THIS CA UPDATE HAS BEEN SENT TO THE FOLLOWING:

COUNTIES:

☒ Imperial
☒ Riverside/San Bernardino
☒ Los Angeles
☐ Orange
☒ Sacramento
☒ San Diego

LINES OF BUSINESS:

☒ Molina Medi-Cal Managed Care
☐ Molina Medicare
☐ Molina Marketplace (Covered CA)

PROVIDER TYPES:

☒ **Medical Group/ IPA/MSO**

Primary Care
☒ IPA/MSO
☒ Directs

Specialists
☒ Directs
☒ IPA

☒ **Hospitals**

Ancillary
☒ CBAS
☒ SNF/LTC
☒ DME
☒ Home Health
☐ Other

CORRECTION: Proposition 56 Directed Payments APL 23-014, 23-015, 23-016

This is an advisory notification to Molina Healthcare of California (MHC) network providers with information on required directed payments, funded by the California Healthcare, Research and Prevention Tobacco Tax Act of 2016 (Proposition 56).

Please disregard the Just the Fax sent on July 5, 2023.
We apologize as it was prematurely sent out and contained errors.

This notification is based on All-Plan Letters (APLs) 23-014, 23-015, and 23-016, which can be found in full on the Department of Health Care Services (DHCS) website at:

- APL 23-014: https://www.dhcs.ca.gov/formsandpubs/Documents/MMCDAPLsandPolicyLetters/APL2023/APL23-014.pdf
- APL 23-015: https://www.dhcs.ca.gov/formsandpubs/Documents/MMCDAPLsandPolicyLetters/APL2023/APL23-015.pdf
- APL 23-016: https://www.dhcs.ca.gov/formsandpubs/Documents/MMCDAPLsandPolicyLetters/APL2023/APL23-016.pdf

BACKGROUND

On November 8, 2016, California voters approved Proposition 56 to increase the excise tax rate on cigarettes and tobacco products. Under Proposition 56, a portion of the tobacco tax revenue is allocated to DHCS for the purposes of funding specified expenditures, including increased funding for existing healthcare programs.

POLICY

- **APL 23-014: Proposition 56 Value-Based Payment (VBP) Program Directed Payments**
  - MHC will make directed payments for qualifying VBP program services in the specified amounts for the appropriate procedure codes.
    - The directed payments will be in addition to whatever other payments eligible Network Providers normally receive from MHC. Services performed after June 30, 2022, are not eligible to receive VBP directed payments.
    - The VBP Valuation Summary can be found at: https://www.dhcs.ca.gov/provgovpart/Documents/VBP-VS.pdf.
  - A qualifying service is a specific service, as set forth in the VBP program specifications, that is provided by an eligible Network Provider from July 1, 2019, through June 30, 2022, to a Member who is not dually eligible for Medi-Cal and Medicare Part B (regardless of enrollment in Medicare Part A or Part D).

- In addition to the requirements outlined in APL 19-001, "Medi-Cal Managed Care Health Plan Guidance on Network Provider Status," Network Providers must possess an individual (Type 1) National Provider Identifier (NPI) and practice within their practice scope.
- Review the Centers for Medicare & Medicaid Services (CMS) approved preprint for VBP payments at: https://www.dhcs.ca.gov/services/Documents/DirectedPymts/070119-063022-P56-VBP-Program-Directed-Payment-Preprint.pdf.

- **APL 23-015: Proposition 56 Directed Payments for Private Services**
  - MHC will pay Providers that are qualified to provide and bill for medical pregnancy termination services with dates of service on or after July 1, 2017, at least the rate for Current Procedural Terminology – 4th Edition (CPT-4) code 59840 in the amount of $400 and CPT-4 code 59841 in the amount of $700.
  - This payment obligation applies to contracted and non-contracted Providers.
- **APL 23-016: Directed Payments for Developmental Screening Services**
  - For dates of service on or after January 1, 2020, MHC will pay a uniform dollar add-on of $59.90 for each qualifying developmental screening service provided by an eligible Network Provider.
  - For calendar years (CY) 2020, 2021, and 2022, the requirement is imposed in accordance with the existing CMS-approved preprint, which is available on the DHCS' Directed Payments Program website at: https://www.dhcs.ca.gov/services/Pages/DirectedPymts.aspx.
  - A qualifying developmental screening service is one provided by an eligible Network Provider, in accordance with the AAP/Bright Futures periodicity schedule and through use of a standardized tool that meets the criteria specified below, to a Member enrolled with MHC who is not dually eligible for Medi-Cal and Medicare Part B (regardless of enrollment in Medicare Part A or Part D).
  - A qualifying developmental screening service must be performed using a standardized tool that meets all of the following CMS criteria:
    - Developmental domains: The following domains must be included in the standardized developmental screening tool: motor, language, cognitive, and social-emotional.
    - Established Reliability: Reliability scores of approximately 0.70 or above.
    - Established Findings Regarding the Validity: Validity scores for the tool must be approximately 0.70 or above. Measures of validity must be conducted on a significant number of children and using an appropriate standardized developmental or social-emotional assessment instrument(s).
    - Established Sensitivity/Specificity: Sensitivity and specificity scores of approximately 0.70 or above.
  - Providers must document all of the following: the tool that was used; that the completed screen was reviewed; the results of the screen; the interpretation of results; discussion with the Member and/or family; and any appropriate actions taken. This documentation must remain in the Member's medical record and be available upon request by the Member and/or Member's parent(s)/guardian(s).
  - The provider must document completion of the developmental screening with CPT code 96110 without the modifier KX.
    - Additional developmental screenings done when medically necessary due to risk identified on developmental surveillance are also eligible for directed payment if completed with standardized developmental screening tools and documented with CPT code 96110 without the modifier KX.

If the Network Provider does not adhere to the articulated policies and procedures within each APL, MHC is not required to make payments for claims or submitted encounters submitted one year following the date of service. These timing requirements may be waived through an agreement in writing between MHC and the Network Provider.

What if you need assistance?

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

Service County Area	Provider Services Representative	Contact Number	Email Address
California Hospital Systems	Deletha Foster	909-577-4351	Deletha.Foster@molinahealthcare.com
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Los Angeles / Orange County	Maria Guimoye	562-549-4390	Maria.Guimoye@molinahealthcare.com
Sacramento	Jennifer Rivera Carrasco	562-542-2250	Jennifer.RiveraCarrasco@molinahealthcare.com
San Bernardino	Luana McIver	909-501-3314	Luana.Mciver@molinahealthcare.com
San Bernardino / Riverside County	Vanessa Lomeli	909-577-4355	Vanessa.Lomeli2@molinahealthcare.com
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San Diego / Imperial County	Briana Givens Carlos Liciaga Salvador Perez	562-549-4403 858-614-1591 562-549-3825	Briana.Givens@molinahealthcare.com Carlos.Liciaga@molinahealthcare.com Salvador.Perez@molinahealthcare.com