Behavioral Health Department Alameda County Health	By: DocuSigned by: F1FCDD2484DA41B... **Karyn L. Tribble, PsyD, LCSW, Director**
POLICY TITLE **Criteria for Member Access to Specialty Mental Health Services (SMHS), Medical Necessity, and Other Coverage Requirements**	**Policy No: 100-3-1** **Date of Original Approval**: April 1, 2022 **Date(s) of Revision(s):** 10/8/2026

PURPOSE

This policy and procedure outlines guidelines and criteria for accessing Specialty Mental Health Services (SMHS) as described in the Department of Health Care Services' (DHCS) Behavioral Health Information Notice (BHIN) 26-002.

AUTHORITY

- Welfare and Institution (W&I) Code sections 14184.402(c) and (d)
- DHCS BHIN No: 26-002 Criteria for Medi-Cal member access to the Specialty Mental Health Services (SMHS) delivery system, medical necessity, and other coverage requirements[1]

SCOPE

All Alameda County Behavioral Health Department (ACBHD) County-Operated programs and entities and individuals providing mental health services under a contract or subcontract with ACBHD are required to adhere to this policy.

BACKGROUND

With the California Advancing and Innovating Medi-Cal (CalAIM) initiative, DHCS aims to design a coherent plan to address beneficiaries' needs across the continuum of care to ensure that all Medi-Cal members receive coordinated services in support of improved health outcomes. The goal is to ensure access to the right care in the right place at the right time.

To achieve this aim, DHCS issued and continues to update guidance clarifying the responsibilities of Mental Health Plans (MHPs), including guidance regarding criteria for access to the Specialty Mental Health Services (SMHS) delivery system, for both adults and youth members under age 21.

The SMHS delivery system access criteria described in Welfare and Institution (W&I) Code sections 14184.402(c) and (d) are used to ensure that Medi-Cal members receive behavioral health services in the most appropriate delivery system for their needs. All covered Medi-Cal services must be medically necessary and clinically appropriate to address the member's presenting condition.[2] Generally, for Medi-Cal members who meet the access criteria for the SMHS delivery system, medical necessity determinations for specific, covered SMHS are made based on the clinical

[1] BHIN 26-002 supersedes BHIN 21-073.
[2] Code of Federal Regulations (CFR), title 42, sections 456.5 and 440.230, subdivision (d).

judgment of a treating practitioner that is qualified under California law to make such determinations.

POLICY

The criteria to access the SMHS delivery system are specified below, and are inclusive of all SMHS, including outpatient, residential, psychiatric health facility, and psychiatric inpatient hospital services. Medical necessity criteria for psychiatric inpatient hospital services, psychiatric inpatient hospital professional services, and psychiatric health facility services are outlined in BHIN 26-001 or superseding guidance.

PROCEDURE

I. Access Criteria for the SMHS Delivery System

A. Members 21 Years of Age or Older to Access the SMHS Delivery System

The access criteria are codified in W&I Code sections 14184.402(c) and (d) and restated below.

For members 21 years of age or older, a county Behavioral Health Plan (BHP) shall provide covered SMHS for members who meet both of the following criteria, (1) and (2) below:

1. The member has one or both of the following:

    a. Significant impairment, where impairment is defined as distress, disability, or dysfunction in social, occupational, or other important activities.
    b. A reasonable probability of significant deterioration in an important area of life functioning.

AND

2. The member's condition as described in paragraph (1) is due to either of the following:

    a. A diagnosed mental health disorder, according to the criteria of the current editions of the Diagnostic and Statistical Manual of Mental Disorders (DSM) and the International Statistical Classification of Diseases and Related Health Problems[3] (ICD)[4].

[3] A neurocognitive disorder (e.g., dementia) is not a "mental health disorder" for the purpose of determining whether a member meets criteria for access to the SMHS delivery system. However, BHPs must cover SMHS for members with a neurocognitive disorder if they also have a comorbid mental health disorder (or suspected mental health disorder not yet diagnosed) and meet criteria for SMHS as described above.

[4] Substance use disorders (SUD) may be considered for the purpose of determining if a member meets criteria for access to the SMHS delivery system. This is intended to allow BHPs to seek Medi-Cal reimbursement for psychiatric inpatient hospital services, psychiatric inpatient hospital professional services, psychiatric health facility services, residential treatment services, and crisis stabilization services provided to members admitted for the purpose of involuntary

b. A suspected mental disorder that has not yet been diagnosed.

B. <u>Members Under Age 21 to Access the SMHS Delivery System</u>

For members under 21 years of age, a county BHP shall provide all medically necessary SMHS required pursuant to Section 1396d(r) of Title 42 of the United States Code. Covered SMHS shall be provided to enrolled members who meet either of the following criteria, (1) or (2) below:

1. The member has a condition placing them at high risk for a mental health disorder due to experience of trauma evidenced by any of the following: scoring in the high-risk range under a trauma screening tool[5] approved by the department, involvement in the child welfare system, juvenile justice involvement, or experiencing homelessness[6].

OR

2. The member meets both of the following requirements in a) and b), below:
   a. The member has at least one of the following:
      i. A significant impairment
      ii. A reasonable probability of significant deterioration in an important area of life functioning
      iii. A reasonable probability of not progressing developmentally as appropriate
      iv. A need for SMHS, regardless of presence of impairment, that is not included within the mental health benefits that a Medi-Cal Managed Care Plan (MCP) is required to provide.

   AND

   b. The member's condition as described in subparagraph (2) above is due to one of the following:

      i. A diagnosed mental health disorder, according to the criteria of the current editions of the Diagnostic and Statistical Manual of Mental Disorders[7] and the International Statistical Classification of Diseases and Related Health Problems.

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evaluation and treatment or intensive treatment for a severe SUD only pursuant the Lanterman-Petris Short (LPS) Act (W&I Code section 5000, et seq.). Specialty substance use disorder treatment remains available through the Drug Medi-Cal (DMC) program or DMC-ODS for Medi-Cal members who meet DMC/DMC-ODS access criteria.

[5] Standard tool-specific scoring methodology shall be used to establish whether a member scores in the "high-risk range" on a youth trauma screening tool approved by the department. See Enclosure 1 for a list of DHCS-approved youth trauma screening tools.

[6] WIC § 14184.402(d)(1)

[7] A neurocognitive disorder (e.g., dementia) or a substance-related and addictive disorder (e.g., stimulant use disorder) are not "mental health disorders" for the purpose of determining whether a member meets criteria for access to the SMHS

ii. A suspected mental health disorder that has not yet been diagnosed.
iii. Significant trauma placing the member at risk of a future mental health condition, based on the assessment of a licensed mental health professional.[8]

If a member under age 21 meets the criteria as described in (1) above, the member meets criteria to access SMHS; it is not necessary to establish that the member also meets the criteria in (2) above.

II. Medical Necessity

A. Medical Necessity for Members 21 Years of Age or Older

Pursuant to W&I Code section 14184.402(a), for individuals 21 years of age or older, a service is "medically necessary" or a "medical necessity" when it is reasonable and necessary to protect life, to prevent significant illness or significant disability, or to alleviate severe pain as set forth in W&I Code section 14059.5.

B. Medical Necessity for Members Under Age 21

For individuals under 21 years of age, a service is "medically necessary" or a "medical necessity" if the service meets the standards set forth in Section 1396d(r)(5) of Title 42 of the United States Code, as incorporated in subdivision(b)(1) of W&I Code section 14059.5.

This section requires provision of all Medicaid-coverable services necessary to correct or ameliorate a mental illness or condition discovered by a screening service, whether or not such services are covered under the State Plan and, in the case of optional benefits by county or plan, irrespective of whether the BHP has opted to offer the benefit in question.

Furthermore, federal guidance from the Centers for Medicare & Medicaid Services (CMS) makes it clear that mental health services need not be curative or restorative to ameliorate a mental health condition.[9] Services that sustain, support, improve, or make a mental health condition more tolerable are considered to ameliorate the mental health condition, and are thus medically necessary and covered as Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) services.

For information related to medical necessity for psychiatric inpatient hospital services, psychiatric inpatient hospital professional services, and psychiatric health facility services, refer to BHIN 26-001 or superseding guidance.

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delivery system. However, BHPs must cover SMHS for members with any of these disorders if they also have a mental health disorder (or suspected mental health disorders not yet diagnosed) and meet criteria for SMHS as described above.

[8] W&I Code, § 14184.402(d)(2).

[9] EPSDT – A Guide for States: Coverage in the Medicaid Benefit for Children and Adults.

III. Additional Coverage Requirements and Clarifications

Pursuant to W&I Code section 14184.402(f)(1), the criteria for a member to access the SMHS delivery system set forth above shall not be construed to exclude coverage for, or reimbursement of, a clinically appropriate and covered mental health prevention, screening, assessment, treatment, or recovery service under any of the following circumstances:

- Services were provided prior to determining a diagnosis, including clinically appropriate and covered services provided during the assessment process.
- The prevention, screening, assessment, treatment, or recovery service was not included in an individual treatment plan.[10]
- The member has a co-occurring substance use disorder and/or is receiving Drug Medi-Cal (DMC) or Drug Medi-Cal Organized Delivery System (DMC-ODS) services.
- Non-Specialty Mental Health Services (NSMHS) and SMHS are provided concurrently, if those services are coordinated and not duplicated.

Per W&I Code section 14184.402(f)(1)(A), a mental health diagnosis is not a prerequisite for access to covered SMHS. This does not eliminate the requirement that all Medi-Cal claims, including SMHS claims, include a CMS-approved ICD diagnosis code.[11] In cases where services are provided due to a suspected mental health disorder that has not yet been diagnosed or due to trauma as noted above, options are available in the CMS-approved ICD diagnosis code list. For example, these include codes for "Other specified" and "Unspecified disorders," or "Factors influencing health status and contact with health services" (i.e., Z codes).[12]

Services for symptoms or conditions solely due to a medical condition (e.g., traumatic brain injury) remain the responsibility of the MCP or the FFS delivery system. However, SMHS are reimbursable for members with medical diagnoses if they also have mental health conditions and meet criteria for SMHS as described above.

IV. MCP Responsibility for NSMHS

As described in APL 22-006 or superseding guidance, MCPs are required to provide or arrange for the provision of NSMHS for the following populations:[13]

- Members 21 years of age and over with mild to moderate distress or mild to moderate impairment of mental, emotional, or behavioral functioning resulting from mental health disorders, as defined by the current DSM or ICD.[14]

[10] Some SMHS may still require an individual plan of care, such as Targeted Case Management (42 C.F.R. § 440.169(d)(2)).
[11] The most recent ICD 10 Tabular (October 1, 2025 – September 30, 2026) is available at https://www.cms.gov/files/document/fy-2026-icd-10-cm-coding-guidelines.pdf.
[12] BHIN 22-013.
[13] W&I Code, § 14184.402(b)(2)
[14] A neurocognitive disorder (e.g., dementia) is not a "mental health disorders" for the purpose of determining whether a member meets criteria for access to the NSMHS delivery system. However, MCPs must cover NSMHS for members with a

- Members under age 21, to the extent eligible for services through the Medicaid EPSDT benefit as described above, regardless of level of distress or impairment or the presence of a diagnosis.
- Members of any age with potential mental health disorders not yet diagnosed.

DHCS published additional guidance regarding the CalAIM No Wrong Door policies for mental health services in Medi-Cal in BHIN 22-011 as set forth in W&I Code section 14184.402.

NON-COMPLIANCE

I. Contractors not in compliance with contract provisions, or with State or Federal law and/or regulations, shall be immediately responsible for remedy.
II. ACBHD may, at its discretion, issue a Corrective Action Plan (CAP) or Contract Compliance Plan (CCP), as appropriate.
III. The cost to implement the CAP or CCP shall be borne by the Contractor.
IV. Staff shall report incidents of non-compliance to their department manager, who shall submit those incidents of non-compliance to ACBHD Quality Management (QM).
    a. Incidents of non-compliance shall be submitted within 15 days of reasonable awareness of the non-compliance.
V. Failure to address identified issues may result in further action by ACBHD up to and including program termination, as specified in ACBHD Policy # 1302-1-1, Contract Compliance and Sanctions for ACBHD-Contracted Providers.
VI. Staff shall not face retribution for submitting incidents of non-compliance.
VII. Any communication that contains protected health information (PHI) or otherwise confidential information (e.g., as defined by the Health Insurance Portability and Accountability Act (HIPAA), 42 Code of Federal Regulations (CFR), Part 2, etc.) shall be sent through secure methods such as email with secure encryption.

CONTACT

ACBHD Office	Current As Of	Email
Quality Assurance (QA)	4/13/2026	QAOffice@acgov.org

DISTRIBUTION

This policy will be distributed to the following:

- ACBHD Staff
- ACBHD Contract Providers

neurocognitive disorder if they also have a co-morbid mental health disorder (or suspected mental health disorders not yet diagnosed) and meet criteria for NSMHS as described above.

- Public

ISSUANCE AND REVISION HISTORY

Original Authors: QA
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Revision Author	Reason for Revision	Date of Approval by (Name, Title)
Torfeh Rejali, Division Director, QA; Holly Tan Playsted, Program Specialist, QA	To be consistent with BHIN 26-002.	10/8/2026 by Karyn L. Tribble, Behavioral Health Director

DEFINITIONS

Term	Definition
Behavioral Health Plan (BHP)	BHP means the entity of local agency that holds the contract with DHCS to provide SMHS and DMC-ODS services, if applicable.
Fee-For-Service (FFS) Medi-Cal Delivery System	Under FFS, the state pays enrolled Medi-Cal providers directly for covered services provided to Medi-Cal members. FFS providers render services and then submit claims for payment that are adjudicated, processed, and paid (or denied) by the Medi-Cal program's fiscal intermediary.
Homelessness	The member meets the definition established in section 11434a of the federal McKinney-Vento Homeless Assistance Act.[15] Specifically, this includes (A) individuals who lack a fixed, regular, and adequate night-time residence (within the meaning of section 103(a)(1) of the Act); and (B) includes (i) children and youths who are sharing the housing of other persons due to loss of housing, economic hardship, or a similar reason; are living in motels, hotels, trailer parks, or camping grounds due to the lack of alternative adequate accommodations; are living in emergency or transitional shelters; or are abandoned in hospitals; (ii) children and youths who have a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings (within the meaning of section 103(a)(2)(C)); (iii) children and youths who are living in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations, or similar settings; and

[15]Available at: https://nche.ed.gov/mckinney-vento-definition/. Full text of the Act is available here: http://uscode.house.gov/view.xhtml?path=/prelim@title42/chapter119/subchapter6/partB&edition=prelim

	(iv) migratory children (as such term is defined in section 1309 of the Elementary and Secondary Education Act of 1965) who qualify as homeless for the purposes of this subtitle because the children are living in circumstances described in clauses (i) through (iii).
Involvement in child welfare	The member has an open child welfare services case, or the member is determined by a child welfare services agency to be at imminent risk of entering foster care but able to safely remain in their home or kinship placement with the provision of services under a prevention plan, or the member is a child whose adoption or guardianship occurred through the child welfare system. A child has an open child welfare services case if: a) the child is in foster care or in out of home care, including both court-ordered and by voluntary agreement; or b) the child has a family maintenance case (pre-placement or post-reunification), including both court ordered and by voluntary agreement. A child can have involvement in child welfare whether the child remains in the home or is placed out of the home.
Juvenile justice involvement	The member (1) has ever been detained or committed to a juvenile justice facility, or (2) is currently under supervision by the juvenile delinquency court and/or a juvenile probation agency. Members who have ever been in custody and held involuntarily through operation of law enforcement authorities in a juvenile justice facility, including youth correctional institutions, juvenile detention facilities, juvenile justice centers, and other settings such as boot camps, ranches, and forestry/conservation camps, are included in the "juvenile justice involvement" definition. Members on probation, who have been released home or detained/placed in foster care pending or post-adjudication, under probation or court supervision, participating in juvenile drug court or other diversion programs, and who are otherwise under supervision by the juvenile delinquency court and/or a juvenile probation agency also meets the "juvenile justice involvement" criteria.
Managed Care Plan (MCP)	MCPs are responsible for the Medi-Cal physical healthcare benefit. They are also responsible for a portion of the mental health benefit and must provide specified services to adults diagnosed with a mental health disorder, as defined by the current DSM, that results in mild to moderate distress or impairment of mental, emotional, or behavioral functioning. MCPs must also provide medically necessary non-specialty mental health services to children under the age of 21. MCPs refer to and coordinate with county BHPs for the SMHS.
Non-Specialty Mental Health	NSMHS are delivered via MCP and FFS delivery systems and are provided to recipients 21 years and over with mild-to- moderate distress or mild-to-

Services (NSMHS)	moderate impairment of mental, emotional, or behavioral functioning resulting from mental health disorders. NSMHS may be provided to recipients under age 21, to the extent otherwise eligible for services through EPSDT, regardless of level of distress or impairment or the presence of a diagnosis, and recipients of any age with potential mental health disorders not yet diagnosed.
Specialty Mental Health Services (SMHS)	SMHS include but are not limited to: Assessment, Plan Development, Rehabilitation Services, Therapy Services, Collateral, Medication Support Services, Targeted Case Management, Crisis Intervention, Intensive Care Coordination (ICC), Intensive Home-Based Services (IHBS) and Therapeutic Behavioral Services (TBS). SMHS are provided to Medi-Cal members through County BHPs. All the BHPs are part of county mental health or behavioral health departments, and the BHP can provide services through its own employees or through contract providers.

APPENDICES

None