



ALCOHOL, DRUG & MENTAL HEALTH SERVICES  
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TO: All SUD BHCS Contract Providers of Drug-Medi-Cal Services  
FR: Quality Assurance Office  
DT: September 19, 2016  
RE: Documentation of Medical Necessity for Substance Use Disorder (SUD) Services

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Drug Medi-Cal (DMC) Regulations, Title 22 § 51341.1 (Endorsed and Approved July 14, 2015), of the California Department of Health Care Services (DHCS) requirements for evaluation and determination of Medical Necessity criteria must be met for the beneficiary / client to meet DMC eligibility. Physicians of Drug Medi-Cal certified Substance Use Disorder (SUD) treatment program must adhere to Medical Necessity documentation and billing requirements.

In the past 2+ years, DMC Treatment Providers began experiencing a higher level of scrutiny, focused on the quality of clinical documentation as well as Title 22 Regulations, from DHCS and BHCS. Because of the increase in audits from BHCS and DHCS, deficiencies in documentation such as Medical Necessity have come to light. **A BHCS Medical Necessity form (Med Nec 9-6-16) is available and posted to the SUD webpage. Programs must use this form to determine and establish Medical Necessity or develop their own form provided it contains, at a minimum, the information required in Title 22 § 51341.1 (h)(1)(A)(v)(a)(b), (vi); (h)(5)(A)(i)(ii)(iii).**

In addition, a Fact Sheet, developed by DHCS, which addresses clinical documentation requirements for determining a diagnosis and medical necessity was released August 2016. You are encouraged to review the Fact Sheet and look for future Fact Sheets under the DMC Provider Resource Tool Kit using the following link:

- Medical Necessity Link -

[http://www.dhcs.ca.gov/services/adp/Documents/Title\\_22\\_Diagnosis\\_Medical\\_Necessity\\_DSM.pdf](http://www.dhcs.ca.gov/services/adp/Documents/Title_22_Diagnosis_Medical_Necessity_DSM.pdf)

- DMC Provider Resource Tool Kit -

[http://www.dhcs.ca.gov/services/adp/Pages/dmc\\_drug\\_medical\\_monitoring.aspx](http://www.dhcs.ca.gov/services/adp/Pages/dmc_drug_medical_monitoring.aspx)

To contact BHCS with your questions or other assistance needs please contact Sharon Loveseth, LAADC; QA-SUD at: 510-567-8244 or [sloveseth@acbhcs.org](mailto:sloveseth@acbhcs.org).

