



## Outpatient Services • Adult Day Health Care Centers

### October 2007 • Bulletin 397

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*Medi-Cal Training Seminars*

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### New State Law for ADHC Centers

In September 2006, the governor signed into law Senate Bill (SB) 1755. SB 1755 made significant changes in the way in which Adult Day Health Care (ADHC) services are authorized and reimbursed and in the way ADHC centers are overseen by Department of Health Care Services (DHCS) and the California Department of Aging (CDA). These changes include new and expanded eligibility and medical necessity criteria; new provisions for the participant's personal health care provider and the ADHC center staff physician; new forms including the *Individual Plan of Care* and the *History and Physical* forms; new ADHC service requirements (daily core services); and unbundling of the current service code and a change in the reimbursement methodology. The new *Individual Plan of Care* form will be available to providers on the Medi-Cal Web site ([www.medi-cal.ca.gov](http://www.medi-cal.ca.gov)) after November 1, 2007. The location of the form will be available in a future *Medi-Cal Update*.

Additional information about the provisions scheduled for implementation January 1, 2008, and provisions scheduled for implementation at a later date will be announced in a future *Medi-Cal Update*.

**Note:** Implementation of the *History and Physical* form will be delayed until after the January 1, 2008 implementation of the other provisions of SB 1755 specified below. Providers should watch future *Medi-Cal Updates* for details regarding implementation of the *History and Physical* form.

### Implementation Schedule

The following provisions of SB 1755 will be implemented on January 1, 2008:

- Definitions
- Eligibility criteria
- Medical necessity criteria for authorization of the *Treatment Authorization Request* (TAR)
- New *Individual Plan of Care* form
- New requirements for the participant's personal health care provider and the ADHC center's staff physician (including new language regarding conflict of interest in ADHC ownership)
- New ADHC center service requirements (daily core services)

The table on the next page details the implementation of these provisions based upon the date the Medi-Cal field office receives the TAR and the dates of service:

*Please see New State Law, page 2*

New State Law (continued)

TAR Receipt Date and Dates of Service	SB 1755 Requirements Implemented
TAR received on or after January 1, 2008 AND Dates of service on or after January 1, 2008	YES
TAR received prior to January 1, 2008 AND Dates of service prior to January 1, 2008	NO
TAR received prior to January 1, 2008 AND Dates of service on or after January 1, 2008	NO
TAR received on or after January 1, 2008 AND Dates of service prior to January 1, 2008	NO
TAR received prior to January 1, 2008 AND Dates of service starting before January 1, 2008 and ending on or after January 1, 2008	NO
TAR received on or after January 1, 2008 AND Dates of service starting before January 1, 2008 and ending on or after January 1, 2008	NO

**Note:** Dates of service shall not be split between the period before January 1, 2008 and the period after January 1, 2008. TARs should continue to be submitted for six-month intervals based on the end date of the previous TAR without regard to the beginning of the new year.

*This information is reflected on manual replacement pages adu 1 thru 13 (Part 2) and adu tar ipc 1 thru 45 (Part 2).*

**‘Adjudication Response Notice’ and Other TAR Updates**

As announced in the May and June 2007 *Medi-Cal Update*, providers will no longer receive TAR-adjudication results on a paper *Treatment Authorization Request* (TAR). Instead, providers will receive an *Adjudication Response* notice (ARN) with the following information, as appropriate:

- The status of the requested services
- Information required to submit a claim for TAR-approved services
- The reason(s) for the decision(s)
- TAR decisions resulting from an approved or modified appeal
- The TAR consultant’s request for additional information, if necessary

The provider manual is being updated with ARN information, including instructions for providers to substitute an ARN for a paper TAR when submitting claims for certain services. For example, if a copy of a paper TAR was required when submitting a claim for medical supplies, now an ARN will be required with the claim instead. Providers will also submit an ARN with a new TAR for an appeal and with requests for TAR updates and/or corrections.

*Please see **Adjudication Response**, page 3*

Adjudication Response (*continued*)**Provider Telecommunications Network**

Several Provider Telecommunications Network messages have been updated to include ARN instructions.

**eTARs**

Certain providers can create, update and inquire on TARs through the online eTAR system. The eTAR system's online screen displays field office consultants' response(s). The eTAR system is not available for all provider types or for all services at present, but is being activated on a phased-in basis.

**Assembly Bill 2877**

Additionally, text concerning "prior" authorization is continuing to be updated as a result of Assembly Bill 2877 (July 2000) and *California Code of Regulations* (CCR), Title 22, Section 51003.1. This legislation stated that TARs would be reviewed for medical necessity only, which eliminates the previous timeliness requirements for TAR submissions. The updates include, but may not be limited to, the following:

- Revision of the term "prior authorization" to "authorization"
- Removal of many instructions related to retroactive TARs
- Removal of all instructions related to clock-stopping initial TARs

Due to the scope of "prior authorization" information in the manual, these updates will be ongoing.

*This information is reflected on manual replacement pages prov tele 16, 17, 19 and 20 (Part 1), tar comp 2, 3, 8 thru 10 and 12 (Part 2), tar field 1 (Part 2) and tar submit 1 (Part 2).*

**2008 ICD-9-CM Code Updates Delayed**

Medi-Cal providers are asked not to bill for services using 2008 ICD-9-CM codes until notified to do so in a future *Medi-Cal Update*. The Medi-Cal program has not yet adopted the 2008 updates for ICD-9-CM for Volume 1 (disease diagnoses) and Volume 3 (inpatient procedure codes) of the *2008 International Classification of Diseases, 9<sup>th</sup> Revision, Clinical Modification, 6<sup>th</sup> Edition*.

**Note:** Updates to the 2008 ICD-9-CM codes for Volume 1 and Volume 3 will be effective for Medicare on October 1, 2007.

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Remove and replace  
after the *Manual*

Organization tab:      *Manual Organization A-1/A-2 \**

Remove:                  adu 1 thru 5  
Insert:                    adu 1 thru 13

Remove:                  adu tar ipc 1 thru 27  
Insert:                    adu tar ipc 1 thru 46

Remove and replace:    cif co 9/10 \*  
                                  ihs moa cd 3/4 \*  
                                  oth hlth 7/8 \*  
                                  tar comp 1 thru 4, 7 thru 12  
                                  tar field 1/2  
                                  tar submit 1

\* Pages updated due to ongoing provider manual revisions.