**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 Options Plus
☐ Molina Dual Options Cal MediConnect Plan (Medicare-Medicaid Plan)
☐ 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

**FOR QUESTIONS CALL PROVIDER SERVICES:**
(855) 322-4075, Extension:

**Los Angeles/Orange Counties**

| | |
|---|---|
| x123071 | x117079 |
| x120104 | x111660 |
| x127657 | |

**Riverside/San Bernardino Counties**

| | |
|---|---|
| x128010 | x127709 |
| x127684 | |

**Sacramento County**

| | |
|---|---|
| x126232 | x121360 |

**San Diego County**

| | |
|---|---|
| x120056 | x121588 |
| x120630 | |

**Imperial County**

| | |
|---|---|
| x125682 | x120153 |

## PROPOSITION 56 DIRECTED PAYMENT EXPENDITURES FOR SPECIFIED SERVICES FOR STATE FISCAL YEAR 2017-18 (APL 18-010)

This is an advisory notification to our Molina Healthcare of California (MHC) network providers regarding directed payments for certain services funded by the California Healthcare, Research and Prevention Tobacco Tax Act of 2016 (Proposition 56) for State Fiscal Year (SFY) 2017-18.

This notification is based on an All Plan Letter (APL) 18-010, which can be found in full on the Department of Health Care Services (DHCS) website at: http://www.dhcs.ca.gov/formsandpubs/Pages/AllPlanLetters.aspx

### BACKGROUND

Proposition 56 increased the excise tax rate on cigarettes and tobacco products to fund specific expenditures, including increased funding for existing healthcare programs administered by the DHCS. DHCS received federal approval from the Centers for Medicare and Medicaid Services (CMS) for this directed payment arrangement during SFY 2017-18 and will result in directed payments by MHC and their delegated entities and subcontractors (as applicable) to individual providers rendering specified services with dates of service from July 1, 2017 through the date that MHC receives payments from DHCS.

### PAYMENT TIMEFRAME

The directed payment shall be in addition to whatever other payments eligible network providers (as defined below) would normally receive from MHC, or MHC's delegated entities and subcontractors, as MHC network providers. For clean claims or accepted encounters with dates of service between July 1, 2017, and the date MHC receives payment from DHCS, MHC must ensure that payments required by APL 18-010 are made within 90 calendar days of the date MHC receives payments accounting for the projected value of the directed payments from DHCS. MHC must ensure the payments required by APL 18-010 are made to the delegated entities or subcontractors or rendering contracted providers within 90 calendar days of receiving a clean claim or accepted encounter for qualifying services. If a provider is directly contracted with Molina, payments will come from Molina. If a provider is part of a delegated group, Molina will reimburse the delegated groups and providers can expect payments from the delegated group.

## ELIGIBLE PROVIDERS

Eligible network providers are "network providers" who are qualified to provide and bill for the CPT codes specified in the table under "CPT Codes For Directed Payment". Federally Qualified Health Centers, Rural Health Clinics, and American Indian Health Programs, as well as Cost-Based Reimbursement Clinics, are not eligible network providers for the purposes of APL 18-010.

## CPT CODES FOR DIRECTED PAYMENT

The amounts of the directed payments vary by CPT code. A qualifying service is one provided by an eligible network provider where a specified service is provided 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).

| 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 |

## REPORTING REQUIREMENTS

Starting with the calendar quarter ending June 30, 2018, MHC must report to DHCS within 45 days of the end of each calendar quarter all directed payments made pursuant to APL 18-010, either directly by MHC or by the delegated entities and subcontractors. Reports shall include all directed payments made covering dates of service between July 1, 2017 and June 30, 2018. Delegated entities and subcontractors must provide these reports in a format to be specified by MHC, which at a minimum shall include CPT code, service month, and rendering provider's National Provider Identifier. MHC may require additional data as deemed necessary. All reports shall be submitted in a consumable file format (i.e. Excel or Comma Separated Values) to MHC, upon MHC's request.

Updated quarterly reports must be submitted in the same format as the initial submission and be a replacement of the initial submission. Delegated entities are responsible for submitting updated reports when the actual counts or total value of directed payments pursuant to this APL have changed since the delegated entities' previously submitted report; delegated entities may be required to submit an attestation if no updated information is available.

MHC is responsible for ensuring that their delegated entities and subcontractors comply with all applicable state and federal laws and regulations, contract requirements, and other DHCS guidance, including APLs, Policy Letters, and Dual Plan Letters.

***To opt out of Just the Fax:*** *Call (855) 322-4075, ext. 127413.*
*Please leave provider name and fax number and you will be removed within 30 days.*

## How to File a Provider Grievance/Appeal

Providers may initiate a first level appeal by submitting and completing a Provider Dispute Resolution Request Form within three hundred sixty-five (365) days from the last date of action on the issue. The written dispute form must include the provider name, identification number, contact information, date of service, claim number, and explanation for the dispute. In addition, the following documentation is required to review and process a claims appeal:

- Provider Dispute Resolution Request Form or a Letter of Explanation
- A copy of the original claim(s)
- A copy of the disposition of original claim(s) in the form of the Explanation of Benefit
- Documented reason for appeal
- A copy of the medical record/progress notes to support the appeal, when applicable

**Molina's Provider Portal (https://provider.molinahealthcare.com)**

- Most preferred and efficient method to submit a dispute/appeal is through Molina's Provider Portal.
- Providers can search and locate the adjudicated claim on the Molina Portal and submit a dispute/appeal.
- Portal submission does not require this form (Provider Dispute Resolution Request form).

**Fax 562-499-0633**

- Faxing a dispute/appeal requires completion of this form (Provider Dispute Resolution Request form). This form can be found on the Molina Healthcare website at http://www.molinahealthcare.com/providers/ca/PDF/MediCal/forms_CA_PDRForm.pdf
- Incomplete form will not be processed.
- Must include provider's fax number to receive the resolution of the dispute via fax.
- Must include applicable supporting documents to justify a dispute/appeal, if applicable.

**Provider Disputes and supporting documentation (via paper) should be submitted to:**

Molina Healthcare of California
P.O. Box 22722
Long Beach, CA 90801
Attn: Provider Grievance and Appeals Unit

## QUESTIONS

If you have any questions regarding the notification, please contact your Molina Provider Services Representative at (855) 322-4075.

***To opt out of Just the Fax:*** *Call (855) 322-4075, ext. 127413.*
*Please leave provider name and fax number and you will be removed within 30 days.*