

## Introduction

Mental Health and DMC-ODS programs and providers are still required to enter ICD-10 diagnosis code(s) into the Avatar diagnosis form to be reimbursed for services provided. Beginning January 1, 2022, the use of Z-Codes is allowable **during client assessment**, before an LPHA documents the ICD-10 diagnosis at the conclusion of the assessment phase (see BH Quality Improvement Info Notice for each Plan [HERE](#)).

### Important CalAIM changes related to diagnoses:

- ***Paraprofessionals / SUD counselors may now formulate diagnoses during the assessment phase within their scope of practice and education***
- ***Paraprofessionals / SUD counselors use of Z codes, Z55-Z65, DOES NOT require authorization / co-signature of an LPHA (see reference section below for links to references)***
  - ***If a non-LPHA documents a Z code diagnosis, an LPHA must document the ICD-10 diagnosis in the Avatar diagnosis form at the conclusion of the assessment phase***

These changes allow providers to deliver and bill for clinically appropriate services during the assessment phase. For example, DMC-ODS providers can provide and bill for the full range of care coordination services, individual counseling and collateral, in addition to assessment, treatment planning and crisis before a formal diagnosis is determined. MHP providers can provide and bill for the full range of targeted case management (TCM) services, individual rehab counseling and therapy, in addition to assessment, plan development and crisis before a formal diagnosis is determined.

## Diagnosis During Assessment Phase of Treatment

One intention of CalAIM is to allow for the reimbursement of all clinically indicated services while the diagnosis is being formulated. Clinically indicated services provided during the assessment process will be reimbursed, **even if** the assessment ultimately indicates the client does not meet criteria for Specialty Mental Health Services (SMHS) or does not have an appropriate SUD related diagnosis to qualify them for DMC-ODS services.

While gathering information during the assessment phase, when a full diagnosis has yet to be established, a **paraprofessional / SUD counselor** may use a Z code that documents factors influencing the person in care. Appropriate Z codes for paraprofessional / SUD counselors are Z55-Z65.

While gathering information during the assessment phase, when a full diagnosis has yet to be established, an **LPHA** may use a Z code that documents factors influencing the person in care, **Z03.89**, "Encounter for observation for other suspected diseases and conditions ruled out," or ICD-10 codes

indicating “Other specified” and “Unspecified Disorders” such as “Other specified depressive episode” or “Other specified bipolar and related disorder.”

The individual must have a mental health diagnosis determined by an LPHA to meet criteria for Specialty Mental Health Services post assessment.

The individual must have a SUD related diagnosis determined by an LPHA to continue to receive DMC-ODS treatment post assessment.

## **DHCS Identified Social Determinants of Health (SDOH) Priority Z Codes**

DHCS recognizes that consistent and reliable collection of Social Determinants of Health (SDOH) data is vital to the success of CalAIM. To support providers in collecting SDOH data, DHCS is issuing a list of 25 DHCS Priority SDOH Codes, based on ICD-10. Paraprofessionals, SUD counselors and LPHA providers may all use SDOH Z Codes.

### Social Determinants of Health (SDOH) Priority Z Codes:

#### Code-----Description

- Z55.0\_\_\_ Illiteracy and low-level literacy
- Z58.6\_\_\_ Inadequate drinking-water supply
- Z59.00\_\_\_ Homelessness unspecified
- Z59.01\_\_\_ Sheltered homelessness
- Z59.02\_\_\_ Unsheltered homelessness
- Z59.1\_\_\_ Inadequate housing (lack of heating/space, unsatisfactory surroundings)
- Z59.3\_\_\_ Problems related to living in residential institution
- Z59.41\_\_\_ Food insecurity
- Z59.48\_\_\_ Other specified lack of adequate food
- Z59.7\_\_\_ Insufficient social insurance and welfare support
- Z59.811\_\_\_ Housing instability, housed, with risk of homelessness
- Z59.812\_\_\_ Housing instability, housed, homelessness in past 12 months
- Z59.819\_\_\_ Housing instability, housed unspecified
- Z59.89\_\_\_ Other problems related to housing and economic circumstances
- Z60.2\_\_\_ Problems related to living alone
- Z60.4\_\_\_ Social exclusion and rejection (physical appearance, illness or behavior)
- Z62.819\_\_\_ Personal history of unspecified abuse in childhood
- Z63.0\_\_\_ Problems in relationship with spouse or partner
- Z63.4\_\_\_ Disappearance & death of family member (assumed death, bereavement)

- Z63.5\_\_\_ Disruption of family by separation and divorce (marital estrangement)
- Z63.6\_\_\_ Dependent relative needing care at home
- Z63.72\_\_\_ Alcoholism and drug addiction in family
- Z65.1\_\_\_ Imprisonment and other incarceration
- Z65.2\_\_\_ Problems related to release from prison
- Z65.8\_\_\_ Other specified problems related to psychosocial circumstances (religious or spiritual \_\_\_\_\_ problem)

The DHCS All Plan Letter 21-009 that further describes SDOH & Z-codes can be found [HERE](#)

### DMC-ODS Specific Diagnostic Information

Additional information for DMC-ODS providers:

- With the exception of residential treatment and Withdrawal Management, for clients 21 years and older, clinically appropriate DMC-ODS services are reimbursable for up to **30 days** following the first visit with an LPHA or registered/certified counselor (beginning of assessment) even if a SUD diagnosis has yet to be established.
- If an individual 21 years and older is experiencing homelessness which results in additional time needed to complete the assessment, DMC-ODS services are reimbursable for up to **60 days**, even if a SUD diagnosis has not yet been established.
- With the exception of residential treatment and Withdrawal Management, for clients under 21 years old, DMC-ODS services are reimbursable up to **60 days** even if a SUD diagnosis has not yet been established.
- If the client withdraws from treatment prior to establishing a SUD diagnosis and later returns, the 30-day or 60-day time period starts over

### Mental Health Plan Specific Diagnostic Information

Additional information for Mental Health Plan (MHP) providers:

- MHP services are reimbursable during the assessment period for all ages as clinically indicated, however an assessment must be completed within a reasonable timeframe in accordance with generally accepted standards of practice.
- For clients under 21 years of age, if the criteria used to qualify a client for Specialty Mental Health Services is **significant trauma** placing the individual at risk of a future mental health condition (BHIN 21-073, page 5, access criteria b(iii)), then a **Licensed LPHA** must document this criteria in the assessment and/or must evaluate the assessment of a waived / registered professional and document a determination that the beneficiary has significant trauma placing them at risk of a future mental health condition ([DHCS FAQ #6](#))

## Resources

### Avatar Diagnosis Form Resources:

- County Behavioral Health [Avatar Resource Page](#)
- County Behavioral Health [Avatar Clinician's Manual](#) (Search for "Diagnosis")
- County Quality Improvement You Tube Video: [Avatar Diagnosis Form - Admission](#)
- County Quality Improvement You Tube Video: [Avatar Diagnosis Form - Update](#)

### CalAIM Diagnosis Resources:

- CalMHSA Documentation Guides: [HERE](#)
- Santa Cruz County CalAIM Information Page: [HERE](#)
- DHCS BH Information Notice **22-019**: Documentation requirements for all Specialty Mental Health Services (SMHS), and Drug Medi-Cal Organized Delivery System (DMC-ODS): [HERE](#)
- DHCS BH Information Notice **22-013**: Code Selection during Assessment Period for Outpatient Behavioral Health Services: [HERE](#)
- DHCS All Plan Letter **21-009**: COLLECTING SOCIAL DETERMINANTS OF HEALTH DATA: [HERE](#)
- CMS Approved ICD-10 Diagnosis Code List: [HERE](#)
- DHCS BH Information Notice 22-011: No Wrong Door for Mental Health Services: [HERE](#)
- DHCS BH Information Notice 21-075: DMC-ODS Requirements for 2022-2026: [HERE](#)
- DHCS BH Information Notice 21-073: Criteria for beneficiary access to Specialty Mental Health Services (SMHS), medical necessity and other coverage requirements: [HERE](#)