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

TOBY DOUGLAS
DIRECTOR

EDMUND G. BROWN JR.
GOVERNOR

DATE:

All Plan Letter 14-xxx

TO: ALL MEDI-CAL MANAGED CARE HEALTH PLANS

SUBJECT: INTERIM POLICY FOR THE PROVISION OF BEHAVIORAL HEALTH TREATMENT (BHT) COVERAGE FOR CHILDREN DIAGNOSED WITH AUTISM SPECTRUM DISORDER

PURPOSE:
The purpose of this All Plan Letter (APL) is to provide Medi-Cal managed care health plans (MCPs) with interim policy guidance for providing BHT services to Medi-Cal children and adolescent beneficiaries 0 to 21 years of age diagnosed with Autism Spectrum Disorder (ASD).

BACKGROUND:
ASD is a developmental disability that can cause significant social, communication and behavioral challenges. A diagnosis of ASD now includes several conditions that previously were diagnosed separately: autistic disorder, pervasive developmental disorder not otherwise specified (PDD-NOS), and Asperger syndrome. These conditions are now all called Autism Spectrum Disorder. Currently, the Centers for Disease Control and Prevention (CDC) estimates that approximately 1 in 68 children has been identified with ASD.

Treatments for children with ASD can improve physical and mental development. Generally these treatments can be categorized in four categories: 1) behavioral and communication approaches; 2) dietary approaches; 3) medications; and 4) complementary and alternative medicine. While much of the current national BHT discussion focuses on one particular treatment modality called Applied Behavioral Analysis (ABA), there are other recognized and emerging treatment modalities for children with ASD.

On July 7, 2014, the Centers for Medicare and Medicaid Services (CMS) released guidance regarding the coverage of BHT services pursuant section 1905(a)(4)(B) of the Social Security Act (the Act) for Early and Periodic Screening, Diagnostic and Treatment services (EPSDT). Section 1905(r) of the Act defines the EPSDT benefit to

include a comprehensive array of preventive, diagnostic, and treatment services for low-income infants, children and adolescents under age 21. States are required to provide coverage to individuals eligible for the EPSDT benefit for any Medicaid covered service listed in section 1905(a) of the Act that is determined to be medically necessary to correct or ameliorate any physical or behavioral conditions. The EPSDT benefit is more robust than the Medicaid benefit package required for adults and is designed to ensure that children receive early detection and preventive care, in addition to medically necessary treatment services, so that health problems are averted or diagnosed and treated as early as possible.

All children, including children with ASD, must receive EPSDT screenings designed to identify health and developmental issues, including ASD, as early as possible. Good clinical practice requires ruling out any additional medical issues and avoiding the assumption that a behavioral manifestation is always attributable to the ASD. EPSDT also requires medically necessary diagnostic and treatment services. When a screening examination indicates the need for further evaluation of a child's health, the child should be appropriately referred for diagnosis and treatment without delay. Ultimately, the goal of EPSDT is to ensure children receive the health care they need, when they need it.

The Department of Health Care Services (DHCS) intends to provide BHT services as a covered Medi-Cal benefit for individuals 0 to 21 years of age with ASD to the extent required by the federal government. DHCS will seek federal approval to provide BHT as it is defined by Section 1374.73 of the Health and Safety Code. The DHCS is beginning the process to obtain all necessary federal approvals to secure federal funds for the provision of BHT in Medi-Cal, to seek statutory authority to implement this benefit in Medi-Cal, to seek an appropriation that would provide the necessary state funding, and to consult with stakeholders. The department will further develop and define eligibility criteria, provider participation criteria, utilization controls, and the delivery system for ABA services, subject to the limitations allowed under federal law and provide final policy guidance to Plans as soon as possible.

Pursuant to Section 14132.56 of the Welfare & Institutions Code, DHCS is required to perform the following in development of the benefit:

(1) Obtain all necessary federal approvals to secure federal funds for the provision of BHT in Medi-Cal.
(2) Seek statutory authority to implement the benefit in Medi-Cal.
(3) Seek an appropriation that would provide the necessary state funding estimated to be required for the applicable fiscal year.
(4) Consult with stakeholders.

In consultation with stakeholders, the department will develop and define eligibility criteria, provider participation criteria, utilization controls, and the delivery system for BHT services, subject to the limitations allowed under federal law. DHCS may enter into exclusive or nonexclusive contracts on a bid or negotiated basis, including contracts for

the purpose of obtaining subject matter expertise or other technical assistance in implementing this service. Contracts may be statewide or on a more limited geographic basis.

INTERIM POLICY:
In accordance with existing contracts, Medi-Cal MCPs are responsible for the provision of EPSDT services and EPSDT Supplemental Services for Members 0 to 21 years of age, including those who have special health care needs. Plans shall inform members that EPSDT services are available for beneficiaries 0 - 21 years of age, provide comprehensive screening and prevention services, (including, but not limited to, a health and developmental history, a comprehensive physical examination, appropriate immunizations, lab tests, and lead toxicity screening), and provide treatment for all medically necessary services including but not limited to BHT.

Plans shall cover all medically necessary mandatory and supplemental EPSDT services for beneficiaries 0 to 21 years of age including health education services, vision, dental and hearing services, and various therapies and other long-term services and supports. In addition to ensuring coverage of EPSDT services, Plans shall ensure an adequate level of benefits and services. Plans shall also ensure that appropriate EPSDT services are initiated in a timely fashion - as soon as possible but no later than 60 calendar days following either a preventive screening or other visit that identifies a need for follow-up.

Medi-Cal MCPs are responsible for the provision of EPSDT services for beneficiaries 0 to 21 years of age. Effective September 15, 2014, this includes medically necessary ABA services for children or adolescents with ASD that meet eligibility criteria for services.

Future guidance will be issued pertaining to the provision of other BHT services not addressed in this APL.

CONTINUITY OF CARE:
MCP beneficiaries 0 to 21 years diagnosed with ASD who are currently receiving BHT services including ABA services through a Regional Center will continue to receive these services through the Regional Center until such time that the department and the Department of Developmental Services develop a plan for transition. In addition, for Medi-Cal beneficiaries receiving ABA services outside of the MCPs' network for Medi-Cal services, the MCPs shall ensure continuity of care for up to 12 months in accordance with existing contract requirements.

HEALTH PLAN READINESS:
DHCS and the Department of Managed Health Care (DMHC) will coordinate efforts to conduct readiness reviews of MCPs for purposes of ensuring that MCP are timely providing medical necessary ABA services. DHCS and DMHC will engage in a joint decision making process when considering the content of any licensing filing submitted to either Department. The Departments will work together to issue template language to MCPs, as needed.

Guidance pertaining to readiness review requirements will be provided to MCPs separate from this APL.

DELEGATION OVERSIGHT:
MCPs are responsible for ensuring that their delegates comply with all applicable state and federal laws and regulations and other contract requirements as well as DHCS guidance, including APLs.

REIMBURSEMENT:
The department will engage in conversations with the MCPs in order to develop capitation rates for the costs associated with the provision of ABA services. Any rate adjustments will be retroactively applied to September 15, 2014.

To the extent beneficiaries received ABA services from licensed providers between July 7 and up to and including September 14, 2014, and incurred out-of-pocket expenditures for such services, these expenditures shall be submitted to the Fiscal Intermediary for reimbursement of expenditures through the existing *Medi-Cal Out-of-Pocket Expense Reimbursement (Conlan)* process (http://www.dhcs.ca.gov/services/medi-cal/Pages/Medi-Cal_Conlan.aspx). On and after September 15, 2014, beneficiaries must receive ABA services from the MCP unless they are receiving their ABA services from a Regional Center.

PROGRAM DESCRIPTION AND PURPOSE :
BHT means professional services and treatment programs, including but not limited to ABA and other evidence-based behavior intervention programs that develop or restore, to the maximum extent practicable, the functioning of an individual with ASD. ABA-based therapy is the design, implementation, and evaluation of environmental modification using behavioral stimuli and consequences to produce socially significant improvement in human behavior, including the direct observation, measurement, and functional analysis of the relations between environment and behavior. ABA-based therapies teach skills through the use of behavioral observation and reinforcement, or through prompting to teach each step of targeted behavior. ABA-based therapies are based on reliable evidence and are not experimental.

RECIPIENT CRITERIA FOR ABA-BASED THERAPY SERVICES:
In order to be eligible for ABA-based therapy services, a Medi-Cal beneficiary must meet all of the following coverage criteria. The recipient must:

1. Be 0 to 21 years of age and have a diagnosis of ASD;
2. Exhibit the presence of excesses and/or deficits of behaviors that significantly interfere with home or community activities (examples include, but are not limited to aggression, self-injury, elopement, etc.);
3. Be medically stable and without a need for 24-hour medical/nursing monitoring or procedures provided in a hospital or intermediate care facility for persons with intellectual disabilities (ICF/ID);

4. Have a comprehensive diagnostic evaluation that indicates ABA-based therapy services are medically necessary and recognized as therapeutically appropriate; and
5. Have a prescription for ABA-based therapy services ordered by a licensed physician and surgeon or a licensed psychologist.

COVERED SERVICES AND LIMITATIONS:

Medi-Cal covered ABA-based therapy services must be:

1. Medically necessary as defined by Welfare & Institutions Code Section 14059.5.
2. Prior authorized by the Medi-Cal Program or its designee; and
3. Delivered in accordance with the recipient's treatment plan.

Services must be provided under a treatment plan developed and approved by a "qualified autism service provider" as defined by Health & Safety Code Section 1374.73(c)(3), 1374.73(c)(4), and 1374.73(c)(5). Treatment may be administered by one of the following:

1. A qualified autism service provider.
2. A qualified autism service professional supervised and employed by the qualified autism services provider.
3. A qualified autism service paraprofessional supervised and employed by a qualified autism service provider.

ABA-based therapy services must be based upon a treatment plan and prior authorized for a time period not to exceed 180 days. Services provided without prior authorization shall not be considered for payment or reimbursement except in the case of retroactive Medi-Cal eligibility.

ABA-based therapy services shall be rendered in accordance with the individual's treatment plan. The treatment plan shall:

1. Be person-centered and based upon individualized goals over a specific timeline;
2. Be developed and approved by a qualified autism service provider for the patient being treated;
3. Delineate both the frequency of baseline behaviors and the treatment development plan to address the behaviors;
4. Identify long, intermediate, and short-term goals and objectives that are behaviorally defined;
5. Identify the criteria that will be used to measure achievement of behavior objectives;
6. Have objectives that are specific, measureable, based upon clinical observations, utilize evidence-based practices with demonstrated clinical efficacy in treating ASD, include outcome measurement assessment, and are tailored to the individual;
7. Ensure that interventions are consistent with ABA techniques.
8. Clearly identify the service type, number of hours, and parent or guardian participation needed to achieve the plan's goals and objectives, the frequency at

which the individual's progress is reported, and the individual providers responsible for delivering the services;
9. Include care coordination involving the parents or caregiver(s), school, state disability programs, and others as applicable; and
10. Include parent/caregiver training, support, and participation.

Service Limitations:
1. Services must give consideration to the child's age, school attendance requirements, and other daily activities as documented in the treatment plan.
2. Services must be delivered in a home or community-based settings, including clinics.
3. Any services delivered must be under the supervision of a qualified autism service provider.
4. ABA-based therapy services shall be discontinued when the treatment goals and objectives are achieved or are no longer appropriate.

The following services do not meet medical necessity criteria, nor qualify as Medi-Cal covered ABA-based therapy services for reimbursement:
1. Therapy services rendered when measureable functional improvement is not expected or progress has plateaued;
2. Services that are primarily respite, daycare or educational in nature and are not used to reimburse a parent for participating in the treatment program;
3. Services that are duplicative services and equal to the medically necessary frequency and duration under an individualized family service plan (IFSP) or an individualized educational program (IEP), as required under the federal Individuals with Disabilities Education Act (IDEA);
4. Treatment whose purpose is vocationally- or recreationally-based;
5. Custodial care;
   a. for purposes of these provisions, custodial care:
      i. shall be defined as care that is provided primarily to assist in the activities of daily living (ADLs), such as bathing, dressing, eating, and maintaining personal hygiene and safety;
      ii. is provided primarily for maintaining the recipient's or anyone else's safety; and
      iii. could be provided by persons without professional skills or training.
6. Services, supplies, or procedures performed in a non-conventional setting including, but not limited:
   a. resorts;
   b. spas; and
   d. camps.
7. Services rendered by a parent, legal guardian, or legally responsible person.

For questions about this APL, contact your Medi-Cal Managed Care Division Contract Manager.

Sincerely,

Margaret Tatar
Acting Deputy Director
Health Care Delivery Systems

Attachments