

# Provider Alert



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On May 1, 2018, DHCS released All Plan Letter (APL) 18-010 to provide managed care plans with information on services eligible for additional reimbursement under Proposition 56. Below is an excerpt from this APL:

*Proposition 56 increased the excise tax rate on cigarettes and tobacco products for purposes of funding specified expenditures, including increased funding for existing healthcare programs administered by the Department of Health Care Services (DHCS). Assembly Bill 120 (Ting, Chapter 22, Statutes of 2017), Section (§) 3, Item 4260-101-3305, appropriates Proposition 56 funds for SFY 2017-18, including a portion to be used for directed payments for specified services in managed care according to the DHCS developed payment methodology outlined below.*

*On February 21, 2018, DHCS obtained federal approval from the Centers for Medicare and Medicaid Services (CMS) pursuant to Title 42 of the Code of Federal Regulations (CFR), § 438.6(c)(2), for this directed payment arrangement during SFY 2017-18. Note that the requirements of this APL may be subject to change if required for any further CMS approvals applicable to this directed payment arrangement.*

*Proposition 56 appropriated funds will result in directed payments by MCPs and their delegated entities and subcontractors (as applicable) to individual providers rendering specified services with dates of service between July 1, 2017 and June 30, 2018. Consistent with 42 CFR § 438.6(c), DHCS is requiring MCPs, and their delegated entities and subcontractors, to make directed payments for qualifying services (as defined below) for the 13 Current Procedural Terminology (CPT) codes specified in the table below. The amounts of the directed payments vary by CPT code. The directed payment shall be in addition to whatever other payments eligible network providers (as defined below) would normally receive from the MCP, or the MCP's delegated entities and subcontractors, as MCP network providers. For clean claims or accepted encounters with dates of service between July 1, 2017, and the date the MCP receives payment from DHCS, the MCP must ensure that payments required by this APL are made within 90 calendar days of the date the MCP receives payments accounting for the projected value of the directed payments from DHCS. From the date the MCP receives payment onward, the MCP must ensure the payments required by this APL are made within 90 calendar days of receiving a clean claim or accepted encounter for qualifying services. Federally Qualified Health Centers, Rural Health Clinics, and American Indian Health Programs (as defined in the MCP contract), as well as Cost-Based Reimbursement Clinics (as defined in Supplement 5 to Attachment 4.19-B of the State Plan and California Welfare and Institutions Code Section 14105.24), are not eligible network providers for the purposes of this APL.*

*A qualifying service is one provided by an eligible network provider where a specified service is provided to a member, enrolled in the MCP, who is not dually eligible for Medi-Cal and Medicare Part B (regardless of enrollment in Medicare Part A or Part D).*

To comply with this requirement, CHG implemented the following payment schedule:

Claims Receipt Date	Payment Date
Up to 5/11/18 (this was the first payment)	5/24/18
From 5/12/18 Through 7/15/18	8/3/18
From 7/16/18 Through 9/14/18	9/28/18
From 9/15/18 Through 11/16/18	12/7/18
From 11/17/18 Through 12/31/18	1/25/19

Per guidance on DHCS' APL 18-010, the following CPT codes are eligible for additional payment:

CPT	Description	Directed Payment
99201	Office/Outpatient Visit New	\$10.00
99202	Office/Outpatient Visit New	\$15.00
99203	Office/Outpatient Visit New	\$25.00
99204	Office/Outpatient Visit New	\$25.00
99205	Office/Outpatient Visit New	\$50.00
99211	Office/Outpatient Visit Est	\$10.00
99212	Office/Outpatient Visit Est	\$15.00
99213	Office/Outpatient Visit Est	\$15.00
99214	Office/Outpatient Visit Est	\$25.00
99215	Office/Outpatient Visit Est	\$25.00
90791	Psychiatric Diagnostic Eval	\$35.00
90792	Psychiatric Diagnostic Eval with Medical Services	\$35.00
90863	Pharmacologic Management	\$5.00

Payments will be processed based on clean claims submitted by eligible providers, according to contract, and the additional payment listed on APL 18-010.

We thank you for your continued support and partnership. If you have any questions regarding this payment, please contact Alma Palafox, Claims Manager, at [almapalafox@chgsd.com](mailto:almapalafox@chgsd.com). If you would like to file a provider dispute or grievance regarding this, please access our provider portal at [www.chgsd.com](http://www.chgsd.com).