

# COMPLIANCE BULLETIN

## Fresno County Behavioral Health

Publication Date: 04/15/2026

### POLICY NOTICE

❖ Policy Being Summarized  
Inpatient Psychiatric SMHS  
Access and Medical Necessity  
Criteria

❖ CB - 050

❖ Effective date:  
04/15/2026

❖ Policy created by:  
Bulletins and News,  
Compliance Bulletins, DBH  
Plans

❖ This notice is intended for:

DBH Operated MH Programs

DBH Operated SUD Programs

DBH Administration

Contract MH Providers

Contract SUD Providers

Prescribers

The Department of Health Care Services (DHCS) issued [BHIN 26-001](#) to clarify access and medical necessity criteria for inpatient psychiatric services under Specialty Mental Health Services (SMHS). This guidance is intended to support providers in making appropriate level-of-care decisions and ensuring documentation clearly supports medical necessity.

This bulletin summarizes key requirements for access, medical necessity, and continued stay for inpatient psychiatric services.

#### **SPECIALTY MENTAL HEALTH SERVICES (SMHS) ACCESS CRITERIA (WIC 14184.402 (c) and (d))**

For inpatient services, person served must meet SMHS access criteria.

- **For persons 21 years and older**, both of the following criteria must be met:

- A significant impairment in functioning (such as distress, disability, or dysfunction in social, occupational, or other important activities) and/or a high likelihood of significant deterioration in an important area of life functioning.

- The condition is due to a diagnosed mental health disorder according to the most current DSM and ICD or a suspected mental health condition that has not yet been diagnosed.

- **For persons under 21 years of age:**

- The person served has a condition placing them at high risk for a mental health disorder due to trauma evidenced by any of the following:

- Scoring in the high-risk range under a trauma screening tool approved by DHCS, involvement in the child welfare system, juvenile justice involvement, or experiencing homelessness; **or**
- **Both** of the following criteria must be met:
  - The person served has a significant impairment, a significant deterioration in an important area of life functioning, a reasonable probability of not progressing developmentally, or a need for SMHS (regardless of impairment) that are not included within the mental health benefits of MCPs.
  - The condition identified above is due to a diagnosed or suspected mental health disorder or significant trauma placing the person served at risk for a future

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mental health condition, based on the assessment of a licensed mental health professional.

### **MEDICAL NECESSITY CRITERIA FOR INPATIENT SERVICES (WIC 14059.5 and 42 U.S.C § 1396d(r)(5)):**

Meeting access criteria alone is not sufficient for inpatient services as services must also meet medical necessity criteria.

- **For persons served 21 years of age or older**, services must be reasonable and necessary to protect life, to prevent significant illness or disability, or to address severe symptoms.
- **For persons served under 21 years of age**, services must be necessary to correct or ameliorate physical and mental illnesses and conditions discovered by the screening services.

In addition to meeting ACCESS and MEDICAL NECESSITY criteria for inpatient SMHS, person served must be experiencing acute symptoms or behaviors, such as:

- Danger to self or others, or significant property destruction.
- Unable to meet basic needs such as providing for or utilizing, food, clothing, shelter, personal safety, or necessary medical care. (Gravely disabled)
- Present a severe risk to the person served's physical health.
- Represent a recent, significant deterioration in ability to function. **OR**

Requires admission for:

- Further psychiatric evaluation.
- Medication treatment.
- Other treatment that can reasonably be provided only if the patient is hospitalized.

### **INPATIENT LEVEL OF CARE DETERMINATION**

Inpatient psychiatric care is appropriate only when:

- The person served cannot be safely treated at a lower level of care (CRT, FSP, etc.), **AND**
- The person served requires Inpatient SMHS as the result of a mental disorder, or suspected mental health disorder that has not yet been diagnosed

Providers must clearly document why inpatient care is necessary and why alternatives are not appropriate.

*NOTE: Diagnoses Codes ICD-10-CM Z codes do not represent MH or SUD Disorders and, therefore, are not sufficient on their own to substantiate the medical necessity of inpatient psychiatric hospitalization. When a patient exhibits mental, cognitive, or behavioral symptoms indicative of a potential mental or substance use disorder, but a definitive diagnosis has not yet been established, an appropriate practice is to assign ICD-10-CM code F99 (mental disorder, unspecified) and/or F19.9 (substance use disorder, unspecified), as clinically indicated, to document the clinical presentation pending diagnostic clarification (DHCS BHIN 26-001).*

### **FOR CONTINUED INPATIENT STAY:**

Continued inpatient care must be supported by documentation when a person experiences at least **one** of the following:

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- Ongoing symptoms that continue to meet medical necessity.
- Serious adverse reaction to treatment requiring continued hospitalization.
- Presence of new symptoms or conditions that meet medical necessity.
- Need for continued medical evaluation or treatment that can only be provided in a hospital or psychiatric health facility.

If these criteria are no longer met, providers are expected to transition the person served to a lower level of care.

### **CONCURRENT REVIEW:**

Behavioral Health Plans (BHPs) must continue to follow concurrent review and authorization process requirements for Inpatient SMHS outlined in BHIN 22-017.

If you have questions regarding this guidance, providers may contact DHCS at **CountySupport@dhcs.ca.gov**. Providers are also encouraged to consult with their supervisor or contract analyst for additional support or clarification.