

NEWS YOU CAN USE #64

Fresno County Behavioral Health

Publication Date: 04/16/2026

POLICY NOTICE

Lockouts and Mode of Delivery

- ❖ Policy Being Summarized
NYCU #63- Lockouts and
Mode of Delivery
- ❖ NYCU #64

- ❖ Effective date:
4/16/2026
- ❖ Policy created by:
Bulletins and News, News
You Can Use

- ❖ This notice is intended for:
 - DBH Operated MH Programs
 - DBH Operated SUD Programs
 - DBH Administration
 - Contract MH Providers
 - Contract SUD Providers
 - Prescribers

Purpose:

This NYCU covers two related topics: Mode of Delivery and Lockouts. Mode of Delivery refers to how a service was provided (e.g., face-to-face, telephone). Lockouts refer to billing rules that restrict reimbursement for services provided to persons served who reside in certain facility types. These topics are addressed together because Mode of Delivery selection becomes important when documenting services for persons served in lockout facilities as well as supporting service data tracking.

General Information

SmartCare allows providers to select the method of delivery used when a service is rendered. Choosing a mode of delivery supports data tracking of services provided throughout the System of Care. If unsure of the mode of delivery, providers may leave the dropdown menu unselected.

Currently, the Mode of Delivery does not transmit on claims, with one exception: **Parent-Child Interaction Therapy (PCIT)**, which appends the appropriate modifier to the claim. PCIT mode of delivery should **only** be used at **specific** certified sites and for services delivered by **specific** certified clinical providers that deliver PCIT. *Please consult your supervisor if your program is certified to deliver PCIT services.*

The following options are modes of delivery that can be selected from SmartCare:

- Face-to-Face
- Telephone
- Video Conference
- Written

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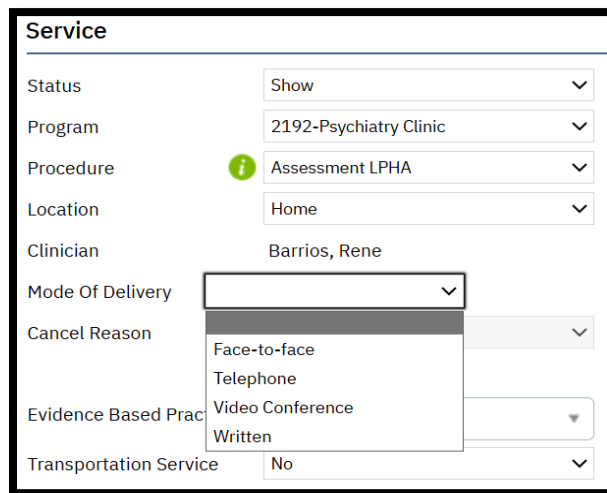
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Mode of Delivery in SmartCare

Full Users only:

- Complete all required sections of the service note
- Under Mode of Delivery dropdown menu, select the appropriate mode.

Service Note



The screenshot displays the 'Service' form in SmartCare. The form includes the following fields and values:

Field	Value
Status	Show
Program	2192-Psychiatry Clinic
Procedure	Assessment LPHA
Location	Home
Clinician	Barrios, Rene
Mode Of Delivery	[Dropdown menu open]
Cancel Reason	[Dropdown menu]
Evidence Based Prac	[Dropdown menu]
Transportation Service	No

The 'Mode Of Delivery' dropdown menu is open, showing the following options:

- Face-to-face
- Telephone
- Video Conference
- Written

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Use of Mode of Delivery

Face-to-Face

Examples:

- Provider and person served participated in psychosocial rehabilitation together, in the same physical location.
- Provider conducted family therapy at the home of the person served.

Telephone (Audio Only)

Examples:

- Provider called the person served via telephone to review coping skills.
- Person served called provider at their desk phone for a targeted case management service.

Videoconference (Audio and Video, synchronous)

Examples:

- Provider conducts a CalAIM assessment via a HIPAA compliant video platform.
- Provider completes a Targeted Case Management service via HIPAA compliant video platform with a board and care staff member to complete linkage to vocational resources for the person served.

Written

Currently, the Written mode of delivery can be used during the following procedures:

1. Non-Billable Services: non-billable communication such as sending texts, emails, writing letters, or faxes etc.

2. Assessment Procedure – Review of Hospital Records (CPT 90885): This is a billable assessment code used to capture formulation of a diagnosis and inform treatment.

- **Review of Hospital Records** is allowed for Licensed Professionals of Healing Arts disciplines.
- The service must be medically necessary and supported by documentation in the medical record.
- Providers must reference the specific documents and/or records being reviewed. Those documents and/or records should be accessible within the medical record.

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Lockouts in SmartCare

Lockouts refer to specific billing and claiming rules that either prohibit or limit reimbursement for services. These rules apply in particular situations and vary depending on the type of facility in which a person served resides.

A lockout exists when a person served is located at and residing in a facility where some or all outpatient Specialty Mental Health Services (SMHS) may not be claimable. The specific restrictions depend on the type of facility.

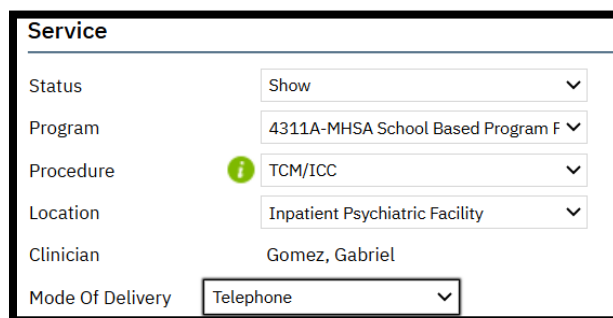
Medically necessary services should always be provided when clinically appropriate and must be documented in the medical record. Although a service is not able to be claimed for reimbursement, important information related to the persons served's treatment should still be documented. However, careful attention must be given to how the progress note is completed in the Electronic Health Record (EHR) SmartCare, when services are provided to a person served who is residing in a lockout facility.

The following is a general guideline regarding types of lockout facilities where a person served may be located. For lockout service notes, the location must reflect the location of the person served¹—even when the service includes a support person. Within our system of care, tracking service data and current EHR functionality, providers who render services to a person served residing in a lockout facility must ensure the following when completing a service note:

- 1) Select the appropriate **procedure code** that matches the service provided.
- 2) Select the correct **location** of the person served at the time the service was rendered.
- 3) Select the appropriate **mode of delivery** for the service provided, if applicable.

Full SmartCare Users:

- Select the appropriate **procedure code**
- Select the **location** of the person served
- Select the **mode of delivery** of the service (Face-to-Face, Telephone, Video Conference, Written, or none).
- Complete remaining required fields in the service note.



Service	
Status	Show
Program	4311A-MHSA School Based Program F
Procedure	TCM/ICC
Location	Inpatient Psychiatric Facility
Clinician	Gomez, Gabriel
Mode Of Delivery	Telephone

Lite Users Only:

- In location column (Column D), select the correct location ID for lockout location

¹ [SMHS FY2025-26 Billing Manual](#)

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- Document accurate location of services and procedure code in the provider's respective Electronic Health Record (EHR)
- If a service is provided while the PS is in lockout location, service information shall be provided in the batch service upload to obtain all service information for reporting/outcome purposes.

Targeted Case Management (TCM) can be claimed by providers outside of the lockout facility staff when the person served is in a lockout location solely for the purpose of *coordinating placement* of the beneficiary on discharge from the acute psychiatric hospital, psychiatric health facility or psychiatric nursing facility. Additionally, it may be provided during the 30 calendar days immediately prior to the day of discharge, for a maximum of three nonconsecutive periods of 30 calendar days or less per continuous stay in the facility.² Providers should only select the TCM procedure when the appropriate criteria are met.

Other TCM services not related to coordinating placement of the person served should use the Client Non Billable Srvc Must Document to assist with differentiating the TCM service that can be claimed.

Service	
Status	Show
Program	2841-SHINE
Procedure	i Client Non Billable Srvc Must Documer
Location	Skilled Nursing Facility
Clinician	Barrios, Rene
Mode Of Delivery	Telephone

Due to SmartCare functionality, and to prevent an improper claim from being paid to the System of Care, telehealth services (Audio Only, Audio and Video, Audio Only-Home, and Audio and Video-Home) that are provided to a person served while they are located in an acute psychiatric hospital, psychiatric health facility or psychiatric nursing facility, should select the lockout location (e.g. SNF, PHF) and select the appropriate telehealth Mode of Delivery (Telephone/Videoconference).

Service	
Status	Show
Program	2175-RISE Conservatorship
Procedure	i TCM/ICC
Location	Skilled Nursing Facility
Clinician	Barrios, Rene
Mode Of Delivery	Video Conference

² [Cal. Code Regs. Tit. 9, § 1840.374 - Lockouts for Targeted Case Management Services | State Regulations | US Law | LII / Legal Information Institute](#)

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Facility Types

IMDs (Institutions for Mental Disease), **MHRCs** (Mental Health Rehabilitation Centers), and **SNFs** (Skilled Nursing Facilities) with STP (Special Treatment Program): All outpatient SMHS claimable services are locked out.

Acute Psychiatric Inpatient, Psychiatric Health Facilities, Psychiatric Nursing Facilities: Partial Lockout. Providers may use Targeted Case Management (TCM) on the day of admission. Providers can also use TCM for pre-discharge services related to *coordinating placement*. Additional restrictions require that *TCM must be 30 days prior to the date of discharge and up to three (3) non-consecutive 30-day periods.*³ All other SMHS are locked out.

Crisis Residential: Partial Lockout: TCM and Peer Support (self-help peer service and/or Behavioral Health Prevention Education Service) services allowed as long as not a duplicate service.⁴ Medication services are allowed if within scope of practice.

Crisis Stabilization (CSU): Partial Lockout: SMHS are allowed prior to admission. TCM services are allowed. No other services are allowed during the same time period as CSU services.⁵

Other residential treatment: Adult Residential Treatment (ART) other than Crisis Residential has no SMHS Medi-Cal lockout. Residential treatment settings other than Crisis Residential do not create a SMHS lockout; however, services must not duplicate residential treatment components, ART staff time cannot be billed to both ART and SMHS cost centers for the same time period.⁶ Use appropriate procedure types.

Other Acute Inpatient Hospital: Medical (non-psychiatric) Inpatient services do not have a Medi-Cal lockout. Use appropriate procedure types.

Prison/Correctional Facility/Jail/Juvenile Hall: Medi-Cal eligibility is turned off when a person served enters these facility types. Therefore, all outpatient SMHS claimable services are locked out.

Please consult with your supervisor or manager about your program's electronic health record-specific workflows to reflect any of the information above.

Sources: [SMHS Billing Manual FY25-26](#)
[DMC-ODS Billing Manual SFY 2025-26](#)

³ [Cal. Code Regs. Tit. 9, § 1840.374 - Lockouts for Targeted Case Management Services | State Regulations | US Law | LII / Legal Information Institute](#)

⁴ [Cal. Code Regs. Tit. 9, § 1840.364 - Lockouts for Crisis Residential Treatment Services | State Regulations | US Law | LII / Legal Information Institute](#)

⁵ [Cal. Code Regs. Tit. 9, § 1840.368 - Lockouts for Crisis Stabilization | State Regulations | US Law | LII / Legal Information Institute](#)

⁶ [Cal. Code Regs. Tit. 9, § 1840.362 - Lockouts for Adult Residential Treatment Services | State Regulations | US Law | LII / Legal Information Institute](#)