



### **7.3.5. Substance Use Disorder Residential Authorizations Policy**

Issue Date: 08/19/2024

Revision History: Not Applicable

References: Sonoma County's Drug Medical Organized Delivery System (DMC-ODS) Plan Contract with Department of Health Care Services, Exhibit A, Attachments 1; BHIN 24-001; BHIN 23-068, BHIN 23-041; BHIN 22-001 Exhibit A; MHSUDS 18-010E; Welfare & Institutions Code (W&I), § 14184.402, subd. (h)(3); California Code of Regulations (CCR); Title 9, Division 4; Title 42, Code of Federal Regulations (CFR) Sections 438.10, 438.210 (a)(3)(ii), 438.210 (a)(4)(ii), 438.210(b)(3), 438.210(c), 438.210(e), 438.330(a)(1), 438.330(b), and 438.608(a)(1).

Policy Owner: Sonoma County Behavioral Health Division, DMC-ODS Plan QA Manager

Director Signature: Signature on File

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#### **I. Policy Statement**

The Sonoma County Department of Health Services – Behavioral Health Division (DHS-BHD) maintains authorization mechanisms to ensure DMC-ODS residential treatment delivered services are medically necessary, appropriate, timely, cost-effective and culturally competent. Consistent applications of review criteria standards for initial, continuing, and extended service authorizations are met through prior and retrospective reviews. DHS-BHD utilization management is also employed to detect underutilization and overutilization, as well as to detect and prevent fraud, waste, and abuse.

#### **II. Scope**

This policy applies to all "Covered Persons", which includes all County of Sonoma employees (full-time, part-time, extra help) and all additional persons who are performing services for DHS, with the exception of Community Based Organization (CBO) staff.

#### **III. Definitions**

A. Drug Medi-Cal Organized Delivery System Plan (DMC-ODS Plan): the Prepaid Inpatient Health Plan (PIHP) operating in Sonoma County serving eligible residents providing automatic and mandatory enrollment of Medi-Cal beneficiaries. Defined by a State-County contract partnership between California Department of Health Care Services and Sonoma County.

- B. Department Health Services - Behavioral Health Division (DHS-BHD):  
Sonoma County Department of Health Services – Behavioral Health Division.
  - C. Notice of Adverse Benefit Determination (NOABD): written notices the MHP and DMC-ODS Plan must issue to beneficiaries when any of the following actions are taken by the plan:
    - 1. The denial or limited authorization of a requested service, including determinations based on the type or level of service, medical necessity, appropriateness, setting, or effectiveness of a covered benefit;
    - 2. The reduction, suspension, or termination of a previously authorized service;
    - 3. The denial, in whole or in part, of payment for a service;
    - 4. The failure to provide services in a timely manner;
    - 5. The failure to act within the required timeframes for standard resolution of grievances and appeals, or;
    - 6. The denial of a beneficiary's request to dispute financial liability.
  - D. Early and Periodic Screening, Diagnostic and Treatment (EPSDT): services are a benefit of the Medi-Cal program as specified in Title XIX of the Social Security Act (SSA), Section 1905(r)(5), Title 42 of the United States Code, Section 1396d(r). The benefits covered under EPSDT provide comprehensive and preventive health care services for individuals younger than 21 years of age who are enrolled in Medi-Cal. These services are key to ensuring children and youth receive appropriate preventive medical, dental, vision, hearing, mental health, substance use disorder, developmental and specialty services, as well as all necessary services to address any defects, illnesses or conditions identified.
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#### **IV. Policy**

- A. DHS-BHD is committed to ensuring Medi-Cal beneficiaries have appropriate access to residential treatment for Substance Use Disorders (SUDs). DHS-BHD maintains a policy of authorization of organizational providers' requests for residential treatment as a condition of reimbursement for individuals who receive residential SUD treatment.
- B. DHS-BHD shall ensure that residential services are provided in DHCS or Department of Social Services (DSS) licensed residential facilities that also have DMC certification and have been designated by DHCS as capable of delivering care consistent with ASAM criteria.
- C. DHS-BHD shall ensure that residential services may be provided in facilities with no bed capacity limit.

- D. DHS-BHD shall ensure that the length of residential services comply with the following:
  - 1. The goal for a statewide average length of stay for residential services of **30 days** is not a quantitative treatment limitation or hard “cap” on individual stays.
  - 2. Lengths of stay in residential treatment settings shall be determined by individualized clinical need.
  - 3. That beneficiaries receiving residential treatment are transitioned to another level of care when clinically appropriate based on treatment progress.
- E. Authorization is not required for withdrawal management (WM) residential services.
- F. Authorization and utilization management of services provided by the DHS-BHD adhere to the following principles:
  - 1. Are based on SUD access criteria, including access criteria for beneficiaries under age 21 pursuant to the EPSDT mandate;
  - 2. Are consistent with current evidence-based clinical practice guidelines, principles, and processes;
  - 3. Are developed with involvement from organizational providers and licensed practitioners of the healing arts (LPHA) acting within their scope of practice;
  - 4. Are evaluated and updated if necessary, at least annually and are disclosed to the DHS-BHD’s clients and organizational providers.
- G. DHS-BHD shall ensure that any decision to deny a service authorization request or to authorize a service in an amount, duration, or scope that is less than requested is made by a health care professional who has appropriate clinical expertise in addressing the beneficiary’s behavioral health needs.
- H. Compensation provided to individuals or entities that conduct utilization management activities will not be structured as to provide incentives for the individual or entity to deny, limit, or discontinue medically necessary services to any beneficiary.
- I. All residential authorizations requests will be tracked using current residential authorizations procedure.

## **V. Procedures**

- A. Communication Requirements - DHS-BHD shall do the following:

1. Review and respond to all Treatment Authorization Requests (TARs) for DMC-ODS residential treatment within **24 hours**.
  2. Disclose to DHCS, organizational providers, Medi-Cal beneficiaries and members of the public, upon request, the utilization review policies and procedures that DHS-BHD or its' organizational providers use to authorize, modify, or deny SUD residential treatment. These policies and procedures shall be available electronically and in hard copy upon request.
  3. Ensure the beneficiary handbook includes the procedures for obtaining benefits, including any requirements for service authorizations and/or referrals for SUD residential treatment; and,
  4. Provide written notification regarding authorization decisions in accordance with the established timeframes for the type of authorization.
- B. SUD Residential Authorization and Review Requirements
- C. Through policy and utilization review, DHS-BHD shall ensure consistent application of review criteria for authorization decisions and shall consult with requesting providers when appropriate.
- D. Authorization and reimbursement of services shall be granted based on the criteria of Medical Necessity.
- E. All authorized medically necessary SUD residential treatment shall be sufficient in amount, duration, and scope to achieve the purpose for which the services are rendered.
- F. Authorization decisions to approve, deny, modify, or defer the requested services shall be made by a licensed practitioner of the healing arts who has the appropriate clinical expertise in treatment of the client's illness.
- G. DHS-BHD shall not arbitrarily deny or reduce the amount, duration, or scope of medically necessary covered SUD residential treatment solely because of diagnosis, type of illness, or condition of the beneficiary.
- H. Reasons for payment authorization denials, service modifications, denials or deferrals (beyond the timeframe) shall be clearly communicated to beneficiary and provider (if applicable), using a Notice of Adverse Benefit Determination form. NOABD requirements detailed in policy 7.1.4. Appeals and Notice of Adverse Benefit Determinations.
- I. Ensure compliance with all requirements necessary for Medi-Cal reimbursement.
- J. Relevant clinical information shall be obtained and used for authorization decisions including, but not limited to:

1. Assessments, progress reports, client plans and other clinical documentation; and,
  2. Consultation with treatment provider(s) as necessary.
- K. DHS-BHD shall not require prior authorization for the following services/service activities:
1. Residential Withdrawal Management (WM);
  2. Any other non-residential medically necessary SUD services.
- L. DHS-BHD requires prior authorization or referral for the following services:
1. Residential SUD Treatment:
    - a. ASAM levels 3.1, 3.3, and 3.5.
- M. DHS-BHD Authorization or Referral Process for SUD Residential Treatment
- N. Initial authorization, continuation, and extension for SUD Residential Treatment requiring prior authorization:
1. Are completed in accordance with current SUD Residential Authorizations Procedures;
  2. All authorizations will be completed by a Licensed Practitioner of the Healing Arts (LPHA);
  3. DHS-BHD shall document all authorization determinations.
- O. If DHS-BHD denies, terminates, reduces, or suspends an authorization request, notification will be given to the beneficiary, in writing, of the adverse benefit determination prior to services being discontinued. Notification of adverse benefit decisions shall follow established guidelines:
1. For termination, suspension, or reduction of a previously authorized SUD residential treatment service, at least **10 days** before the date of action, except as permitted under 42 CFR §§ 431.213 (Exceptions from advanced notice) and 431.214 (Notice in cases of probable fraud);
  2. For denial of payment, at the time of any action denying the provider's claim, or;
  3. For decisions resulting in denial, delay, or modification of all or part of the requested SUD residential treatment service, within **two business days** of the decision.
- P. DHS-BHD must also communicate the decision to the affected provider within **24 hours** of making the decision.

- Q. DMC-ODS Residential Treatment Authorization Timeframes: DHS-BHD shall review and make authorization determinations regarding provider requests for prior authorization for initial requests, continuation requests, and extension requests within **24 hours** of receipt.
- R. Utilization Review: DHS-BHD conducts utilization review and/or auditing activities in accordance with state and federal requirements, and may disallow claims and/or recoup funds, as appropriate, in accordance with DHS-BHD's obligations to DHCS.
- S. Residential Authorizations requests shall each be logged following residential authorizations procedure and include number of requests, percentage denied, and timeliness for all DMC-ODS services that are submitted, processed, approved, and denied.

## **VI. Forms**

- A. SUD Residential TAR, Continuation, and Extension

## **VII. Attachments**

None.