

Provider Bulletin

Molina Healthcare of California

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October 23, 2025

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TARGETED PROVIDER RATE INCREASES – APL 25-012

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:

BACKGROUND

This All Plan Letter (APL) provides guidance on payment requirements for eligible Network Providers under the Targeted Rate Increases (TRI) program, effective January 1, 2024.

It also updates and replaces prior APLs related to augmented reimbursement for family planning services, with retroactive changes for certain services. The provisions apply to both in-network and eligible **out-of-network providers for specified services** such as family planning, sexually transmitted diseases (STD) care, human immunodeficiency virus (HIV) testing, and Minor Consent Services.

Under the 2023 Budget Act and AB 118, DHCS increased Medi-Cal rates for targeted services to at least 87.5% of the lowest California-specific Medicare locality rate, as detailed in the TRI Fee Schedule.

This adjustment includes the elimination of prior AB 97 payment cuts and integrates Proposition 56 supplemental payments. For services without a Medicare-established rate, DHCS calculated equivalent benchmark rates. The federal Centers for Medicare & Medicaid Services (CMS) approved State Plan Amendment 23-0035 to implement the TRI Fee Schedule, which covers Primary/General Care, Obstetric Care, and Non-Specialty Outpatient Mental Health Services.

The Department of Health Care Services (DHCS) has observed instances where Managed Care Plans (MCPs) like Molina have historically paid providers at rates exceeding the Targeted Rate Increase (TRI) Fee Schedule for certain service codes. In these cases, DHCS funded Molina with the expectation that providers would continue to receive the greater of the TRI Fee Schedule rate or the historical contractual rate, as applicable.

Provider Action

1. Review historical payment levels for applicable service codes for both in-network and eligible out-of-network providers for specified services.
2. Compare historical contractual rates with the current TRI Fee Schedule.
3. Ensure providers receive the greater of the two rates, inclusive of Proposition 56 supplemental funding.
4. Update internal payment systems and processes as needed to comply with this guidance.

This notification is based on All-Plan Letter (APL) 25-012, which can be found in full on the Department of Health Care Services (DHCS) website at:

[dhcs.ca.gov/formsandpubs/Documents/MMCDA PLsandPolicyLetters/APL%202025/APL25-012.pdf](https://dhcs.ca.gov/formsandpubs/Documents/MMCDA_PLsandPolicyLetters/APL%202025/APL25-012.pdf)

Supersedes All Plan Letters 24-007, 10-014 and 10-003.

Payment Guidance

Effective immediately, Molina is reminded that for applicable service codes, providers should be paid at the higher of the following:

- The TRI Fee Schedule rate
- The historical contractual rate previously paid by Molina

This payment guidance is inclusive of Proposition 56 Physician Services supplemental funding. Molina will ensure that these supplemental payments are appropriately applied and that providers are compensated according to the greater amount for each eligible service code.

The TRI Fee Schedule rates apply to Primary/General Care codes billed on CMS-1500 form by eligible Network Providers in the following Provider type categories, without regard to the rendering Provider's specialty:

- Physicians
- Physician Assistants
- Nurse Practitioners
- Podiatrists
- Certified Nurse Midwives
- Licensed Midwives
- Doula Providers
- Psychologists
- Licensed Professional Clinical Counselor
- Licensed Clinical Social Workers
- Licensed Marriage and Family Therapists

The TRI Fee Schedule rates apply to procedure codes identified as Obstetric and Non Specialty Mental Health Services when billed or rendered by an otherwise eligible Network Provider without regard to claim type or the Provider's specialty.

The TRI Fee Schedule rates are subject to further adjustment for specified codes:

- 39.7% payment augmentation for specified physicians' services provided to a Medi-Cal member eligible under the California Children's Services program.
- 20% payment reduction for specified procedures performed in outpatient facilities.

The TRI Fee Schedule rates do not apply to services which receive a greater net reimbursement amount, inclusive of any supplemental payments, pursuant to the California Medicaid State Plan in effect on December 31, 2023.

The TRI Fee Schedule rates do not apply to reimbursement for services billed or rendered by Assistant Surgeons. The TRI Fee Schedule rates also do not apply to reimbursement for services billed or rendered by Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs), Indian Health Care Providers and Cost-Based Reimbursement Clinics.

POLICY

Beginning January 1, 2024, MHC will follow a minimum fee schedule for qualifying services provided by eligible Network Providers, as outlined in the California Medicaid State Plan. This includes services reimbursable at TRI Fee Schedule rates and certain family planning services reimbursable at higher Legacy Fee Schedule rates. MHC will ensure Network Providers are paid at least the minimum applicable rate, whether on a per-service or capitated basis,

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

and must attest to compliance with documentation available upon DHCS request. These requirements do not apply to claims under the Children and Youth Behavioral Health Initiative (CYBHI).

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 Elias Gomez Velma Castillo	562-233-1753 562-723-9760 626-721-3089	Clemente.Arias@molinahealthcare.com Elias.Gomez@molinahealthcare.com Velma.Castillo@MolinaHealthcare.com
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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	Brigitte Maldonado	760-421-1466	Brigitte.Maldonado@MolinaHealthcare.com
San Diego County	Tan Do Rita Weldy	858-287-4869 619-403-7773	Tan.Do@molinahealthcare.com Rita.Weldy@molinahealthcare.com

California Facilities (Hospitals, SNFs, CBAS, ICF/DD & ASC Providers)	Facility Representative	Contact Number	Email Address
Los Angeles County	Melessa Belcher	714-813-8522	Melessa.Belcher@MolinaHealthcare.com
Imperial, San Diego & Sacramento	MiMi Howard Laura Gonzalez, Manager	562-455-3754 562-325-0368	Smimi.Howard@molinahealthcare.com Laura.Gonzalez3@molinahealthcare.com
Riverside & San Bernardino	MiMi Howard	562-455-3754	Smimi.Howard@molinahealthcare.com

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