# July 2026: Advisory

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| TOPIC: | Medical Necessity, Classroom Interventions, and the CYBHI Fee Schedule |
| FOR: | School Counselors, District Leaders, and Local Education Agencies |
| RE: | Current DHCS Guidance |

The CYBHI Fee Schedule Program Manual requires that Medi-Cal Managed Care Plans (MCPs) and commercial insurers reimburse school-linked providers for medically necessary covered behavioral health services provided to students under age 26.

The Program Manual further states that:

"Eligible rendering practitioners, within their scope of practice, will determine if a service provided to a student is medically necessary... determinations must take into account the particular needs of the child and be made on a case-by-case basis." *(Fee Schedule Program Manual, p. 16)*

Recent clarification from DHCS has reinforced that medical necessity cannot be established through a blanket determination for an entire classroom or universal intervention. Instead, each student's needs must be individually considered and documented.

What This Means for School-Based Practice

School counselors and other eligible providers may continue to provide classroom-based social-emotional learning (SEL) or prevention activities as part of a comprehensive school counseling or behavioral health program. However:

- A universal classroom intervention does not automatically qualify as a billable Fee Schedule service for every student present.
- Billing under the Fee Schedule should only occur for students whose medical necessity has already been determined on an individual basis.
- This approach is consistent with examples previously discussed by DHCS (such as "Scenario A") and current verbal guidance provided by DHCS staff.

Additional written guidance from DHCS on this topic is expected.

Understanding the Role of Ordering, Referring, and Prescribing (ORP) Providers

For services delivered by practitioners who are not independently licensed to determine medical necessity (such as PPS School Counselors and Certified Wellness Coaches), an Ordering, Referring, and Prescribing (ORP) provider plays an important role.

DHCS explains that ORPs determine or certify a Medi-Cal member's need (medical necessity) for covered behavioral health services when such determination is required for reimbursement.

This means the ORP, working collaboratively with the school counselor, is responsible for establishing medical necessity for Fee Schedule billing purposes.

Importance of Collaboration and Transparency

Across California, districts have implemented ORP processes in different ways. Many school counselors report limited transparency regarding:

- How medical necessity determinations are made;
- How ORPs review information provided by counselors;
- What documentation supports billing decisions; and
- How counselors participate in the clinical decision-making process.

A collaborative, transparent process benefits students, supports compliance, and strengthens trust between school counselors, ORPs, and district leadership.

Recommendations for Districts

Districts should:

- Review current Fee Schedule billing practices to ensure medical necessity is determined on an individual, case-by-case basis.
- Develop clear protocols for communication between ORPs and school-based providers.
- Document how individual medical necessity determinations support billed services.
- Provide training to counselors, administrators, and billing personnel regarding current DHCS expectations.
- Monitor forthcoming DHCS guidance and update local procedures accordingly.

Looking Ahead

This is an evolving area of CYBHI implementation. As additional DHCS guidance becomes available, districts should be prepared to review and adjust their practices to ensure continued compliance while preserving access to school-based behavioral health services for students who need them.