

# Provider Bulletin

Molina Healthcare of California

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October 25, 2024

- Imperial
- Riverside
- San Bernardino
- Los Angeles
- Orange
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- San Diego

## Medi-Cal Targeted Rate Increase Capitated Providers

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. DHCS is increasing Medi-Cal rates for targeted services to at least 87.5% of the Medicare rate. DHCS will determine an equivalent rate increase for Medi-Cal services that do not have a corresponding Medicare rate.

Health plans must ensure that eligible Network Providers receive no less than the applicable minimum fee schedule rates for qualifying services. Providers are considered eligible for TRI reimbursement if they are within the:

- Contracted providers within the Medi-Cal network
- Primary/General care services billed using Health Insurance Claim Form (CMS-1500) and rendered by an otherwise eligible Provider in the following Provider type categories:
  - Physicians
  - Physician Assistants
  - Nurse Practitioners
  - Podiatrists
  - Certified Nurse Midwives
  - Licensed Midwives
  - Doula Providers
  - Psychologists
  - Licensed Professional Clinical Counselor
  - Licensed Clinical Social Workers
  - Marriage and Family Therapists
  - Obstetric and Non-Specialty Mental Health Services billed or rendered by an otherwise eligible Provider without regard to claim type.

## Provider Action

For an exhaustive list of impacted CPT codes, please refer to the DHCS TRI Fee Schedule at: [dhcs.ca.gov/Documents/Medi-Cal-TRI-Fee-Schedule-CY-1062024.xlsx](https://dhcs.ca.gov/Documents/Medi-Cal-TRI-Fee-Schedule-CY-1062024.xlsx)

Providers will need to provide attestation that sub-capitated contracts have been reviewed and analyzed for compliance with TRI reimbursement requirements.

Attestation guidance will be provided in a follow-up communication.

Health plans must update capitation rates to include TRI rates by December 31, 2024, and ensure eligible Network Providers receive payments, including any required retroactive adjustments, by this compliance date, unless payments are not due.

MHC will host two educational sessions in November to review the TRI capitation rates and offer example walkthroughs.

- **Medi-Cal Targeted Rate Increase**
  - Friday, November 15, 2024
  - 10:00 AM – 11:00 AM PST
  - [events.teams.microsoft.com/event/42219b96-d29d-448e-bb65-f6d786da5944@5e625f8d-0b53-4f56-9e46-19fa14bb2e5c](https://events.teams.microsoft.com/event/42219b96-d29d-448e-bb65-f6d786da5944@5e625f8d-0b53-4f56-9e46-19fa14bb2e5c)
- **Medi-Cal Targeted Rate Increase**
  - Friday, November 15, 2024
  - 3:00 PM – 4:00 PM PST
  - [events.teams.microsoft.com/event/4adf820c-8890-4a4c-a074-d64f0ee6fa72@5e625f8d-0b53-4f56-9e46-19fa14bb2e5c](https://events.teams.microsoft.com/event/4adf820c-8890-4a4c-a074-d64f0ee6fa72@5e625f8d-0b53-4f56-9e46-19fa14bb2e5c)



## **What you need to know CONT:**

- Molina is working with Milliman to finalize the TRI cap rates consistent with the state’s rate-setting methodology. We anticipate delivering these rates to you by no later than December 1, 2024.
- Federally Qualified Health Centers (FQHCs), Rural Health Clinics (RHCs), Indian Health Care Providers, and Cost-Based Reimbursement Clinics do not qualify for reimbursement under TRI Fee schedule. Pursuant to W&I section 14087.325(d), Health Plans are required to reimburse contracted FQHCs and RHCs at a level and amount of payment that is no less than what the MCP would pay for the same scope of services if provided by another Provider type that is not an FQHC or RHC.
- The TRI Fee Schedule rate does not apply to services billed or rendered by Assistant Surgeons.
- The TRI Minimum Fee Schedule does not apply to procedure codes when there is a modifier that affects pricing.
- A 20% rate reduction applies to services performed in outpatient facilities or for surgical procedures in surgical clinics.

Providers who do not meet eligibility requirements will be reimbursed at the existing Medi-Cal rate.

<b>Examples</b>	<b>Current CAP Contracted Rate (PMPM)</b>	<b>TRI Rate (PMPM)</b>	<b>New Contract Rate (PMPM)</b>	<b>Net payment</b>
Retrospective (Prior to December 1, 2024)	\$12	\$4	\$16	Molina will pay \$16 PMPM, minus Prop 56 and previous cap payments, adjusted for membership retroactivity
Prospective (On or after December 1, 2024)	\$12	\$4	\$16	Full cap rate which is inclusive of both Prop 56 and TRI rate for a net payment of \$16

Molina and its downstream contractors must attest and demonstrate that rendering providers are paid in compliance with the TRI APL. Health Plans must provide documentation of methodologies and analyses supporting their attestation to DHCS upon request. Consequently, Molina will require similar attestations and supporting documentation from subcontractors. Molina will develop an attestation aligned with forthcoming DHCS guidance.

Effective for dates of service on or after January 1, 2024, the CY 2024 TRI Fee Schedule rates include the former Proposition 56 Physician Services supplemental payments for applicable codes. Molina will ensure eligible network providers continue receiving the equivalent value of the former Proposition 56 physician services per-service add-on amounts until full compliance with TRI rates is achieved.

## **What if you need assistance?**

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

If you are not contracted with Molina and wish to opt out of the MHC Provider Bulletin, email [mhcproviderbulletin@molinahealthcare.com](mailto:mhcproviderbulletin@molinahealthcare.com). Please include the provider’s name, NPI, county, and fax number, and you will be removed within 30 days.

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If you are not contracted with Molina and wish to opt out of the MHC Provider Bulletin, email [mhcproviderbulletin@molinahealthcare.com](mailto:mhcproviderbulletin@molinahealthcare.com). Please include the provider's name, NPI, county, and fax number, and you will be removed within 30 days.