

Provider Bulletin

Molina Healthcare of California

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October 25, 2024

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

Medi-Cal Targeted Rate Increase Fee-For-Service 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

Health plans must ensure eligible Network Providers receive payments, including any required retroactive adjustments, by December 31, 2024, 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**
 - Thursday, November 14, 2024
 - 12:00 PM – 1:00 PM PST
 - events.teams.microsoft.com/event/3a5e3f1a-3145-4f73-9b37-9311495133f1@5e625f8d-0b53-4f56-9e46-19fa14bb2e5c
- **Medi-Cal Targeted Rate Increase**
 - Thursday, November 14, 2024
 - 3:00 PM – 4:00 PM PST
 - events.teams.microsoft.com/event/eb37f2d0-709f-4de7-b1c0-8780df49429a@5e625f8d-0b53-4f56-9e46-19fa14bb2e5c



What you need to know CONT:

- Molina is configuring payment systems to comply with TRI requirements prospectively.
- Molina is evaluating clean claims received after January 1, 2024, against the TRI fee schedule to implement necessary payment adjustments, ensuring full compliance.
- 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.

Health plans must ensure that eligible Network Providers receive no less than the applicable minimum fee schedule rates for qualifying services. For clean claims that are received, health plans have until Dec 31, 2024 to retroactively implement payment adjustments where necessary.

Examples	Contracted Rate	Prop 56 Payment	Total Payment	TRI Rate	TRI Reimbursement Amount
Retrospective (Beginning January 1, 2024)	\$40	\$20	\$60	\$70	An additional \$10 to reach the TRI rate
Retrospective (Beginning January 1, 2024)	\$90	\$10	\$100	\$90	No additional payments as the total paid exceeds the TRI rate
Prospective	\$70	\$30	\$100	\$120	Molina pays greater of, which is a TRI rate of \$120
Prospective	\$50	\$40	\$90	\$50	Molina pays the greater of, which is contracted rate + Prop 56 = \$90

Effective for dates of service on or after January 1, 2024, the CY 2024 TRI Fee Schedule rates are inclusive of the former Proposition 56 Physician Services supplemental payments for applicable codes. Molina is updating the claims system to comply with TRI and establishing processes to ensure retrospective reimbursement by Dec 31, 2024, as required by DHCS. In the meantime, 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.

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

Service County Area	Provider Relations Representative	Contact Number	Email Address
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San Diego & Sacramento, California Facilities	Dolores Ramos	562-549-4900	Dolores.Ramos@molinahealthcare.com
Los Angeles, California Facilities	Laura Gonzalez	562-549-4887	Laura.Gonzalez3@molinahealthcare.com
Riverside & San Bernardino, California Facilities	Mimi Howard	562-549-3532	Smimi.Howard@molinahealthcare.com

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