



Policy and Procedure No: PR 22.2	Revision No: 2
Division: Care Management	
Department: Provider Relations	
Title: PHC-CA Dispute Resolution with County Mental Health Plan	
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Supersedes Policy No: PR 22.0, 22.1	
Reviewed/Revised by: Sandy Johansson	Review/Revision Date: 12/1/2025
Approving Committee: Member Provider Committee	Date: 12/15/2025
Executive Oversight Committee Date: 12/16/2025	

Purpose:

To establish a mechanism for resolving any disputes between PHC California (the Health Plan) and the county’s Mental Health Plan (MHP), the Los Angeles County Department of Mental Health (LACDMH).

Policy:

1. As described in Department of Health Care Services (DHCS) All Plan Letter (APL) 23-029, the Health Plan must enter into a MOU with the MHP in each of the counties where it operates. The Health Plan operates in Los Angeles County and maintains an MOU with LACDMH, the Los Angeles County MHP.
2. In the event of a dispute with LACDMH, the Health Plan will follow a process for resolution that ensures enrollees receive medically necessary services, including specialty mental health services (SMHS), while the dispute is being resolved.
3. The provision of medically necessary services must not be delayed during the pendency of a dispute between the Health Plan and LACDMH.
4. The Health Plan is responsible for the provision of case management and care coordination for all medically necessary services a member needs, including those services that are the subject of a dispute between the Health Plan and LACDMH.
5. The Health Plan is responsible for ensuring that there is no duplication of SMHS treatment services.
6. The Health Plan and LACDMH must complete the plan-level dispute resolution process within fifteen (15) business days of identifying the dispute.
7. Within three (3) business days after a failure to resolve the dispute, either the Health Plan or LACDMH must submit a written Request for Resolution to the California Department of Health Care Services (DHCS).
8. If the Health Plan submits the Request for Resolution, it must be signed by the Health Plan’s Chief Executive Officer (CEO) or the CEO’s designee.
9. The Request for Resolution must include:
 - a. A summary of the disputed issue(s) and a statement of the desired remedies, including any disputed services that have been or are expected to be delivered to the member by either the Health Plan or LACDMH and the expected rate of payment for each type of service;

- b. A history of the attempts to resolve the issue(s) with LACDMH;
 - c. Justification for the Health Plan's desired remedy; and
 - d. Any additional documentation that Health Plan deems relevant to resolve the disputed issue(s), if applicable.
10. The Request for Resolution must be submitted via secure email to MCQMD@dhcs.ca.gov.
 11. Within three (3) business days of receipt of a Request for Resolution from either the Health Plan or LACDMH, DHCS will send Notification of the Request for Resolution to the Director of the affiliated LGA or the Health Plan via secure email.
 12. The Health Plan will within three (3) business days from the receipt of the Notification from DHCS to submit a response to LACDMH's Request for Resolution and to provide any relevant documents to support the Health Plan's position.
 13. If the Health Plan fails to respond to DHCS after receipt of the Notification, DHCS will render a decision on the disputed issue(s) based on the documentation submitted by LACDMH.
 14. Within twenty (20) business days from the third business day after the opposing plan received Notification from DHCS, DHCS will communicate the final decision via secure email to the Health Plan's CEO (or the CEO's designee, if the designee submitted the Request for Resolution) and LACDMH's Director (or the Director's designee, if the designee submitted the Request for Resolution).
 15. Any action required of the Health Plan to implement DHCS' decision, must be taken no later than the next business day following the date of the decision [NOTE: With the exception of payment by the party determined financially liable, then the party has thirty (30) calendar days to pay pursuant Title 9, California Code of Regulations (CCR), section 1850.530].
 16. The Health Plan may seek to enter into an expedited dispute resolution process with LACDMH, if a member has not received a disputed service(s) and the Health Plan and/or LACDMH determine that the Routine Dispute Resolution Process timeframe would result in serious jeopardy to the member's life, health, or ability to attain, maintain, or regain maximum function.
 17. Under an expedited process, the Health Plan and LADMH will have one (1) business day after identification of a dispute to attempt to resolve the dispute at the plan level.
 18. Within one (1) business day after a failure to resolve the dispute, the Health Plan and LACDMH must separately submit a Request for Resolution to DHCS that includes an affirmation of the stated jeopardy to the member.
 19. If the Health Plan fails to submit a Request for Resolution, DHCS will render a decision on the disputed issue(s) based on the documentation submitted by LACDMH. DHCS will provide a decision no later than one (1) business day following DHCS' receipt of Request for Resolution from both parties and affirmation of the stated jeopardy to the member.
 20. If DHCS' decision includes a finding that the Health Plan is the unsuccessful party, the plan is then financially liable to the other party for services and required to comply with the requirements in Title 9, CCR section 1850.530 (d).

Procedure:

1. The Health Plan Administrator, in collaboration with the National Director of Contracting and Provider Relations, is responsible for obtaining an MOU with the County MHP to cover specialty mental health services for the Health Plan’s enrollees.
2. The Health Plan Administrator is responsible to review MOU documents provided by LACDMH to ensure they comply with any applicable DHCS All Plan Letters and California Code of Regulations. He or she obtains Legal Department review and approval of the document prior to CEO or designee signature.
3. The National Director of Care Coordination, in collaboration with the Medical Director, ensures that there is no delay in providing medically necessary specialty mental health services while the Health Plan and LACDMH work to resolve any dispute.
4. The National Director of Care Coordination, Medical Director and Health Plan Administrator are responsible for drafting the Request for Resolution should this be necessary. The Chief of Care Management is responsible for signing the request.
5. The Health Plan Administrator, National Director of Care Coordination and Medical Director work collaboratively with LACDMH to resolve any disputes that may arise. They also work to respond to any Notification of the Request for Resolution enquiries from DHCS.
6. The National Director of Care Coordination is responsible for implementing any DHCS decision that directs the Health Plan to act as a result of DHCS’s decision to a Request for Resolution.

Definitions:

1. Specialty Mental Health Services (SMHS) are outpatient and inpatient mental health services generally for enrollees who have SMI that are carved out of the Health Plan’s contract with DHCS and provided by the MHP.

Monitoring:

This policy is reviewed annually by the Member Provider Committee and updated as needed.

Reference(s):

1. DHCS APL 22-013, Dispute Resolution Process between Mental Health Plans and Medi-Cal Managed Care Health Plans, published October 4, 2021.
2. DHCS APL 23-029, Memorandum of Understanding Requirements for Medi-Cal Managed Care Plans and Third-Party Entities, published October 11, 2023.
3. DHCS OR Contract #22-20597 Exhibit A, Attachment III, Section 5.6.1, MOUs with Third-Party Entities and County Programs
4. Title 9, CCR sections 1850.505, 1850.525, 1850.530, 1810.370

