From: DMHC Licensing eFiling

Subject: APL 23-016 - Implementation of SB 1338 (2022) - Community Assistance, Recovery, and Empowerment (CARE)

Date: Thursday, June 29, 2023, 02:51 PM

Attachments: APL 23-016 - Implementation of SB 1338 (2022) - Community Assistance, Recovery, and Empowerment (CARE) (6.29.2023).pdf

Dear Health Plan Representative:

The Department of Managed Health Care (Department) issues this All Plan Letter (APL) 23-016 to set out the Department's guidance about how health plans shall ensure they identify enrollees who are involved in CARE implemented by SB 1338 (the CARE Act) and how health plans shall process and pay claims arising from their enrollees' CARE agreements or CARE plans.

Thank you.

Gavin Newsom, Governor
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ALL PLAN LETTER

DATE: June 29, 2023

TO: All Full-Service Commercial Health Care Service Plans[1]

FROM: Sarah Ream
Chief Counsel

SUBJECT: APL 23-016: Implementation of SB 1338 (2022) - Community Assistance, Recovery, and Empowerment (CARE)

This All Plan Letter (APL) sets out the Department's guidance about how health plans shall ensure they identify enrollees who are involved in CARE implemented by SB 1338 (the CARE Act) and how health plans shall process and pay claims arising from their enrollees' CARE agreements or CARE plans.

I. BACKGROUND

The CARE Act became California law on September 14, 2022, codifying Health and Safety Code section 1374.723. It created a system allowing certain people to file a petition in civil court seeking behavioral health treatment on behalf of an individual diagnosed with a schizophrenia spectrum disorder and/or a psychotic disorder and who meets other specific requirements. If the individual meets the CARE criteria, they will receive an individualized and court-ordered treatment plan (called a CARE agreement or CARE plan), which may include a requirement for the individual to receive services by county behavioral health departments (CBHDs). Beginning July 1, 2023, the CARE Act requires health plans to fully cover health care services pursuant to a CARE agreement or CARE plan without conducting utilization review. Health plans shall not charge copayments, coinsurance, deductibles, or any other form of cost sharing for services provided to an enrollee pursuant to a CARE plan or a CARE agreement. However, health plans may charge cost shares in accordance with an enrollee's evidence of coverage for prescription drugs associated with a CARE plan or CARE Agreement.

On December 22, 2022, the Department of Managed Health Care (the Department) issued APL 22-031— Newly Enacted Statutes Impacting Health Plans (2022 Legislative

[1] This APL does not apply to Medi-Cal managed care or Medicare Advantage products. This APL does apply to restricted and limited health plans to the extent the health plan is delegated responsibility for behavioral health services.

Session) (APL 22-031),[2] which explains the CARE Act requirements pertaining to health plans.

The Department of Health Care Service (DHCS) has announced[3] CARE will be implemented throughout California in multiple phases:

1. By October 1, 2023: Glenn, Orange, Riverside, San Diego, Stanislaus, and Tuolumne counties, along with the City and County of San Francisco.

2. By December 1, 2023: Los Angeles County.

3. By December 1, 2024: All other counties.

The California Health Benefits Review Program analyzed the economic impact of the CARE Act and found that it will likely affect a very small number of Californians who are enrolled in commercial individual and group health plans.[4]

II. HEALTH PLAN REQUIREMENTS[5]

Each health plan shall designate a point of contact and phone number (it may be a voicemailbox or a person's direct line) for CBHDs and/or providers to use to contact the health plan about claims for services that arise from a CARE Agreement or CARE plan (CARE Services) or about an enrollee that is the subject of a pending CARE petition.

When a CBHD or provider contacts a plan's designated number about an enrollee named in a CARE petition or about a claim for CARE Services, the plan shall return the call by 5:00pm the next business day. Upon request by a provider, a CBHD, or the Department, a health plan shall provide instructions (within one business day of the request) about how to submit a claim for CARE Services to the health plan for processing and payment.

A health plan shall not require claims for CARE Services to be processed in the same automated manner as standard claims and shall accept claims for CARE Services outside its standardized claims process (though health plans must reimburse claims for CARE Services timely within the claims processing timeline provided by the Knox-

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[2] See APL 22-031: Newly Enacted Statutes Impacting Health Plans (2022 Legislative Session) (CARE Act discussion begins on page 28).
[3] DHCS, Community Assistance, Recover, and Empowerment Act Overview
[4] CHBRP, "California Senate Bill 1338: CARE Court Program," estimates that in its first year of operation, approximately 113 individuals would receive court-ordered clinical evaluations, and 57 would qualify for and enter CARE agreements or CARE plans. The DMHC believes that many of these individuals will likely be enrolled in or qualify for Medi-Cal.
[5]The Department issues this APL in accordance with Health and Safety Code section 1374.723(d), which temporarily exempts the Department from Administrative Procedure Act requirements.

Keene Act).[6] A health plan may not require CBHDs or providers to submit additional or different information than it requires to process claims for standard behavioral health services, though health plans may require CBHDs or providers to affirm or specify whether specific claims are for CARE Services.

Health plans shall accept and pay claims for CARE Services that were rendered by providers qualified to provide such services under their professional license or credential in the State of California. A health plan shall not require CARE Services providers to enroll through the health plan's provider enrollment process.

III. FILING REQUIREMENTS

Please submit by October 1, 2023, one filing to demonstrate compliance with this APL. The filing should include the health plan's point of contact phone number, and copies of any policies and procedures related to reimbursement for CARE Services. The Department will assemble a list of health plan points of contact.

Please title the filing "CARE Point of Contact 2023" and submit the point of contact information via an Exhibit II-4-a (Care Court—Point of Contact and Affirmation), which is an exhibit type the Department created for this purpose.

If you have questions regarding this APL, please contact your plan's assigned reviewer in the DMHC's Office of Plan Licensing.

[6] Health plans may direct personnel to enter claims for CARE Services into their systems manually.