

Karyn Tribble, PsyD, LCSW
Director

Selecting Diagnoses/Codes for Claiming

Specialty Mental Health Services (SMHS) and Drug Medi-Cal Organized Delivery System (DMC-ODS)

This document provides information about selecting diagnoses and codes for claiming in the DMC-ODS and SMHS delivery systems. Following the Department of Health Care Services' (DHCS) example, ACBHD will not publish specific lists of diagnoses/codes. This document is a review of considerations and requirements related to diagnosis and claiming.

General Information

- SMHS and DMC-ODS claims are submitted to DHCS using the Short-Doyle Medi-Cal (SDMC) claims system.
- Per Centers for Medicare and Medicaid Services (CMS) requirements, all Medi-Cal/Medicaid claims must be sent with an allowable billable ICD-10-CM code.
- Effective January 1, 2022, per [BHINs 21-073](#) and [21-075](#), except for psychiatric inpatient hospital, psychiatric health facility services, and substance use disorder (SUD) residential/inpatient, DHCS no longer limits SMHS or DMC-ODS to lists of included diagnoses; instead, DHCS provides categorical guidance.
- The SDMC claims system accepts a wide range of ICD-10-CM codes, across many health disciplines. However, within the behavioral health delivery systems, only relevant behavioral health codes should be used for claiming.
- 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. In cases where services are provided due to a suspected mental health disorder that has not yet been diagnosed or due to trauma, other 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 codes¹). DHCS provided additional clarification regarding the use of Z-codes in [BHIN 22-013](#).
- CMS, ICD, and DSM typically follow an October to November update cycle. ACBHD attempts to update its systems on the same schedule.

¹ All ICD-10-CM Z55 to Z65 codes may be used.

- BHP contracts require use of the DSM² for diagnostic criteria. Only ICD-10-CM codes in the current edition of the DSM when the service is rendered, should be used.³
- Only diagnoses/codes related to claiming need to be entered into SmartCare. However, the clinical record should be reflective of the member’s full clinical picture.
- Additional flexibility during the assessment phase of treatment is allowed; refer to DHCS BHINs [22-013](#) and [26-002](#) (and any that supersede them) for additional information.

Guidance for Diagnosis Code Selection

The table below provides additional guidance for diagnosis codes that may be used based on the service and system of care. Guidance applies to both the assessment period and ongoing treatment.

SMHS Outpatient Claims ⁴	DMC-ODS Outpatient Claims ⁵
<ul style="list-style-type: none"> • All diagnoses defined as <i>mental health disorders</i> from the DSM, except neurocognitive disorders (e.g., dementia). • All codes in the DSM from the <i>Other Conditions That May Be a Focus of Clinical Attention</i> section. • All ICD-10-CM codes in the range of Z55-Z65. 	<ul style="list-style-type: none"> • All diagnoses from the <i>Substance-Related and Addictive Disorders</i> chapter of the DSM, with the exception of <i>Tobacco-Related Disorders</i> and <i>Non-Substance-Related Disorders</i>. • All ICD-10-CM codes in the range of Z55-Z65. • Any additional Z codes in the DSM. • For Recovery Incentives, R82.998 and Z71.51 are used for claiming test results (secondary diagnosis).

² For the purposes of this document, any reference to the DSM, means the current edition of the [Diagnostic and Statistical Manual of Mental Disorders](#) at the time of the rendered service.

³ The DSM uses the ICD-10-CM to codify diagnoses. Since the DSM and ICD-10 are managed by different organizations, the APA and WHO/CMS respectively, the manuals are not always in alignment. This can create some confusion. Whenever a diagnosis descriptor is different for the same code between the DSM and ICD-10, the code is the important part as diagnosis names, or descriptors, are not included on the claim submission.

⁴ See DHCS BHINs [22-013](#) & [24-001](#)

⁵ See DHCS BHINs [22-013](#) & [26-002](#)

SMHS Inpatient claims ⁶	DMC-ODS Residential and Inpatient Claims
<ul style="list-style-type: none"> All diagnoses defined as <i>mental health disorders</i> from the DSM, except neurocognitive disorders (e.g., dementia). 	<p>SUD residential and inpatient programs may only submit claims with ICD-10-CM codes that are in the DSM from the list in <i>Appendix 5 – Covered Diagnoses of the DHCS DMC-ODS Short Doyle Medi-Cal Billing Manual</i>.</p>

Sources:

[SMHS and DMC-ODS Short Doyle Medi-Cal Billing Manuals](#)

[CMS ICD-10-CM Information](#)

[WHO ICD-10-CM Information](#)

[HIPAA Code Set](#)

DHCS BHINs: [22-013](#), [24-001](#), [26-001](#), and [26-002](#)

[APA Diagnostic and Statistical Manual of Mental Disorders \(DSM\)](#)

[DSM-5-TR Updates](#)

[DHCS CaAIM BH FAQ](#)

[DHCS CaAIM Payment Reform FAQ](#)

⁶ See [DHCS BHIN 26-001](#)