

**PARTNERSHIP HEALTHPLAN OF CALIFORNIA  
POLICY / PROCEDURE**

<b>Policy/Procedure Number:</b> ADM52 (previously MCUP3127)		<b>Lead Department:</b> Administration	
<b>Policy/Procedure Title:</b> Dispute Resolution Between PHC and MHPs in Delivery of Mental Health Services		<input checked="" type="checkbox"/> <b>External Policy</b> <input checked="" type="checkbox"/> <b>Internal Policy</b>	
<b>Original Date:</b> 01/21/2015		<b>Next Review Date:</b> 12/06/2022 <b>Last Review Date:</b> 12/07/2021	
<b>Applies to:</b>	<input checked="" type="checkbox"/> <b>Medi-Cal</b>	<input type="checkbox"/> <b>Employees</b>	
<b>Reviewing Entities:</b>	<input type="checkbox"/> <b>IQI</b>	<input type="checkbox"/> <b>P &amp; T</b>	<input type="checkbox"/> <b>QUAC</b>
	<input checked="" type="checkbox"/> <b>OPERATIONS</b>	<input type="checkbox"/> <b>EXECUTIVE</b>	<input type="checkbox"/> <b>COMPLIANCE</b> <input type="checkbox"/> <b>DEPARTMENT</b>
<b>Approving Entities:</b>	<input type="checkbox"/> <b>BOARD</b>	<input type="checkbox"/> <b>COMPLIANCE</b>	<input type="checkbox"/> <b>FINANCE</b> <input type="checkbox"/> <b>PAC</b>
	<input checked="" type="checkbox"/> <b>CEO</b> <input type="checkbox"/> <b>COO</b>	<input type="checkbox"/> <b>CREDENTIALING</b>	<input type="checkbox"/> <b>DEPT. DIRECTOR/OFFICER</b>
<b>Approval Signature:</b> <i>Elizabeth Gibboney, CEO</i>			<b>Approval Date:</b> 12/07/2021

**I. RELATED POLICIES:**

- A. MCUP3028 – Mental Health Services
- B. CMP36 – Delegation Oversight and Monitoring
- C. CMP30 – Records Retention and Access Requirements

**II. IMPACTED DEPTS:**

- A. Behavioral Health
- B. Health Services
- C. Finance

**III. DEFINITIONS:**

- A. Dispute: is a formal disagreement between a Medi-Cal managed care plan (MCP) and a county mental health plan (MHP) regarding the provision of and/or payment for mental health services that has not been resolved through informal measures and occurs when either plan makes a formal written request for a Plan Level Dispute Resolution and/or Department of Health Care Services (DHCS) Dispute Resolution.
- B. Expedited Dispute Resolution Process: means a resolution more expeditious than what is expected for a standard resolution and shall be resolved within one business day when Partnership HealthPlan of California (PHC) and the MHP determine that the Routine Dispute Resolution timeframe would result in serious jeopardy to the Member’s life, health, or the ability of the Member to attain, maintain or regain maximum function.
- C. Member is an eligible Medi-Cal beneficiary who is a member of Partnership HealthPlan of California (PHC), a Medi-Cal managed care plan.
- D. Mental Health Plan (MHP) is a county mental health plan who is responsible for providing mental health services outlined in Title 9 CCR.
- E. Memorandum of Understanding (MOU): where no reimbursement is to be made, PHC shall negotiate in good faith an MOU for services provided by said agency. MOU shall describe the scope and responsibilities of both parties in the provision of services to Members; billing and reimbursements; reporting responsibilities; and how services are to be coordinated.
- F. Plan Level Dispute Resolution: means good faith efforts, which shall include a meeting to remedy coverage disputes as formally communicated via written notice by either PHC or an MHP to either respective party
- G. Request for Resolution: means PHC’s written request to DHCS for aid in resolving a dispute between PHC and an MHP when the dispute could not be rectified via the Plan Level Dispute Resolution

**IV. ATTACHMENTS:**

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A. MOU template between PHC and MHPs

**V. PURPOSE:**

Pursuant to the Department of Health Care Services (DHCS) All Plan Letter (APL) 21-013 and any future related DHCS guidance as communicated in writing, the purpose of this policy is to provide a process that allows for a formal system of resolving disputes between PHC and an MHP when traditional communications are unable to resolve disputes. This policy also clarifies the requirement that medically necessary services will not be delayed during this dispute process.

**VI. POLICY / PROCEDURE:**

A. Basis for PHC and MHP relationship

1. As an MCP, PHC shall negotiate in good faith and execute memorandum of understanding (MOU) with county MHPs across PHC's service area to ensure for coordination of Medi-Cal mental health services, delineate the responsibilities of each respective party, and afford for a dispute resolution process.
  - a. MOUs shall be entered into and maintained consistent with DHCS APL 18-015 and any future related DHCS guidance as communicated in writing.

B. Guiding Principles

1. Emphasis on Timely, Collaborative Resolution
  - a. The provision of medically necessary services for members will not be delayed during the pendency of any dispute.
  - b. PHC and MHP staff will make a good faith effort to agree to resolutions that are in the best interest of members and are agreeable to all parties involved.
  - c. Proactive and timely communication is expected between PHC and the MHP.

C. Plan Level Dispute Resolution Process is outlined in this policy and referenced in PHC and MHP MOUs

1. PHC or the MHP may seek to remedy a dispute informally through discussion and dialogue. If this fails to resolve the dispute, either plan may request, in writing, a formal meeting between the two plans to identify issues and possible solutions. The receipt of the written request will initiate the Plan Level Dispute timeline in which the dispute must be resolved within 15 business days.
  - a. A Request for Plan Level Resolution can be submitted via secure email to either PHC's Behavioral Health Administrator or CEO
2. Within 10 business days, the meeting will be conducted at a mutually agreeable time. Representatives from both PHC and the MHP must participate in the meeting.
3. Within 5 business days from the date of the meeting, PHC will issue to the MHP a written final position on the matter in dispute signed by the CEO or their designee.
4. Members will continue to receive medically necessary services while the disagreement or dispute is being resolved in accordance with Title 9, CCR, §1850.525(a).
5. The PHC Behavioral Health team will maintain records of Plan Level Dispute Resolutions consistent with applicable PHC record retention policy.
6. The Expedited Dispute Resolution Process as outlined in Section E below will be followed if a Member has not received a disputed service (s) and PHC or the MHP determine that the Routine Dispute Resolution timeframe would result in serious jeopardy to the Member's life, health, or the ability of the Member to attain, maintain or regain maximum function.

D. DHCS Dispute Resolution Process (For further details, refer to DHCS [APL 21-013](#) Dispute Resolution Process Between MHPs and MCPs)

1. The parties are required to document attempts to resolve the disputed issue(s), including results of the Plan Level Dispute Resolution (Title 9, CCR, §1850.505 (d) (2))
2. If PHC and the MHP are unable to resolve a dispute at the Plan Level, PHC may submit a written Request for Resolution to DHCS and signed by PHC's CEO or their designee. The Request for

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Resolution must be submitted within 3 business days from the completion of the Plan Level Dispute Resolution process that didn't result in a satisfactory resolution. A Request for Resolution should be submitted via secure email to the DHCS Managed Care Quality and Monitoring Division (MCQMD), at MCQMD@dhcs.ca.gov. Conversely, the MHP may exercise the same process to escalate the dispute to DHCS for resolution.

3. A Request for Resolution submitted to DHCS must contain all of the following:
    - a. Summary of disputed issue(s) and a statement of the desired remedies, including any disputed services that have been or are expected to be delivered to the beneficiary by either party;
    - b. History of attempts to resolve the issue with the MHP;
    - c. Justification for the MCP's desired remedy; and
    - d. If applicable, any additional documentation that the MCP deems relevant to resolve the disputed issue(s)
  4. Within three (3) business days after DHCS' receipt of a Request for Resolution from PHC or the MHP, a copy of the Request for Resolution will be forwarded by DHCS to the other party via secure email ("Notification").
    - a. Both parties will have three (3) business days to submit a response and any relevant documents to support their position; and
    - b. If the responding party fails to respond within three (3) business days, DHCS will decide on the disputed issue(s) based solely on the documentation submitted by the requesting party.
  5. At its discretion, DHCS may allow both PHC and the MHP representatives the opportunity to present oral arguments.
  6. Within 20 business days from the third business day of the Notification date, DHCS will issue its final decision and communicate it via secure email to both PHC's Chief Executive Officer (CEO) or their designee and the MHP Director.
    - a. DHCS' decision will state the reasons for the decision, the determination of rates of payment (if rates of payment were disputed), and any actions PHC and the MHP are required to take to implement the decision.
    - b. If DHCS' dispute resolution determination includes a finding that the unsuccessful party has a financial liability to the other party for services rendered by the successful party, PHC or the MHP is required to follow the financial liability criteria set forth in Title 9, CCR § 1850.530, which specify the provisions regarding financial liability rates and proof of reimbursement.
      - 1) If necessary, DHCS shall enforce the decision, including with-holding funds to meet any financial liability established pursuant to Title 9, CCR, §1850.530 (Title 9, CCR, §1850.520(c)).
  7. The provision of medically necessary specialty and other mental health services, physical health care services, or other services shall not be delayed during the dispute.
- E. Expedited Dispute Resolution Process
1. Either PHC or the MHP may seek to enter an Expedited Dispute Resolution Process if a Member has not received a disputed service (s) and PHC or the MHP determine that the Routine Dispute Resolution timeframe would result in serious jeopardy to the Member's life, health, or the ability of the Member to attain, maintain or regain maximum function.
  2. Under this process both PHC and the MHP will have one business day to resolve the dispute at the Plan Level.
  3. If PHC and the MHP fail to resolve an Expedited dispute within one business day, each party must file a Request for Resolution, with DHCS, within one business day. The request must include an affirmation of the Member's stated jeopardy.
  4. If either plan fails to submit a Request for Resolution and/or documentation to DHCS, DHCS will base its decision based upon the documentation submitted.
  5. DHCS will render a decision within one business day upon receipt of said request.

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- F. In order to ensure there is not a delay in the provision of medically necessary services to a member during a dispute, the following actions will apply:
1. When the dispute concerns the MCP's (PHC) contention that the MHP is required to deliver specialty mental health services to a beneficiary either because the beneficiary's condition would not be responsive to physical health care based treatment or because the MHP has incorrectly determined the beneficiary's diagnosis to be a diagnosis not covered by the MHP, the MCP shall manage the care of the beneficiary under the terms of its contract with the State until the dispute is resolved, pursuant to Title 9, CCR, §1850.525 (Title 9, CCR, §1850.525(b)).
  2. When the dispute concerns the MHP's contention that the MCP is required to deliver physical health care based treatment of a mental illness, or to deliver prescription drugs or laboratory, radiological, or radioisotope services required to diagnose or treat the mental illness, the MHP shall be responsible for providing or arranging and paying for those services to the beneficiary until the dispute is resolved, pursuant to Title 9, CCR, §1850.525 (Title 9, CCR, §1850.525(c)).
- G. Delegation of Plan Level Dispute Resolution
1. PHC does not delegate the responsibility of MCP and MHP dispute resolution, including the handling of Plan Level Dispute Resolution, to any Subcontractor and as such, is directly responsible for facilitating the Plan Level Dispute Resolution.
  2. Where PHC has delegated responsibility for the provision of Covered Services, consistent with its DHCS Medi-Cal managed care contract, PHC may seek data, documentation, and information from Subcontractors in order to support satisfactory dispute resolution.

**VII. REFERENCES:**

- A. Title 9, California Code of Regulations (CCR) Sections §1810.370, §1850.505, §1850.520, §1850.525, and §1850.530
- B. [DHCS All Plan Letter 17-018](#) Medi-Cal Managed Care Health Plan Responsibilities for Outpatient Mental Health Services (10/27/2017)
- C. [DHCS All Plan Letter 18-015](#) Memorandum of Understanding Requirements for Medi-Cal Managed Care Plans (09/19/2018)
- D. [Attachment 1 to APL18-015](#) Title 9 Chapter 11 (see §1850.505 and §1850.525)
- E. [Attachment 2 to APL18-015](#) Memorandum Of Understanding Requirements For Medi-Cal Managed Care Plans and County Mental Health Plans
- F. [DHCS All Plan Letter 21-013](#) Dispute Resolution Process Between Mental Health Plans and Medi-Cal Managed Care Health Plans (10/04/2021)
- G. County specific Mental Health Plan Memoranda of Understanding (MOUs)

**VIII. DISTRIBUTION:**

- A. PHC Provider Manual
- B. PHC Department Directors

**IX. POSITION RESPONSIBLE FOR IMPLEMENTING PROCEDURE:** Behavioral Health Administrator

**X. REVISION DATES:**

ADM52 – Initial 12/07/21

**PREVIOUSLY APPLIED TO:**

Medi-Cal (MCUP3127 01/21/2015 to 02/09/2022)

01/21/15; 06/17/15; 04/20/16; 04/19/17; \*06/13/18; 06/12/19; 06/10/20; 06/09/21; ARCHIVED 12/07/2021

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