](#) contains information on the type of data used by DOF to develop the allocation schedule. However, during an internal review, DHCS discovered that FY 2015-16 growth allocations did not include FY 2015-16 Drug Medi-Cal (DMC) services claims data. DMC claims have been included in FY 2016-17 growth allocations. Additionally, DHCS has taken additional steps to recalculate FY 2015-16 growth amounts, and the FY 2016-17 allocation schedule has been adjusted to account for this oversight, and any allocation differences have been corrected.

Growth Funds Distribution Methodology

The allocation schedule for the funds in the FY 2016-17 Behavioral Health Services Growth Special Account is based on a two-part methodology. First, the methodology allocated fifty percent of the funds (\$49,182,000) based upon each county's proportional share of FY 2016-17 approved claims for Medi-Cal SMHS and Drug Medi-Cal (DMC) services. Second, the methodology allocated the remaining fifty percent of the funds (\$49,182,000) according to each county's proportional share of the statewide Medi-Cal

beneficiaries enrolled in Foster Care aid codes, Disabled aid codes, and all “other” aid codes, weighted by the per member per month (PMPM) cost to provide SMHS to beneficiaries enrolled in each of those aid code groupings.

Enclosure 1 displays the allocation of fifty percent of the funds based upon approved claims.

- Column A displays each county’s total non-federal share of approved claims for SMHS and DMC services in FY 2016-17;
- Column B displays each county’s proportional share of the statewide non-federal share of approved claims in FY 2016-17; and
- Column C displays each county’s proportional share of the **first half** of the total funds available in the FY 2016-17 Behavioral Health Services Growth Special Account (\$49,182,000). Column C is equal to Column B multiplied by \$49,182,000.

Enclosure 2 displays the weights applied to the total member months for Medi-Cal beneficiaries enrolled in Foster Care aid codes, Disabled aid codes, and all other aid codes in FY 2016-17.

- Column A contains the total approved claims for SMHS provided to beneficiaries in each aid code grouping (Foster Care, Disabled, and other);
- Column B displays the total member months for each aid code grouping;
- Column C calculates the PMPM for each aid code grouping and is equal to Column A divided by Column B; and
- Column D calculates the weight for each aid code grouping and is equal to the PMPM for each aid code grouping divided by the PMPM for the other aid code grouping.

Enclosure 3 displays the allocation of the other fifty percent of the funds, which is based upon the number of Medi-Cal beneficiaries enrolled in Foster Care aid codes, Disabled aid codes, and all other aid codes in FY 2016-17, weighted by the PMPM cost to provide SMHS to beneficiaries enrolled in each of those aid codes.

- Column A displays the total member months for beneficiaries enrolled in Foster Care aid codes in FY 2016-17;
- Column B calculates the weighted member months for the Foster Care aid code grouping and is equal to Column A multiplied by 26.76, which is the weight calculated for the Foster Care aid code grouping in Column D of Enclosure 2;

- Column C contains total member months for beneficiaries enrolled in Disabled aid codes in FY 2016-17;
- Column D displays the weighted member months for the Disabled aid code grouping and is equal to Column C multiplied by 5.75, which is the weight calculated for the Disabled aid code grouping in column D of Enclosure 2;
- Column E displays the total member months for beneficiaries enrolled in all other aid codes;
- Column F displays the weighted member months for the other aid code grouping and is equal to Column E multiplied by 1, which is the weight calculated for the other aid code grouping in Column D of Enclosure 2;
- Column G calculates each county's total weighted member months and is equal to the sum of Columns B, D, and F;
- Column H displays each county's proportional share of weighted member months statewide and is equal to Column G divided by the statewide weighted member months; and
- Column I allocates the other \$49,182,000 based upon each county's proportional share of statewide member months and is equal to Column H multiplied by \$49,182,000.

Enclosure 4 is a summary of FY 2015-16 DMC Revision.

- Column A displays the revised fifty percent allocation that used each county's proportional share of FY 2015-16 approved claims for SMHS and DMC services;
- Column B displays the fifty percent allocation using the weighted member months by aid code grouping used in FY 2015-16;
- Column C displays each county's FY 2015-16 revised estimated allocation and is the sum of Columns A and B;
- Column D displays each county's actual SCO distribution for FY 2015-16 Behavioral Health Services Growth Special Account; and
- Column E shows the difference between the estimated allocation and actual distribution for FY 2015-16 Growth Funds and is equal to Column C minus Column D.

Enclosure 5 is a summary of the calculation of the final allocation percentages.

- Column A displays the fifty percent allocation using each county's proportional share of FY 2016-17 approved claims for SMHS and DMC services, as calculated in Enclosure 1;
- Column B displays the fifty percent allocation using the weighted member months by aid code grouping as calculated in Enclosure 3;

- Column C displays each county's estimated allocation and is the sum of Columns A and B;
- Column D shows FY 2015-16 DMC claims omission error difference as calculated in Column E of Enclosure 4;
- Column E displays each county's estimated allocation and is the sum of Columns C and D; and
- Column F displays each county's estimated allocation percentage for FY 2016-17 Growth Funds, which is equal to each county's proportional share of estimated funding calculated in Column E divided by the total of Column E. Column F is the allocation schedule that DOF sent to the SCO on May 27, 2018.

For any questions regarding this Information Notice, please contact Moses Ndungu, Chief, Fiscal Policy Section, Mental Health Management and Performance Outcomes Branch, Mental Health Services Division, at Moses.Ndungu@dhcs.ca.gov.

Sincerely,

Original signed by

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

Enclosures