

## Taneeka Hansen

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**From:** Newman, Anthony (HSS) <anthony.newman@alaska.gov>  
**Sent:** Wednesday, February 24, 2016 9:22 PM  
**To:** Taneeka Hansen  
**Cc:** Davidson, Valerie J (HSS); Forrest, Karen L (HSS); Burns, Randall P (HSS); Sherwood, Jon (HSS); Martin, Monique R (HSS); Ashenbrenner, Chris (HSS)  
**Subject:** understanding the "30% rule"  
**Categories:** committee

Taneeka, we thought you might find this summary of the "30% rule" helpful as you seek to understand and explain behavioral health system needs as an element of Medicaid reform. Thanks to Randall Burns and Karen Forrest for pulling this together.

The 30% rule is found in State regulation; as such, we have the ability to modify it. While we clearly need to increase access to behavioral health services, we also need to ensure that changes to behavioral health regulations are made carefully/strategically, given the many complexities that they involve. We need to ensure we manage costs, utilization, and quality. The proposed regulation change is one that will be reviewed, especially given Section 17 of the new Work Draft, which requires that the Department manage a comprehensive and integrated behavioral health program that include services from a wide array of providers and reduces operational barriers that currently exist.

More information on the 30% rule:

**Federal rule requires that "clinic services" must be "furnished at the clinic by or under the direction of a physician."** (42 CFR 440.90). (This means that *billable Medicaid services* furnished at a clinic must be provided by or under the direction of a physician.)

**Alaska behavioral health program regulations allow for "clinic services" to be provided through two provider eligibility categories:**

- 1) **"community behavioral health services provider"** (7 AAC 70.100(a)); and
- 2) A **"mental health physician clinic"** (7 AAC 135.030(d))

In order to reimburse under Medicaid, a **community behavioral health services provider** "must have a documented formal agreement with a physician for the purpose of providing general direction and direct clinical services." 7 AAC 70.100(a). According to State regulation, "general direction means a physician provides general program and clinical consultative services when needed" (7 AAC 135.990(14)).

In order to reimburse a **mental health physician clinic** under Medicaid, the mental health services provided at clinic must be provided by a psychiatrist or by a number of licensed mental health professionals "who work under the direct supervision of that psychiatrist." (7 AAC 135.030(d)). "Direct supervision" means that a **psychiatrist is on the premises of the mental health physician clinic to deliver medical services at least 30 percent of the time** the mental health physician clinic is open for providing medical services (7 AAC 135.030(e)).

Tony

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