



Sign and Return Your Mandated Targeted Rate Increase Attestation Form by Dec. 1, 2024

Dear Participating Provider:

All contracts between Health Net* and Medi-Cal participating physician groups (PPGs) require compliance with Department of Health Care Services (DHCS) regulations. This requirement automatically extends to the Targeted Rate Increase (TRI) requirements as specified in the [DHCS finalized All Plan Letter \(APL\) 24-007 \(PDF\)](#).

To document your compliance with APL 24-007, please sign and return the [TRI Attestation form](#) by Dec. 1, 2024, to your Provider Network Manager confirming that your PPG has met the APL 24-007 mandated TRI requirements.

Capitated PPGs are required to follow all Department of Health Care Services requirements.

The requirements list below is not comprehensive, and PPGs are required to follow DHCS requirements outlined in APL 24-007, including any updates to this APL.

Capitated providers must:

- **For 2024** – Configure your capitation payment systems for TRI and issue any necessary TRI add-on payments for 2024 by Dec. 31, 2024. Health Net is paying the Proposition 56 Physicians Services Payments directly to physicians and sharing the payment data with the PPGs through the secure file transfer protocol (SFTP) process outlined in our earlier [communications](#).
- **For 2025** – Configure your capitation payment systems for TRI and correctly issue any necessary TRI add-on payments, inclusive of Prop 56 physician services payment.
- Amend provider agreements as necessary to reflect TRI requirements.
- Send communications to your providers and educate them as necessary on TRI requirements.

Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs), are technically not eligible for TRI under APL 24-007. However, they are eligible for “TRI Contract Parity” pursuant to W&I section 14087.325(d): “MCPs are required to reimburse contracted FQHCs and RHCs in a manner that is no less than the level and amount of payment that the MCP would make for the same scope of services if the services were furnished by another Provider type that is not an FQHC or RHC.” Furthermore, Health Net’s TRI Payments to the PPG account for the PPG making these parity payments to their downstream FQHCs and RHCs.

Attestation and accounting documentation requirements

DHCS may determine that an audit of the Medi-Cal Managed Care Plan (MCP) contractual reimbursement is necessary and will require the MCP to provide all necessary documentation and methodology behind their process. In this case, we would require PPGs to provide all necessary documentation and methodology behind their process. The [TRI Attestation form](#) is to be signed by the PPG’s finance executive officer and must be submitted along with the accounting documentation listed below to your Provider Network Manager.

PPGs must submit the following accounting documentation:

- Historical and credible encounter and eligibility data for the contract, pricing information for the utilization, and a methodology for developing a prospective Per-Member, Per-Month (PMPM) expense adjusting the historical data.
- The method used to price the services provided under the contract, including TRI and non-TRI eligible services.
- The analysis for each contract showing the above was completed and that a contract meets or has been adjusted to meet the TRI payment requirements.

For additional information, refer to [TRI Guiding Principles for Fee-For-Service and Capitation](#). If you have questions regarding TRI, refer to our [Targeted Rate Increase For Select Medi-Cal Services](#) dedicated provider landing page or contact the [Provider Relations team](#) via email.

Sincerely,

Paul Pakuckas
Health Plan Development and Contracting Officer

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