

Provider Bulletin

Molina Healthcare of California

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May 2, 2025

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Targeted Rate Increase: Fee-for-Service Providers – Frequently Asked Questions

This is an advisory notification to Molina Healthcare of California (MHC) network providers applicable to the Medi-Cal line of business.

What you need to know:

On January 1, 2024, the Department of Health Care Services (DHCS) implemented a targeted rate increase (TRI) for Medi-Cal providers offering primary care, obstetric, and non-specialty mental health services.

Provider Action

Please review the attached frequently asked questions (FAQ) for guidance and clarification.



What if you need assistance?

If you have any questions regarding the notification, please contact your Molina Provider Relations Representative below.

Service County Area	Provider Relations Representative	Contact Number	Email Address
Los Angeles County	Clemente Arias Daniel Amirian Elias Gomez	562-233-1753 747-331-0150 562-723-9760	Clemente.Arias@molinahealthcare.com Daniel.Amirian@molinahealthcare.com Elias.Gomez@molinahealthcare.com
Los Angeles / Orange County	Maria Guimoye	562-783-0005	Maria.Guimoye@molinahealthcare.com
Sacramento County	Johonna Eshalomi	916-268-1418	Johonna.Eshalomi@molinahealthcare.com
San Bernardino County	Luana McIver	909-454-4247	Luana.Mciver@molinahealthcare.com
San Bernardino / Riverside County	Vanessa Lomeli	909-419-3026	Vanessa.Lomeli2@molinahealthcare.com
Riverside County	Patricia Melendez	951-447-7585	Patricia.Melendez@molinahealthcare.com
San Diego / Imperial County	Lincoln Watkins Tan Do	619-972-9860 858-287-4869	Lincoln.Watkins@molinahealthcare.com Tan.Do@molinahealthcare.com

California Facilities (Hospitals, SNFs, CBAS, ICF/DD & ASC Providers)	Facility Representative	Contact Number	Email Address
San Diego, Sacramento, & Imperial California Facilities	Dolores Garcia	619-980-7984	Dolores.Garcia@molinahealthcare.com
Los Angeles, California Facilities	Laura Gonzalez	562-325-0368	Laura.Gonzalez3@molinahealthcare.com
Riverside & San Bernardino, California Facilities	MiMi Howard	562-455-3754	Smimi.Howard@molinahealthcare.com

If you are not contracted with Molina and your fax number is not shared with a contracted provider, and you wish to opt out of receiving the MHC Provider Bulletin, please email mhcproviderbulletin@molinahealthcare.com.

Please include the provider's name, NPI, county, and fax number, and you will be removed within 30 days.

Molina Healthcare of California: 200 Oceangate, Suite 100, Long Beach, CA 90802

TARGETED RATE INCREASE FREQUENTLY ASKED QUESTIONS: FEE-FOR-SERVICE PROVIDERS

#	QUESTION	ANSWER
1	When Molina makes the payment, will the EOP reflect the TRI payment using a remark code specific to the TRI payment?	The EOP will reflect “Targeted Rate Increase Fee Schedule Adjustment” on the TRI adjusted claims.
2	What is the timing of Molina's Retro processing?	Clean claims received for January to April 2025 dates of services will be processed through the claims adjustment system, with previously paid claims adjusted to TRI rates. These adjustments will follow the normal claims adjustment process and will continue until Molina’s system is configured for prospective payments. Effective May 2025 TRI claims will be processed prospectively.
3	Will retro payments be disbursed via the normal process and an EOP issued?	Yes, the funds will be disbursed through the normal process and an EOP issued.
4	Which procedures will qualify for the 20% reduction in outpatient facilities?	On the DHCS published TRI Fee Schedule, the impacted procedure codes are flagged with a cutback indicator, "1" to identify them for the 20% reduction when the services are provided in an outpatient facility. dhcs.ca.gov/services/medi-cal/Documents/LTCRU/CY-2024-TRI-Fee-Schedule-Feb.xlsx

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5	We have a contract with Molina for our facility, bill on a UB-04 and get paid at the line level. What is the criteria for us to get paid?	<p>Per the DHCS TRI APL 24-007, codes identified as</p> <ul style="list-style-type: none"> • Primary/general care services on the TRI Fee Schedule and billed using Health Insurance Claim Form (CMS-1500) are eligible for TRI only when rendered by the following types of eligible providers: Physicians, Physician Assistants, Nurse Practitioners, Podiatrists, Certified Nurse Midwife, Licensed Midwives, Doula Providers, Psychologists, Licensed Professional Clinical Counselors, Licensed Clinical Social Workers, and Marriage and Family Therapists • Codes identified as obstetric care (OB) services and non-specialty outpatient mental health (NSMH) services are eligible for TRI when billed or rendered by a provider who is otherwise eligible to bill the code regardless of claim type (both UB-04 or CMS 1500)
6	Will Molina be providing a recon statement for all retro payments made with details including the contracted rate, associated Prop 56 in comparison to the TRI rates? Will Molina provide an itemization of Prop 56 payments to match it back to the original date of service? This recon statement will help with the reconciliation.	For CY2024 an itemized report will be provided for the retro payments made to each provider. The expected availability of such a report is in Q2 2025. This is in addition to the EOPs that a provider will be issued for payments made.
7	Why do I not see TRI increases on submitted claims?	<p>A few reasons why a claim may not be eligible for TRI include:</p> <ul style="list-style-type: none"> • Provider is not in-network • Claim was rejected or denied for reasons outside of TRI (not clean or complete) • The claim is paid above the TRI minimum fee schedule after accounting for supplemental payments (e.g., including Prop56 physician services)

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8	If provider is reimbursed at a certain % of legacy Medicaid Fee schedule, should provider expect the contract to be updated to a % of the TRI fee schedule?	<p>No. According to the TRI APL, Managed Care Plans (MCP) such as Molina must ensure that providers receive no less than the applicable minimum fee schedule rate for qualifying services.</p> <p>For providers historically paid at a set percentage of the legacy Medi-Cal fee schedule rate, the TRI APL <u>does not</u> require MCPs to maintain the same percentage of the TRI fee schedule rates. Molina has been adjusting payments to ensure that claims from network providers for eligible services are reimbursed at least at the TRI rate, in compliance with the APL.</p>
9	Why do some of my claim adjustment payments do not reflect the TRI fee schedule especially those that are eligible for Prop 56 Physician Services?	<p>Molina has been paying Prop 56 physician services (PS) payments for claims received from January 2024 to November 2024 until the systems were set up to implement the TRI fee schedule. Starting in December 2024, Molina began adjusting paid claims to ensure the TRI minimum amount requirement is met after accounting for Prop 56 PS supplemental payments.</p> <p>1. Claims Received January 2024 - November 2024</p> <ul style="list-style-type: none"> • Evaluation: Prop 56 PS rates were paid supplementally. Molina evaluates the value of Prop 56 PS plus the provider's base pay against the TRI fee schedule. <ul style="list-style-type: none"> ○ Adjustment: <ul style="list-style-type: none"> ▪ If the combined amount of Prop 56 PS and base rate is equal to or greater than the TRI rate, the claim is not adjusted. ▪ If the combined amount of Prop 56 PS and base rate is less than the TRI rate, claims are adjusted to add the difference to the base rate. ➤ Example Scenario 1: <ul style="list-style-type: none"> ▪ Base Rate: \$100 ▪ Prop 56 PS: \$50 (already paid supplementally) ▪ TRI Rate: \$160 ○ Combined Amount: \$100 + \$50 = \$150

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		<ul style="list-style-type: none"> ○ Adjustment: Since \$150 is less than \$160, the claim is adjusted to add \$10 to the base rate, making the total \$100 + \$10 = \$110 (excluding Prop 56 PS value of \$50 already paid supplementally). <p>2. Claims Received on or after December 2024</p> <ul style="list-style-type: none"> • Evaluation: No supplemental Prop 56 PS payments were made. Molina evaluates the base pay plus the value of Prop 56 PS against the TRI fee schedule. ○ Adjustment: <ul style="list-style-type: none"> ▪ If the TRI fee schedule is greater than the combined amount of base rate and value of Prop 56 PS, claims are adjusted to pay at the TRI fee schedule. ➤ Example Scenario 2: <ul style="list-style-type: none"> ▪ Base Rate: \$80 ▪ Value of Prop 56 PS: \$20 ▪ TRI Rate: \$140 <ul style="list-style-type: none"> ○ Combined Amount: \$80 + \$20 = \$100 ○ Adjustment: Since \$140 is greater than \$100, the claim is adjusted to pay \$140 ▪ If the combined amount of base rate and value of Prop 56 PS is greater than the TRI fee schedule, claims are adjusted to pay the combined amount. ➤ Example Scenario 3: <ul style="list-style-type: none"> ▪ Base Rate: \$120 ▪ Value of Prop 56 PS: \$30 ▪ TRI Rate: \$140 <ul style="list-style-type: none"> ○ Combined Amount: \$120 + \$30 = \$150 ○ Adjustment: Since \$150 is greater than \$140, the claim is adjusted to pay \$150.
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3. Prospective Evaluation (Claims Received April 18, 2025, Onwards)

- The evaluation described in #2 above is applied prospectively, meaning claims are evaluated and adjusted at the time of receipt rather than through a claims adjustment process.

Period	Evaluation Criteria	Adjustment
January 2024 - November 2024	Combined Prop 56 PS and base pay vs. TRI fee schedule	Adjust claim to pay the greater amount
December 2024 Onwards	Base pay and Prop 56 PS value vs. TRI fee schedule	Adjust claim to pay the greater amount
April 18, 2025, onwards	Prospective evaluation	Pay the greater amount at receipt*

* Claims adjustments will continue for a few months post-April 18, 2025, to ensure all claims meet TRI requirements.