



TO: All Licensed Full Service Health Plans and Specialized Mental Health Plans

FROM: Roslyn Mack, Counsel
Division of Licensing

DATE: June 29, 2004

RE: Request for an Informational Amendment Regarding Plan-to-Plan Contractual Arrangements for the Provision of Mental Health Services

The Governor's Performance Initiative Review Committee made many recommendations regarding Licensing Division's business processes that the Department feels are very worthwhile. Among those recommendations is that the Department develop better information and understanding of plan business operations. In an effort to better understand an ever-changing managed health care industry and various possible forms of plan-to-plan contractual arrangements for the provision of mental health services, the Department requests an informational amendment as described below.

No later than August 20, 2004, please file an amendment and include a cover letter addressed to the attention of Roslyn Mack, which identifies the amendment as a "RESPONSE TO DEPARTMENT'S REQUEST FOR AN INFORMATIONAL AMENDMENT REGARDING PLAN TO PLAN CONTRACTUAL ARRANGEMENTS FOR THE PROVISION OF MENTAL HEALTH SERVICES." Please file the requested contract(s) as Exhibit P-5 under Bar Code XP005 (plan-to-plan contracts), accompanied by a narrative, filed under Exhibit E-1, identifying each contract and the applicable scope of the services under each contract.

Exhibit P-5

Please file all current forms of plan-to-plan contracts for mental health services, including but not limited to the specific contractual arrangements described below.

- 1) Any plan-to-plan contract between two Knox-Keene licensed health plans for the provision of mental health services,

- 2) Any three-way agreement between a full service health plan, specialized health plan, and a subscriber group which identifies a specialized health plan as the mental health provider,
- 3) Any bridge documents between a full service health plan and a specialized health plan that recognizes the specialized health plan as the subscriber's choice of a mental health plan, and
- 4) Any contract between a Knox-Keene licensed health plan and an indemnity insurer for the provision of mental health services.

If a health plan does not have any such contract for the purpose of providing mental health services to a full service health plan or an indemnity carrier, please file a correspondence through Visiflow under Bar Code C1001 noting this.

The Department looks forward to working with health plans in a collaborative manner to further the Department's understanding of health plan operations. If you have any questions regarding this advisory, please contact Counsel Roslyn Mack at (916) 327-7348 or rmack@dmhc.ca.gov.