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July 24, 2024

Critical Reminders and DHCS Final APL 24-007 on Targeted Rate Increase.

Dear Participating Physicians and Other Providers:

This is a follow-up to my [email](#) sent on June 7, 2024. We have not received your data and are following up to remind you that it is critically important that we receive your data **immediately**.

Failure to do so will compromise our ability to appropriately fund the rate increases and your ability to comply with the terms of the APL.

Critical data submission

Submit your capitated encounters and fee-for-service (FFS) claims to Health Net by using the secure file transfer protocol (SFTP) site. This submission is essential for calculating the TRI rates owed to you and ensuring we have sufficient time to complete the analysis and deliver amendments to PPGs by August 2024.

We understand the sensitivity of this data and assure you it will be treated with the highest level of confidentiality. This data request is solely to ensure appropriate funding for you and will not impact your base capitation rates during any renewal period.

Follow the instructions below to submit encounters using the [Health Net Data Request - DHCS Medi-Cal TRI \(Targeted Rate Increase\)](#) template. **Do not change the file name and do not deviate from the submission process, as this will delay our analysis.**

Step	Date	Action
Step 1	Immediately	Assign a designated individual, on behalf of your PPG, to submit the requested data to Health Net. Submit the designated individual’s contact information, including their name, email and phone number to regulatory and legislative implementation intake@centene.com . Your designated individual will be emailed and given a temporary password to log in to the SFTP site. Once logged in, they can change the temporary password.

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Step 2	Immediately	Your designated individual must submit the data to the SFTP site using the attached template referenced before this chart. Please make sure to submit complete information and do not leave fields blank.
Step 3	In August 2024	Health Net will send a proposed amendment to your contract, inclusive of the TRI capitation rates. Note, this timing is contingent on timely data submission by PPGs in Step 2 above.

All eligible providers, including downstream providers, must receive the minimum TRI payment by December 31, 2024. To ensure compliance with APL 24-007, Health Net will require PPGs to sign an attestation confirming APL 24-007 requirements have been met. Therefore, it's crucial that we pass the supplemental dollars to your organization promptly, which necessitates analyzing your data.

Your cooperation is essential in this effort. Your role is vital in ensuring compliance with APL 24-007.

Finalized APL 24-007

The Department of Health Care Services (DHCS) has finalized the Medi-Cal [APL 24-007 Targeted Provider Rate Increases](#) (TRI). Below is what you need to know about changes since my last email, as well as other important reminders.

Overview

As communicated on June 7, pursuant to the 2023 Budget Act and AB 118 (Chapter 42, Statutes of 2023), effective January 1, 2024, the DHCS is increasing reimbursement rates for contracted providers to no less than 87.5% of the lowest California-specific Medicare allowable rate for certain Medi-Cal covered physician/provider services. You can obtain the TRI fee schedule that shows eligible codes from [DHCS](#).

What's changed in the final APL

Deadlines have been extended.

Action	Old date	New date
Deadline for participating physician groups (PPGs) and health plans to start paying at TRI rates for any new fee-for-service (FFS) claims	July 31, 2024	December 31, 2024
All claims with dates of service on or after January 1, 2024, that were previously processed must be adjusted to pay at the new TRI rates.	October 31, 2024	December 31, 2024

Clarification on the use of modifiers

TRI is not payable when a code is billed with modifiers that reduce payment. The most common examples are:

- Modifier 51 – Used for multiple surgery procedures.
- Modifiers 80/AS – Used for assistant surgeons.
- Modifiers 26/TC – Used to split a code into the professional/technical component.
- Modifiers UA/UB: – Used for the surgical supplies related to a surgical code.
- Modifier SL: – Used for vaccine administration fees.

Clarification on eligible provider types and services

DHCS has provided the following clarification regarding eligible provider types and services.

TRI category	Eligible provider types	Eligible claim forms	Contract status
Primary/general care	<ul style="list-style-type: none">• Physicians• Physician Assistants• Nurse Practitioners• Podiatrists• Certified Nurse Midwives• Licensed Midwives• Doula Providers• Psychologists• Licensed Professional Clinical Counselors• Licensed Clinical Social Workers• Licensed Marriage and Family Therapists	CMS 1500	Contracted Network Provider (Does not include Single Case Agreements (SCAs) or Letters of Agreement (LOAs))
Obstetric	Any/all	CMS 1500 (professional)/UB04 (facility)/nonstandard invoice	Contracted Network Provider (Does not include SCA, LOA)
Non-specialty mental health services	Any/all	CMS 1500 (professional)/UB04 (facility)/nonstandard invoice	Contracted Network Provider (Does not include SCA, LOA)

If you have questions regarding TRI rates, refer to the [2024 DHCS Targeted Rate Increase For Select Medi-Cal Services](#) dedicated provider landing page. You may also contact the [Provider Relations team via email](#).

Sincerely,

Paul Pakuckas
Health Plan Development & Contracting Officer