



# COMMONWEALTH of VIRGINIA

NELSON SMITH  
COMMISSIONER

DEPARTMENT OF  
BEHAVIORAL HEALTH AND DEVELOPMENTAL SERVICES

Post Office Box 1797  
Richmond, Virginia 23218-1797

Telephone (804) 786-3921  
Fax (804) 371-6638  
www.dbhds.virginia.gov

## MEMORANDUM

**To:** Providers of:  
Mental Health Outpatient (07-003)  
Substance Abuse Outpatient (07-013, 07-014)  
School-Based Therapeutic Day Treatment Services (02-029, 02-030)  
Non School-Based Therapeutic Day Treatment (02-14 and 02-015)

**From:** Jae Benz  
Director, Office of Licensing

**Date:** August 11, 2022

**Re:** Changes to the Office of Licensing ("OL") Protocols

---

### Purpose:

The purpose of this memorandum is to inform providers of mental health outpatient, substance abuse outpatient services, school-based therapeutic day treatment ("TDT"), and non school-based TDT of changes related to how the Office of Licensing will license TDT services and school-based locations for TDT and outpatient services.

### Background:

*The Rules and Regulations for Licensing Providers by DBHDS* ("Licensing Regulations") [12VAC35-105] include the following definitions:

"**Substance abuse outpatient service**" means a center-based substance abuse treatment delivered to individuals for fewer than nine hours of service per week for adults or fewer than six hours per week for adolescents on an individual, group, or family basis. Substance abuse outpatient services may include diagnosis and evaluation, screening and intake, counseling, psychotherapy, behavior management, psychological testing and assessment, laboratory and other ancillary services, medical services, and medication services. Substance abuse outpatient service includes substance abuse services or an office practice that provides professionally directed aftercare, individual, and other addiction services to individuals according to a predetermined regular schedule of fewer than 9 contact hours a week. Substance abuse outpatient service also includes:

1. Substance abuse services operated by a community services board or a behavioral health authority established pursuant to Chapter 5 (§ 37.2-500 et seq.) or Chapter 6 (§ 37.2-600 et seq.) of Title 37.2 of the Code of Virginia;
2. Substance abuse services contracted by a community services board or a behavioral health authority established pursuant to Chapter 5 (§ 37.2-500 et seq.) or Chapter 6 (§ 37.2-600 et seq.) of Title 37.2 of the Code of Virginia; or
3. Substance abuse services that are owned, operated, or controlled by a corporation organized pursuant to the provisions of either Chapter 9 (§ 13.1-601 et seq.) or Chapter 10 (§ 13.1-801 et seq.) of Title 13.1 of the Code of Virginia.

**"Mental health outpatient service"** means treatment provided to individuals on an hourly schedule, on an individual, group, or family basis, and usually in a clinic or similar facility or in another location. Mental health outpatient services may include diagnosis and evaluation, screening and intake, counseling, psychotherapy, behavior management, psychological testing and assessment, laboratory, and other ancillary services, medical services, and medication services. Mental health outpatient service specifically includes:

1. Mental health services operated by a community services board or a behavioral health authority established pursuant to Chapter 5 (§ 37.2-500 et seq.) or Chapter 6 (§ 37.2-600 et seq.) of Title 37.2 of the Code of Virginia;
2. Mental health services contracted by a community services board or a behavioral health authority established pursuant to Chapter 5 (§ 37.2-500 et seq.) or Chapter 6 (§ 37.2-600 et seq.) of Title 37.2 of the Code of Virginia; or
3. Mental health services that are owned, operated, or controlled by a corporation organized pursuant to the provisions of either Chapter 9 (§ 13.1-601 et seq.) or Chapter 10 (§ 13.1-801 et seq.) of Title 13.1 of the Code of Virginia.

**"Therapeutic day treatment for children and adolescents"** means a treatment program that serves (i) children and adolescents from birth through 17 years of age and under certain circumstances up to 21 years of age with serious emotional disturbances, substance use, or co-occurring disorders or (ii) children from birth through seven years of age who are at risk of serious emotional disturbance, in order to combine psychotherapeutic interventions with education and mental health or substance abuse treatment. Services include: evaluation; medication education and management; opportunities to learn and use daily living skills and to enhance social and interpersonal skills; and individual, group, and family counseling.

#### **Upcoming Changes:**

The Office of Licensing historically issued separate service licenses to school-based TDT services and non-school-based TDT services. In order to decrease administrative burdens on providers, the OL will begin consolidation of the school-based TDT licenses (02-029, 02-030) and non-school-based TDT licenses (02-14 and 02-015) into one TDT license operating under license number 02-029, with the goal of consolidating all licenses by October 1, 2022. Therefore, providers of non-school-based TDT and school-based TDT will only need to maintain one service license moving forward.

In addition, effective August 15, 2022, the OL will no longer include specific school locations on TDT or outpatient license addendums. As a result, providers of mental health outpatient, substance abuse outpatient, and TDT services will no longer be required to submit a modification form to add **school-based locations** to a license.

Providers of mental health outpatient, substance abuse outpatient, and TDT services must continue to maintain an administrative office within each region where services are being provided. Administrative office locations must be clearly denoted in CONNECT for the specific licensed service. Additional satellite administrative offices, outside of the provider's main administrative office in each region, do not need to be licensed or included within the provider's license addendum if the provider does not provide services at the location and employee records or individual records are not maintained at the location. **Please note:** Individual and employee records must be maintained in a DBHDS licensed location or an administrative office listed in CONNECT.

**Provider Responsibilities:**

TDT providers will continue to be required to maintain a current Memorandum of Understanding (MOU) with the school system where services are being provided. A MOU must be reviewed and signed annually. A MOU must include all schools where services are being provided. TDT providers should be prepared to provide a copy of the MOU in accordance with 12VAC35-105-160.B, which requires a provider to cooperate fully with inspections and investigations and to provide all information requested by the department. In addition, licensing specialists may communicate with school representatives as part of the review of MOUs.

Agency offices where services are provided must be listed as a licensed location on the license addendums. If a provider would like to add an additional office location or close an existing location, the provider is required to submit a location modification or information modification through CONNECT.

Providers that continue to provide services in school locations are still required to maintain compliance with the Licensing Regulations, but will not be subject to physical site requirements included within "Article 2: Physical Environment of the Rules and Regulations for Licensing Providers by DBHBDS" and "Article 3. Physical Environment of Residential and Inpatient Service Locations" of the Licensing Regulations. Providers that operate at their own TDT locations for after-school or summer programming are still responsible for complying with the physical site requirements within the Licensing Regulations.

**Office of Licensing Responsibilities:**

Inspections and Investigations:

When conducting inspections and investigations, at a minimum the Office of Licensing will be inspecting the following:

- Individual assessments, progress notes, and quarterly reviews;
- Proof of staff training and completion of all criminal background and child registry checks;
- Service delivery schedule, a list of staff and staff credentials, and specific staffing plan(s); and

- The two most current signed and dated MOUs with the school system that specifies all schools where services are being provided.

With the October 1, 2022, consolidation goal for all non-school-based and school-based TDT licenses and for the removal of all school-based locations from all applicable license addendums, the Office of Licensing will be reaching out to providers of these services to update licenses accordingly.

<b>Examples of Outpatient and TDT Services and Whether the Specific Location(s) Will Be Separately Licensed</b>			
<b>Licensed Service</b>	<b>Scenario</b>	<b>License specific location? (Y/N)</b>	<b>Explanation</b>
Mental Health Outpatient/ Substance Abuse Outpatient	Individual goes to an outpatient service location to receive services.	Y	As the individual is coming to a center-based location maintained by the provider, the <u>location</u> must be licensed and included within the provider’s license addendum.
Mental Health Outpatient/ Substance Abuse Outpatient	CSB has an agreement with a school to use a specific and confidential location to provide outpatient services to a child during school hours. No records are kept on-site.	N	The school where the service is provided is not maintained by the provider but instead by the school system. The provider is <u>going to</u> the individual in a <u>community setting</u> to provide services. In addition, no personnel records or PHI are stored at this site. Therefore, this school location does not need to be licensed or listed on the license addendum.  <b>Note:</b> The CSB must have the appropriate outpatient service license. In addition, employee and individual records must be maintained in (one of) the provider’s DBHDS licensed location(s) or an administrative office listed in CONNECT.
Mental Health Outpatient/ Substance Abuse Outpatient	CSB has a satellite office that staff use when they are not providing services out in the community. Individuals do not come to the site to receive outpatient services. Electronic health records are used for individuals, but employee records are maintained at this location.	Y	The authorized user in CONNECT must include this location in CONNECT as an <u>administrative office</u> because personnel records are maintained at the location and OL staff will need to visit the location to review staff records.  This location will not be subject to physical site requirements included within “Article 2: Physical Environment of the Rules and Regulations for Licensing Providers by DBHBDS” and “Article 3. Physical Environment of Residential and Inpatient Service Locations” of the Licensing Regulations as individuals do not receive services at this location.
Mental Health Outpatient/ Substance	CSB has a satellite office that staff use when they are not providing services out	N	This satellite administrative office does not need to be included within CONNECT as a licensed service location or an administrative office as no records are maintained on the premises, services are not provided at

Abuse Outpatient	in the community. Individuals do not come to the site to receive outpatient services. Electronic health records are used for individuals and employee records are not maintained at this location as they are maintained at the CSB's main administrative office in the region.		the location, and the provider already has an administrative office included within CONNECT for the region.  <b>Note:</b> The provider must have the appropriate outpatient service license, the center-based location(s) where individuals come to receive service(s) would need to be licensed, and any administrative offices where records are maintained must be listed in CONNECT as an administrative office.
Mental Health Therapeutic Day Treatment (TDT)	A provider has entered into a formal MOU with a school system to provide TDT services in the school during school hours.	N	The school where the service is provided is not maintained by the provider but instead by the school system. The provider is <u>going to</u> the individual in a <u>community setting</u> to provide services. In addition, no personnel records or PHI are stored at this site.  The main location where records are kept will be listed as both the administrative location and the service location. The administrative office is not subject to the physical site requirements within the Licensing Regulations as long as individuals do not come to the administrative office to receive services.  <b>Note:</b> The provider must have the appropriate TDT service license.
Mental Health Therapeutic Day Treatment (TDT)	A provider has entered into a formal MOU with a school system to provide TDT services after school hours or during the summer.	N	The school where the service is provided is not maintained by the provider but instead by the school system. The provider is <u>going to</u> the individual in a <u>community setting</u> to provide services. In addition, no personnel records or PHI are stored at this site.  The main location where records are kept will be listed as both the administrative location and the service location. The administrative office is not subject to the physical site requirements within the Licensing Regulations as long as individuals do not come to the administrative office to receive services.  <b>Note:</b> The provider must have the appropriate TDT service license.