

*Individual Service Level  
(ISL) Boilerplate  
Contracts and Invoicing  
Best Practices*

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*ISL Boilerplate  
Contracts*

*Incorporating ISL Reporting  
Requirements into County Provider  
Contracts*

# *BHSA Reporting Requirements*

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## **BHSA requires reporting beyond Medi-Cal claims**

- Non-Medi-Cal person-level encounter data
- County-funded services and expenditures
- Investments not billed to Medi-Cal

Data collected through ISL will be used by DHCS to support calculation of Phase 2 BHSA outcome measures and broader evaluation efforts.

# *What ISL Captures*

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ISL captures services and expenditures that are not billable, not claimable, or not billed to Medi-Cal, including:

- Services for individuals without Medi-Cal
- Outreach and engagement
- Direct client expenditures

ISL helps show the full picture of County behavioral health investments.

# *Why Contract Alignment Matters*

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Provider participation is required for ISL reporting.

Many contracts already include broad compliance language. As ISL is operationalized, counties may wish to ensure clarity around:

- Documentation expectations
- Data submission processes
- Monitoring authority

Clear alignment supports implementation readiness.

# *Contracting Approaches*

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Counties may consider one or more approaches:

- Option 1 – Broad Boilerplate Compliance Language
- Option 2 – Embedded ISL Provisions
- Option 3 – Standalone ISL Exhibit

Approach may vary based on local structure, timing, and desired level of specificity.

# *Option 1 - Broad Boilerplate Language*

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Relies on existing flow-down provisions, such as:

- Reference to WIC Division 5 (BHSA codification)
- Compliance with DHCS guidance
- Documentation standards for services and expenditures
- Cooperation with County reporting requirements
- Record retention and monitoring authority

This approach leverages strong existing compliance language.

# *Option 2 - Embedded ISL Provisions*

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Adds targeted clarity within existing sections, such as:

- Documentation and reporting provisions
- Data submission requirements
- Direct client expenditure tracking
- Monitoring sections

Language may reference ISL explicitly - or clarify reporting tied to County-administered funding.

# Option 3 - Standalone ISL Exhibit

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Creates a dedicated section that:

- Defines services and expenditures subject to ISL
- Establishes documentation and submission expectations
- Addresses direct client expenditures
- Allows updates as DHCS guidance evolves

Provides the highest level of operational clarity.

## ISL Custom Codes

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### Acute

- State Hospital Bed Day
- Non-billable Admin Day
- Crisis Stabilization (over 23 hours)
- Monitoring Services (1:1 or 2:1)

### Subacute

- Skilled Nursing Facility
- Mental Health Rehab Center
- IMD Basic

### Housing

- Board and Care
- Respite Residential
- Rental Subsidies
- Participant Assistance Funds
- Landlord Outreach and Mitigation
- Outreach and Engagement

### Outpatient

- Non-billable meetings (school, child welfare, probation, parole)
- Legal (report writing, hearings, Murphy Assessments)
- Outreach and Engagement

### Expense

- Food, Clothing, Hygiene Needs
- Travel and Transportation
- Employment and Education
- Child Care Supports
- Medication Costs
- Translation/ Interpreter Services

# *ISL Codes: Contract Considerations*

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Counties may wish to:

- Incorporate relevant ISL codes into contracts or rate schedules
- Align codes with invoicing templates
- Determine which programs require which code categories or specific codes

Not all providers will need all ISL codes.

Intentional code assignment supports cleaner reporting.

# *Core Contract Elements*

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Regardless of approach, contracts may address:

- Scope of County-funded services subject to ISL
- Data submission expectations and timelines
- Direct client expenditure tracking
- Authority to update requirements
- Monitoring authority

# *ISL Invoicing Best Practices*

*Redesigning invoice processes to support standardized ISL encounter data collection with minimal contractor burden*

## *Why We're Talking About Invoicing*

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- ISL requires counties to collect a minimum set of client-level service details for services/expenditures that aren't reflected in Medi-Cal claims.
- This is a new reporting expectation for some provider types.
- Invoicing is often the least disruptive place to capture the minimum information when the invoice payment structure already includes client-level line items.

# Choosing the Least Disruptive ISL Reporting Pathway

- If a provider can document services in the county EHR:
  - Keep invoicing mostly the same; ISL information is captured in the system.
- If a provider cannot document in the county EHR, but invoices already list services by client (by day/site/hour):
  - Update the invoice detail so it can support both billing and ISL reporting.
- If invoices do not include client-level service detail:
  - Use a separate service reporting file to capture the minimum ISL information.

## Which payment structure produces client-level detail?

- Cost-based invoices summarize expenses but do not show which clients were served.
- Per diem, per client invoices include client-level line items, which are much closer to what ISL needs.

### Cost-Based Reimbursement

INVOICE	
Outreach & Engagement ABC BH Agency	
Invoice Number	56789
Billing Date	03/02/2026
Description	Amount
Salaries	\$26,000
Equipment	\$5,000
Supplies	\$2,500
Administrative Costs	\$2,500
Other Expenses	\$1,250
<b>TOTAL AMOUNT DUE \$6.25</b>	

### Per Diem, Per Client Reimbursement

INVOICE					
Mental Health Rehab Clinic MENTAL HEALTH REHAB CLINIC					
Invoice Number	54321				
Billing Date	03/02/2026				
Client ID	Facility	Service	Service Start Date	1 rortal Units	Total
00001	Surnovale MHRC	IMD Day	01/2026	31	\$10,540
00002	Surnovale MHRC	IMD Day	01/2025	31	\$10,540
00003	Surnovale MHRC	IMD Day	01/2026	31	\$10,540
00004	Surnovale MHRC	IMD Day	01/2026	31	\$10,540
<b>TOTAL AMOUNT DUE \$4216</b>					

# *What This Means in Practice*

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- Housing and subacute/IMD providers often already bill in a way that can support ISL reporting. Invoices often include services by client, with exceptions being payment structures that subsidize provider operations instead of paying per client/per day.
- For providers that invoice per client/per day, counties can consider a small update to invoicing structures to accomplish both:
  - Payment to the provider (invoicing) and
  - ISL reporting
- Typical non-billable contracts that provide time-based client interaction, such as Early Intervention programs, usually do not include services by client on the invoice.
  - For these providers, a separate service reporting file is likely going to be the simplest way to capture ISL data.

## *Objective: Standardize the Minimum Information Needed*

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- Capture the minimum information needed to:
  - Link services to the client
  - Identify who provided the service
  - Record what service was provided and when
- Designed for repeat monthly use

**Goal: consistent encounter-ready fields with minimal workflow disruption**

# Preview: ISL Reporting Fields (High Level)

DHCS is still finalizing the full list of required fields and validation rules.

ISL reporting fields generally fall into three buckets:

- ✓ Client
- ✓ Provider
- ✓ Service

Data Field Name	Description	Data Type (Max Length)	Schema Rule	Reference 837 Element
Encounter ID	County-generated unique encounter ID code generated for each reported individual client service, episode of care, or expense	Numeric code (20)	Required	
Encounter Submission Type	Specifies if the claim is an original, replacement, or void. Default is original.	Enum	Required	2300   CLM05-3
Sender County Code	Unique identifier of the sending county	String (2)	Required	ISA06 and CN104 are used for the MC plan code (HCP) per the PACES Companion Guide
Client ID 1: Client Medi-Cal CIN	If currently Medi-Cal enrolled, the Medi-Cal client identification number (CIN) of the client that received the service.	String (9)	Situational	2010BA NM109
Client ID 2: County MRN	County-generated medical record number	String (50)	Situational	
Client ID 3: Client SSN	Client social security number	String (9)	Situational	
Client Last Name	Last name of client that received the service	String (50)	Required	2010BA NM103
Client First Name	First name of client that received the service	String (50)	Required	2010BA NM104
Client Middle Name(s)	Middle name(s) of client that received the service	String (50)	Optional	2010BA NM105
Client Date of Birth	Date of birth of client that received the service	Date (YYYYMMDD)	Situational	2010BA DMG02
Client Sex	Sex assigned at birth of client that received the service	Enum	Required	2010BA DMG03
Client Race/Ethnicity	Client race or ethnic group.	String (50)	Required	"Composite Race or Ethnicity Information" field (DMG05 C056) in the "DMG Subscriber Demographic Information" loop
Client Address Line 1	Physical street address of the client that received the service. Homeless or Unknown may be used if appropriate.	String (50)	Required	2010BA N3,N4

Note: This is not a complete list of encounter fields. DHCS is in the process of finalizing the fields, validation rules, and submission guidance.

## Best Practice: Match the ISL Reporting Method to Provider Type

- Best option when feasible: provider documents services directly in the county EHR.
- Best fit for updated invoice detail:
  - Housing providers that bill by day and site/location)
  - Subacute/IMD providers (often billed per day, including items like bed hold or added supervision)
- Best fit for separate service reporting:
  - Outreach, engagement, and other providers paid through cost-based or non-client-specific invoicing
  - Keep invoicing stable and add a simple service reporting file for ISL.

# *CalMHSA Resources - Invoice Templates + Recorded Walkthroughs*

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- CalMHSA will make available invoice detail templates designed to support ISL reporting for:
  - Subacute/IMD providers
  - Housing providers
- CalMHSA will provide a recorded walkthrough and brief instructions to support implementation.
- For providers whose invoices do not include client-level service detail, CalMHSA will provide a service reporting template to capture the minimum ISL information.

## *What the Templates Are Designed to Do*

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- Provide a consistent way to record the minimum client + provider + service information needed for ISL reporting.
- Allow counties and providers to keep monthly billing stable while capturing the information needed for ISL.
- Support provider types that are “closest fit” to ISL through invoicing: housing and subacute/IMD.

# *CalMHSA Resources - Housing Provider Rate Setting*

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- For counties that reimburse housing providers through operating subsidies and want to transition to per-client, per-day billing, CalMHSA will provide a rate-setting workbook that:
  - Collects provider cost data,
  - Incorporates expected utilization,
  - Applies Transitional Rent rate-setting limits, and
  - Generates a bundled rate that can be built into the contract and supports Transitional Rent compliance.

## *Implementation Approach (Start Small, Then Scale)*

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- Start with provider types where invoices already include service line detail (often housing and subacute/IMD).
- Use separate service reporting for cost-based contracts (often outreach and engagement).
- Use CalMHSA templates and recorded walkthroughs to reduce back-and-forth and speed adoption.

# *Next Steps for Counties*

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## **For invoicing, counties may consider:**

- Identify which contracted providers fall into each group:
  - Invoice-template candidates: housing and subacute/IMD
  - Service-reporting candidates: cost-based outreach/engagement and similar contracts
- Decide who will own: provider communication, invoice review, and ISL reporting coordination.
- Pilot with a small set of providers first, then expand as processes stabilize
- Identify which housing providers should move from subsidy to per diem client reimbursement rates

# *Next Steps for Counties*

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## **For contracting, counties may consider:**

- Reviewing existing SMHS and DMC-ODS boilerplate templates
- Determining whether to rely on broad language, embed provisions, or develop a standalone exhibit
- Identifying which providers/programs require which ISL codes
- Coordinating across contract, program, fiscal, IT, and counsel teams
- Communicating ISL expectations to providers early

# Available Contracting and Invoicing Resources

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CalMHSA will provide:

- CalMHSA ISL 101 training
- Contracting resources
  - Contracting considerations document
  - Draft SMHS and DMC-ODS County-Provider boilerplates
  - Sample embedded ISL contract provisions
  - Draft standalone ISL exhibit
- Invoices resources
  - Subacute/Long-Term Care Provider Invoicing Template
  - Housing Provider Invoicing Template
  - Service Import Template

# Thank You!

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Questions? Email [info@calmhsa.org](mailto:info@calmhsa.org)

