State of California—Health and Human Services Agency
Department of Health Care Services

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DATE: August 14, 2019

ALL PLAN LETTER 19-010
SUPERSEDES ALL PLAN LETTER 18-007 and 07-008

TO: ALL MEDI-CAL MANAGED CARE HEALTH PLANS

SUBJECT: REQUIREMENTS FOR COVERAGE OF EARLY AND PERIODIC SCREENING, DIAGNOSTIC, AND TREATMENT SERVICES FOR MEDI-CAL MEMBERS UNDER THE AGE OF 21

PURPOSE:
This All Plan Letter (APL) clarifies the responsibilities of Medi-Cal managed care health plans (MCPs) to provide Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) services to eligible members under the age of 21. This policy applies to all members under the age of 21 enrolled in MCPs. This guidance is intended to reinforce existing state and federal laws and regulations regarding the provision of Medi-Cal services, including EPSDT, and does not represent any change in policy.

BACKGROUND:
In 1967, Congress expanded the Medicaid benefit for children with the creation of the EPSDT benefit. The EPSDT benefit is set forth in the Social Security Act (SSA) Section 1905(r) and Title 42 of the United States Code (USC) Section 1396d.[1, 2] The EPSDT benefit provides a comprehensive array of prevention, diagnostic, and treatment services for individuals under the age of 21 who are enrolled in Medi-Cal. According to guidance from the Centers for Medicare and Medicaid Services (CMS), titled *EPSDT — A Guide for States: Coverage in the Medicaid Benefit for Children and Adolescents* (June 2014) on page 1, “The EPSDT benefit is more robust than the Medicaid benefit for adults and is designed to assure that children receive early detection and care, so that health problems are averted or diagnosed and treated as early as possible. The goal of EPSDT is to assure that individual children get the health care they need when they need it—the right care to the right child at the right time in the right setting.”[3]

Under the EPSDT benefit, states are required to provide any Medicaid-covered service listed within the categories of mandatory and optional services in the SSA Section

[1] SSA Section 1905 is available at: https://www.ssa.gov/OP_Home/ssact/title19/1905.htm
[2] 42 USC Section 1396d is available at: http://uscode.house.gov/view.xhtml?req=(title:42%20section:1396d%20edition:prelim
[3] *EPSDT — A Guide for States: Coverage in the Medicaid Benefit for Children and Adolescents* is available at: https://www.medicaid.gov/medicaid/benefits/downloads/epsdt_coverage_guide.pdf

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1905(a), regardless of whether such services are covered under California's Medicaid State Plan, for members who are eligible for EPSDT services when the services are determined to be medically necessary to correct or ameliorate defects and physical and mental illnesses or conditions.

The SSA Section 1905(r) and Title 42 of the USC Section 1396d(r) defines EPSDT services as follows:

> (r) Early and periodic screening, diagnostic, and treatment services
> The term "early and periodic screening, diagnostic, and treatment services" means the following items and services:
>
> (1) Screening services—
>
> (A) which are provided—
>
> (i) at intervals which meet reasonable standards of medical and dental practice, as determined by the state after consultation with recognized medical and dental organizations involved in child health care and, with respect to immunizations under subparagraph (B)(iii), in accordance with the schedule referred to in section 1396s(c)(2)(B)(i) of this title for pediatric vaccines, and
>
> (ii) at such other intervals, indicated as medically necessary, to determine the existence of certain physical or mental illnesses or conditions; and
>
> (B) which shall at a minimum include—
>
> (i) a comprehensive health and developmental history (including assessment of both physical and mental health development),
>
> (ii) a comprehensive unclothed physical exam,
>
> (iii) appropriate immunizations (according to the schedule referred to in section 1396s(c)(2)(B)(i) of this title for pediatric vaccines) according to age and health history,
>
> (iv) laboratory tests (including lead blood level assessment appropriate for age and risk factors), and
>
> (v) health education (including anticipatory guidance).
>
> (2) Vision services—
>
> (A) which are provided—
>
> (i) at intervals which meet reasonable standards of medical practice, as determined by the state after consultation with recognized medical organizations involved in child health care, and

(ii) at such other intervals, indicated as medically necessary, to determine the existence of a suspected illness or condition; and

(B) which shall at a minimum include diagnosis and treatment for defects in vision, including eyeglasses.

(3) Dental services—

(A) which are provided—

(i) at intervals which meet reasonable standards of dental practice, as determined by the state after consultation with recognized dental organizations involved in child health care, and

(ii) at such other intervals, indicated as medically necessary, to determine the existence of a suspected illness or condition; and

(B) which shall at a minimum include relief of pain and infections, restoration of teeth, and maintenance of dental health.

(4) Hearing services—

(A) which are provided—

(i) at intervals which meet reasonable standards of medical practice, as determined by the state after consultation with recognized medical organizations involved in child health care, and

(ii) at such other intervals, indicated as medically necessary, to determine the existence of a suspected illness or condition; and

(B) which shall at a minimum include diagnosis and treatment for defects in hearing, including hearing aids.

(5) Such other necessary health care, diagnostic services, treatment, and other measures described in subsection (a) of this section to correct or ameliorate defects and physical and mental illnesses and conditions discovered by the screening services, whether or not such services are covered under the state plan.

Bright Futures Periodicity Schedule and Guidelines for Pediatric Preventive Care

The Patient Protection and Affordable Care Act (ACA) specified that coverage of preventive care and screenings must be conducted with evidence-informed, comprehensive guidelines supported by the Health Resources and Services Administration (HRSA), which is an agency of the United States Department of Health

and Human Services.[4] HRSA participated in the development of, and provides ongoing support to, the national health promotion and prevention initiative known as Bright Futures, which is led by the American Academy of Pediatrics (AAP). The AAP develops theory-based and evidence-based guidance and recommendations for preventive care screenings and well-child visits for children and regularly publishes updated tools and resources for use by clinicians and state agencies. These tools include the "Bright Futures Guidelines" and the "Recommendations for Preventive Pediatric Health Care," which is also known as the "periodicity schedule." The periodicity schedule indicates specific preventive screenings and procedures that are to be provided to children at age-specific periodic intervals specific ages from birth through age 21.[5]

EPSDT in California

For members under age 21, MCPs must provide a more robust range of medically necessary services than they do for adults that include standards set forth in federal and state law. This includes the contractual obligation to provide the EPSDT benefit in accordance with the AAP/Bright Futures periodicity schedule.[6]

The EPSDT benefit in California is established in the Medi-Cal Schedule of Benefits set forth in Welfare and Institutions Code (WIC) Section 14132(v), which states that, "Early and periodic screening, diagnosis, and treatment for any individual under 21 years of age is covered, consistent with the requirements of Subchapter XIX (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code."[7]

[4] See Title 1 of the ACA, Part A, Subpart II—Improving Coverage, SEC.2713. Coverage of Preventive Health Services. The ACA is available at: https://www.govinfo.gov/content/pkg/PLAW-111publ148/pdf/PLAW-111publ148.pdf

[5] For more information about the AAP/Bright Futures initiative, and to view the most recent periodicity schedule and guidelines, go to https://brightfutures.aap.org/Pages/default.aspx. Additional information on the periodicity schedule is available at: https://www.aap.org/en-us/professional-resources/practice-transformation/managing-patients/Pages/Periodicity-Schedule.aspx

[6] MCP Contracts, Exhibit A, Attachment 10, Services for Members under Twenty-One (21) Years of Age. Current MCP contracts are available at: https://www.dhcs.ca.gov/provgovpart/Pages/MMCDBoilerplateContracts.aspx. The forthcoming 2017 Final Rule contract amendment (identified as Package 42, an updated version of which was shared with MCPs in January 2018) clarifies that the AAP guidelines and periodicity schedule specifically means Bright Futures guidelines and recommendations. To date the amendment is pending approval by CMS.

[7] WIC Section 14132 is available at: https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=WIC§ionNum=14132.

WIC Section 14059.5 was amended, effective January 1, 2019, to define medical necessity for EPSDT services and included the following requirements:[8]

> (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.
>
> (b)(1) 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.
>
> (2) The department and its contractors shall update any model evidence of coverage documents, beneficiary handbooks, and related material to ensure the medical necessity standard for coverage for individuals under 21 years of age is accurately reflected in all materials.

REQUIREMENTS:
The EPSDT benefit includes the specific services listed above in Title 42 of the USC Section 1396d(r). For members under the age of 21, MCPs are required to provide and cover all medically necessary EPSDT services, defined as any service that meets the standards set forth in Title 42 of the USC Section 1396d(r)(5), unless otherwise carved out of the MCP's contract, regardless of whether such services are covered under California's Medicaid State Plan for adults, when the services are determined to be medically necessary to correct or ameliorate defects and physical and mental illnesses or conditions.

A service need not cure a condition in order to be covered under EPSDT. Services that maintain or improve the child's current health condition are also covered under EPSDT because they "ameliorate" a condition. Maintenance services are defined as services that sustain or support rather than those that cure or improve health problems. Services are covered when they prevent a condition from worsening or prevent development of additional health problems. The common definition of "ameliorate" is to "make more tolerable." Additional services must be provided if determined to be medically necessary for an individual child.[9]

Medical necessity decisions are individualized. Flat limits or hard limits based on a monetary cap or budgetary constraints are not consistent with EPSDT requirements.

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[8] WIC Section 14059.5 is available at:
https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=WIC§ionNum=14059.5.
[9] *EPSDT — A Guide for State: Coverage in the Medicaid Benefit for Children and Adolescents*, pages 23 and 24.

Therefore, MCPs are prohibited from imposing service limitations on any EPSDT benefit other than medical necessity. The determination of whether a service is medically necessary or a medical necessity for an individual child must be made on a case-by-case basis, taking into account the particular needs of the child.

Pursuant to WIC Section 14059.5(b)(1), for individuals under 21 years of age, a service is considered "medically necessary" or a "medical necessity" if the service meets the standards set forth in federal Medicaid law for EPSDT (Title 42 of the USC Section 1396d(r)(5)). Therefore, an EPSDT service is considered medically necessary or a medical necessity when it is necessary to correct or ameliorate defects and physical and mental illnesses and conditions that are discovered by screening services. MCPs must apply this definition when determining if a service is medically necessary or a medical necessity for an EPSDT eligible member.

MCPs must use the current AAP/Bright Futures periodicity schedule and guidelines when delivering the EPSDT benefit, including but not limited to screening services, vision services, and hearing services. MCPs must provide all age-specific assessments and services required by the MCP contract and the AAP/Bright Futures periodicity schedule. However, this does not alleviate MCPs of their responsibility to provide any medically necessary EPSDT services that exceed those recommended by AAP/Bright Futures.

All members under the age of 21 must receive EPSDT preventive services, including screenings, designed to identify health and developmental issues as early as possible. MCPs must provide members with appropriate referrals for diagnosis and treatment without delay. MCPs are also responsible for ensuring EPSDT members have timely access to all medically necessary EPSDT services and that appropriate diagnostic and treatment services are initiated as soon as possible, but no later than 60 calendar days following either a preventive screening or other visit that identifies a need for follow-up.

In addition, MCPs must comply with the Americans with Disabilities Act mandate to provide services in the most integrated setting appropriate to members and in compliance with anti-discrimination laws.[10, 11]

[10] *Olmstead v. L.C.* (1999) 527 U.S. 581. Decisions from the Supreme Court of the United States are available at: https://www.supremecourt.gov/
[11] California Government Code (GOV) Section 11135. GOV Section 11135 is available at: http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=11135.&lawCode=GOV

Behavioral Health Treatment
MCPs are responsible for providing medically necessary Behavioral Health Treatment (BHT) services, consistent with the requirements in this APL, for eligible members under the age of 21.[12]

Member Information, Case Management/Care Coordination, and Transportation
Consistent with the MCP contract, MCPs must ensure the provision of Comprehensive Medical Case Management services, including coordination of care for all medically necessary EPSDT services delivered both within and outside the MCP's provider network. MCPs are also responsible for the coordination of carved-out and linked services and referral to appropriate community resources and other agencies, regardless of whether the MCP is responsible for paying for the service.[13]

MCPs must also ensure the coverage of Targeted Case Management (TCM) services.[14] MCPs are responsible for determining whether an EPSDT member requires TCM services and must refer members who are eligible for TCM services to a Regional Center (RC) or local governmental health program, as appropriate for the provision of TCM services. If the ESPDT member is receiving TCM services, the MCP is responsible for coordinating the member's health care with the TCM provider and for determining the medical necessity of diagnostic and treatment services that are covered under the MCP's contract that are recommended by the TCM provider. If the MCP determines that an EPSDT member is not accepted for TCM services, the MCP must ensure that the member's access to services are comparable to EPSDT TCM services.

MCPs are also required to provide appointment scheduling assistance and necessary transportation, including non-emergency medical transportation and non-medical transportation (NMT) to and from medical appointments for the medically necessary EPSDT services they are responsible for providing pursuant to their contracts with DHCS.[15] Consistent with the requirements in APL 17-010, MCPs must provide NMT for all medically necessary EPSDT services, including those services that are carved-out of the MCP's contract. MCPs are also required to establish procedures for members to obtain necessary transportation services.

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[12] For more information on BHT, see APL 18-006, Responsibilities for Behavioral Health Treatment Coverage for Members Under the Age of 21, or any future iterations of this APL. APLs are available at: https://www.dhcs.ca.gov/formsandpubs/Pages/AllPlanLetters.aspx
[13] MCP contracts, Exhibit A, Attachment 11, Comprehensive Case Management Including Coordination of Care Services.
[14] MCP contracts, Exhibit A, Attachment 11, Targeted Case Management Services
[15] For more information on transportation, see APL 17-010, Non-Emergency Medical and Non-Medical Transportation Services, or any future iterations of this APL.

MCPs must effectively inform EPSDT members or their families/primary caregivers about EPSDT, including the benefits of preventive care, the services available under EPSDT, where and how to obtain these services, and that necessary transportation and scheduling assistance is available. In addition to existing requirements for the provision of the Evidence of Coverage to members, this information must be provided annually to EPSDT members or their families/primary caregivers who have not accessed EPSDT services.[16] MCPs have a responsibility to provide health education, including anticipatory guidance, to members under age 21 and to their parents or guardians in order to effectively use those resources, including screenings and treatment.[17, 18] This information must be provided in the member's primary language at a sixth grade reading level as required in the MCP contract and APL 17-011, Standards for Determining Threshold Languages and Requirements for Section 1557 of the Affordable Care Act, and APL 18-016, Readability and Suitability of Health Education Materials, including future iterations of these APLs.

Certain Carved-Out Services

For members under the age of 21, MCPs are required to provide and cover all medically necessary EPSDT services except those services that are specifically carved out of the MCP's contract and not included in the MCP's capitated rate. Carved-out services vary and can include, but are not limited to, California Children's Services (CCS), dental services, Specialty Mental Health Services, and Substance Use Disorder Services. This portion of the APL is not intended to address all carved-out services; however, DHCS is providing necessary clarification to MCPs below specific to CCS and dental services for when these services are carved-out of the MCP's contract.

California Children's Services

Most MCP contracts carve-out coverage for CCS-covered conditions. If an EPSDT eligible child is a member of an MCP, and the MCP's contract carves out coverage for CCS-eligible conditions, then the child may obtain treatment related to the CCS-eligible condition from CCS if the child enrolls in CCS.

Once the MCP has adequate diagnostic evidence that a member has a CCS-eligible condition, the MCP must refer the member to the local county CCS office for determination of eligibility. Until the member's CCS eligibility is confirmed by the local CCS program, and the medically necessary services are being provided under the CCS program, the MCP remains responsible for the provision of all medically necessary

[16] Title 42 of the Code of Federal Regulations (CFR) Section 441.56. 42 CFR Part 441 is available at: https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=d52504d844298122c9f25162843f660d&mc=true&n=pt42.4.441&r=PART&ty=HTML
[17] 42 USC Section 1396d(r)(1)(B)(v)
[18] *EPSDT — A Guide for State: Coverage in the Medicaid Benefit for Children and Adolescents*, page 4.

EPSDT services. It is part of the MCP's case management obligation to communicate with the county CCS program to ensure that the member's care needs are continuously met and to arrange for the member's EPSDT services when the county CCS program is not doing so.

Dental Services
Although dental services are carved-out of MCP contracts, the contract requires MCPs to cover and ensure that dental screenings/oral health assessments for all members are included as a part of the initial health assessment. For members under the age of 21, a dental screening/oral health assessment must be performed as part of every periodic assessment, with annual dental referrals made no later than 12 months of age or when referral is indicated based on assessment. Fluoride varnish and oral fluoride supplementation assessment and provision must be consistent with the AAP/Bright Futures periodicity schedule and anticipatory guidance. MCPs must also ensure that members are referred to appropriate Medi-Cal dental providers.

Additionally, MCPs must cover and ensure the provision of covered medical services related to dental services that are not provided by dentists or dental anesthetists, but may require prior authorization for medical services required in support of dental procedures.[19]

<u>Coordinating with Other Outside Entities Responsible for Providing EPSDT Services</u>
Where another entity, such as a Local Education Agency (LEA), RC, or local governmental health program, has overlapping responsibility for providing services to a member under the age of 21, MCPs must do the following:

- Assess what level of EPSDT medically necessary services the member requires,
- Determine what level of service (if any) is being provided by other entities, and
- Coordinate the provision of services with the other entities to ensure that MCPs and the other entities are not providing duplicative services, and that the child is receiving all medically necessary EPSDT services in a timely manner.

MCPs have the primary responsibility to provide all medically necessary EPSDT services, including services which exceed the amount provided by LEAs, RCs, or local governmental health programs. However, these other entities must continue to meet their own requirements regarding provision of services. MCPs should not rely on LEA programs, RCs, CCS, the Child Health and Disability Prevention Program, local governmental health programs, or other entities as the primary provider of medically necessary EPSDT services.

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[19] For more information, see APL 15-012, Dental Services – Intravenous Sedation and General Anesthesia Coverage, or any future iterations of this APL.

The MCP is the primary provider of such medical services except for those services that have been expressly carved-out. MCPs are required to provide case management and coordination of care to ensure that EPSDT members can access medically necessary EPSDT services as determined by the MCP provider. For example, when school is not in session, MCPs must cover medically necessary ESPDT services that were being provided by the LEA program when school was in session.

MCPs are responsible for ensuring that their delegates comply with all applicable state and federal laws and regulations, contract requirements, and other DHCS guidance, including APLs and Policy Letters. MCPs must communicate these EPSDT requirements to all delegated entities and subcontractors. MCPs must ensure that all of their own policies and procedures, as well as the policies, procedures, and practices of any delegates, subplans, contracted providers, or subcontracted Independent Physician Associations or medical groups, comply with these EPSDT requirements and this APL.

If the requirements contained in this APL, including any updates or revisions to this APL, necessitate a change in an MCP's policies and procedures, the MCP must submit its updated policies and procedures to its Managed Care Operations Division (MCOD) contract manager within 30 days of the release of this APL. If an MCP determines that no changes to its policies and procedures are necessary, the MCP must submit an email confirmation to its MCOD contract manager within 30 days of the release of this APL, stating that the MCP's policies and procedures have been reviewed and no changes are necessary. The email confirmation must include the title of this APL as well as the applicable APL release date in the subject line.

DHCS, in concert with the Department of Managed Health Care, will monitor MCPs for compliance with these requirements. Failure to comply with the requirements contained in this APL may result in a corrective action plan, and/or administrative and financial sanctions,[20] as provided for under the terms of the MCP contracts and any applicable APL and state or federal statutes and regulations, including but not limited to Title 22 of the California Code of Regulations Sections 53350, 53352, and 53860.

[20] For more information, see APL 18-003, titled Administrative and Financial Sanctions, or any future iterations of this APL.

If you have any questions regarding the requirements of this APL, please contact your Managed Care Operations Division contract manager.

Sincerely,

Original signed by Nathan Nau

Nathan Nau, Chief
Managed Care Quality and Monitoring Division