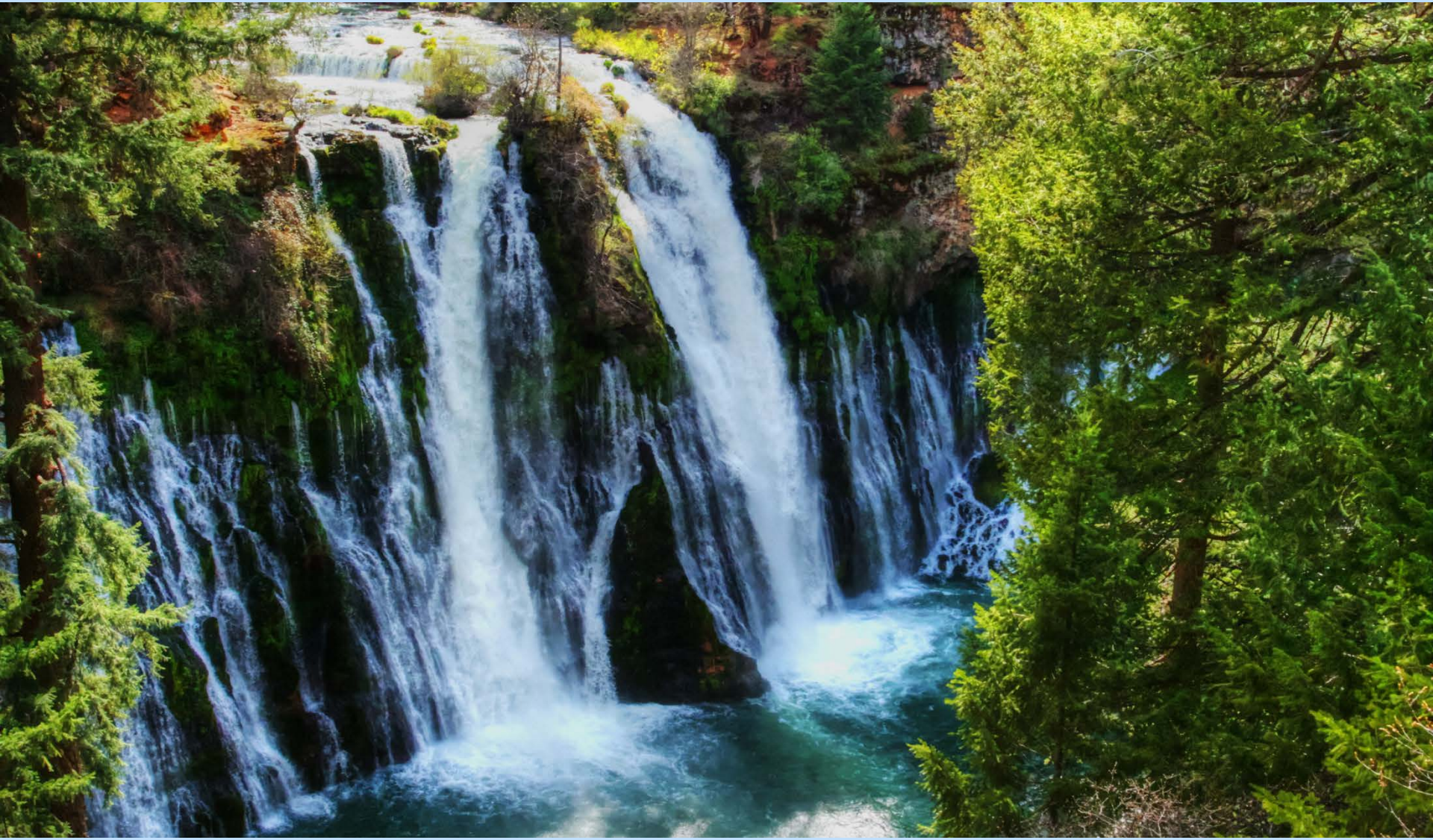
# Department of Health Care Services (DHCS)



## Indian Health Services Program Directors Meeting
## May 19, 2014

# California State Budget Process Overview

- Governor introduces proposed budget on January 10th of every year
- Legislature holds budget hearings
- Governor releases “May Revise” budget in May with updated economic data
- Governor and Legislature negotiate final budget and Budget Trailer Bill
- Governor signs Final Budget and Budget Trailer Bill

# Governor's Budget May Revision
# Fiscal Year 2014-2015

## California Budget

| | 2013-14 Approved | 2014-15 May Revise |
|---|---|---|
| General Fund | 96,281 | 107,766 |
| Federal Funds | 87,565 | 84,562 |
| Special Funds | 42,021 | 44,343 |
| Selected Bond Funds | 6,997 | 4,042 |
| Total Funds | **232,864** | **240,713** |

(Dollars in Millions)

## DHCS Budget

| | 2013-14 Approved | 2014-15 May Revise |
|---|---|---|
| General Fund | 16,481 | 17,725 |
| Federal Funds | 42,406 | 59,517 |
| Special Funds & Reimbursements | 13,366 | 15,960 |
| Total Funds | **72,252** | **93,203** |

(Dollars in Millions)

Sources: LAO The 2014-15 Budget: Overview of the Governor's Budget and DHCS 2014-15 Governor's Budget Highlights , Jan 10, 2014 and www.documents.dgs.ca.gov/osp/governorsbudget/pdf/fchgbook2013-2014

# DHCS 2014-2015 Budget Highlights

- The May Revision eliminates Managed Risk Medical Insurance Board, transfers the Access to Infants and Mothers Program and County Children's Health Insurance Matching Fund Program to DHCS effective July 1, 2014; and eliminates the Major Risk Medical Insurance Program effective January 1, 2015

- Based on the large increase in Medi-Cal enrollment from the Low Income Health Program transition and the optional and mandatory expansions, total Medi-Cal enrollment is now projected to be 11.5 million in 2014-15, reflecting about 30% of the state's population

- The May Revision assumes additional net General Fund costs of approximately $89.3 million in 2013-14 and $513 million in 2014-15 associated with caseload increase, bringing the total General Fund costs to $193 million in 2013-14 and $918 million in 2014-15

- California also increased the mental health and substance use disorder benefits available through Medi-Cal at a General Fund cost of $191.2 million in 2014-15

# DHCS 2014-2015 Budget Highlights

- The May Revision also includes $187.2 million General Fund for managed care rate increases in 2014-15

- Under federal health care reform, county costs and responsibilities for indigent health care are expected to decrease
  - The state-based Medi-Cal expansion will result in indigent care costs previously paid by counties shifting to state

  - Chapter 24, Statutes of 2013 (Assembly Bill 85), modifies 1991 Realignment Local Revenue Fund distributions to capture and redirect savings for counties from the federal health care reform implementation effective January 1, 2014

  - County savings are estimated to be $300 million in 2013-14 and $724.9 million in 2014-15. These savings will be redirected to counties for CalWORKs expenditures

# DHCS 2014-2015 Budget Highlights

- Restoration of Selected Adult Dental Benefits cost increase of $75.6 million in FY 2014-15
- 1% Federal Medical Assistance Percentage (FMAP) Increase to Preventive Service cost increase of $36 million in FY 2014-15
- Payment to Primary Care Physicians
  - ACA required Medi-Cal to increase primary care physician service rates to 100 % Medicare rate for services provided from January 1, 2013 through December 31, 2014
  - The change results in a decrease of $6.5 million in GF for FY 2014-15
- Pediatric Dental and Vision Services Outreach
  - Budget includes $17.5 million to increase dental outreach activities for children ages zero to three years
  - May Revision proposes $2 million ($1 million GF) for a pilot program to increase utilization of pediatric vision services
- Katie A. Settlement/Administrative Costs (therapeutic foster care)
  - The May Revision includes $2 million as a placeholder for potential county administrative costs associated with semi-annual progress reports requirements under the *Katie A. v. Bonta* settlement agreement

# California Legislation of Interest

- **Senate Bill (SB) 1081 (Hernandez)** would require the department to authorize a 3-year alternative payment methodology (APM) pilot project for FQHCs that would be implemented in any county and FQHC willing to participate. Under the APM pilot project, participating FQHCs would receive capitated monthly payments for each Medi-Cal managed care enrollee assigned to the FQHC in place of the wrap-around, fee-for-service per-visit payments from the department. Location: Appropriations Status: Hearing scheduled 5/19/14
- **SB 1124 (Hernandez)** would limit recovery from the estate of a deceased Medi-Cal beneficiary, to only those costs for health care services that the state is required to recover under federal law. Specifically, the bill would eliminate estate recovery for Medi-Cal costs incurred on behalf of beneficiaries over 55 years of age associated with skilled nursing care and related services. Location: Appropriations Status: Placed in suspense*
- **SB 1150 (Hueso)** would provide that a maximum of 2 visits, as defined, taking place on the same day at a single location shall be reimbursed when either after the first visit the patient suffers illness or injury requiring additional diagnosis or treatment or the patient has a medical visit, as defined, and another health visit, as defined, or both. Location: Appropriations Status: Placed in suspense
- **Assembly Bill (AB) 2264 (Levine)** would require the California Department of Public Health to negotiate with any federally recognized tribe for a program under which the tribe would be responsible for carrying out the department's duties regarding the licensing and regulation of certain primary care clinics if the tribe and the clinic meet specified requirements. Location: Appropriations Status: Passed, on consent calendar

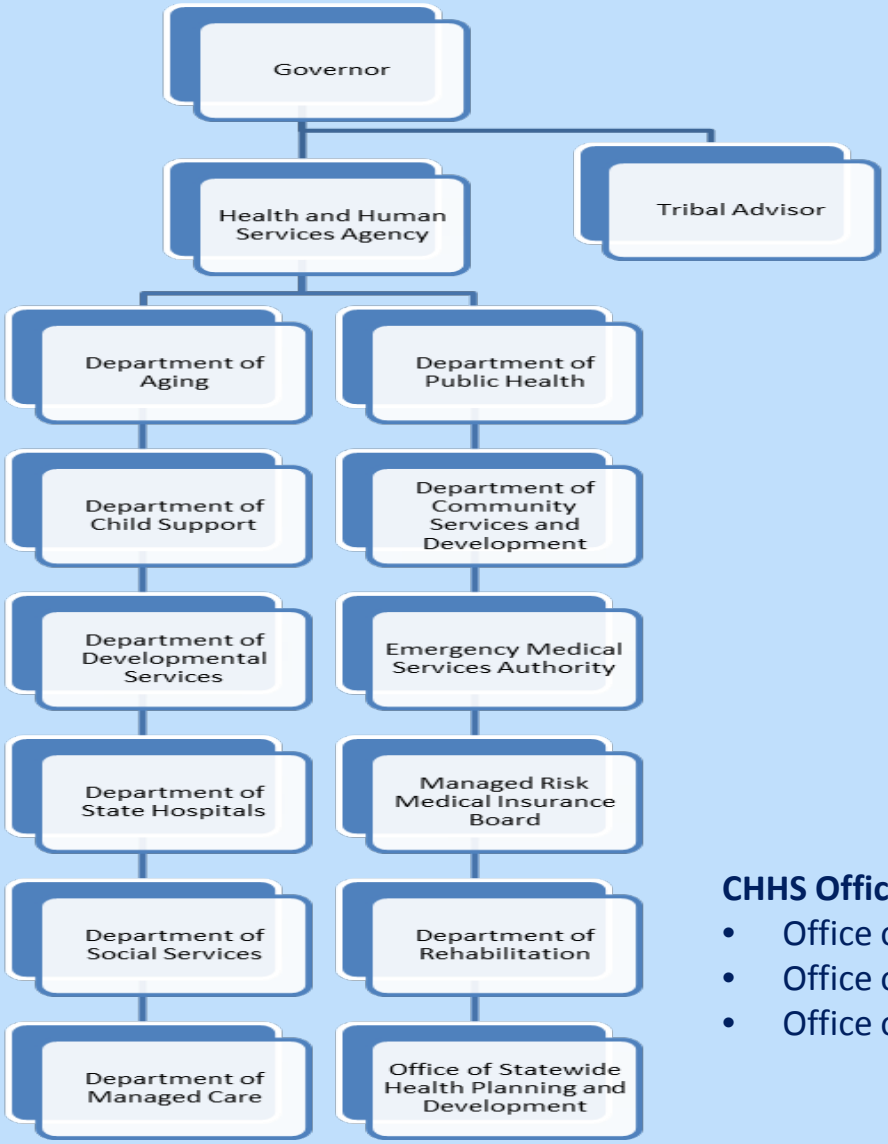
*A suspense file is a holding place for bills which carry appropriations over a specified dollar amount ( appears to be $150,000). The suspense file is a function of the fiscal committee in both houses. Bills are generally held on the suspense file before the adoption of the Budget Bill and just before the summer recess.

**A consent calendar is a set of noncontroversial bills, grouped together and voted out of a committee or on the floor as a package. These must have unanimous consent and any member of the legislature can remove a bill from the consent calendar. Whenever one of these measures is amended it must be removed from the consent calendar, later it may be returned.

# California Health And Human Services (CHHS) Agency

# CHHS

Tribal Consultation with the CHHS is scheduled for Wednesday, May 21, 2014 from 9:00am-noon at the DHCS- First Floor Conference Room at 1700 K St, Sacramento, CA




**CHHS Offices**

- Office of the Patient Advocate
- Office of Systems Integration
- Office of Health Information Integrity

# California Department of Public Health (CDPH)

CDPH is dedicated to optimizing the health and well being of the people of California. Programs that may impact Indian Health are:

- **Office of Quality Performance and Accreditation** Coordinates both department wide initiatives to improve the quality and performance of programs and processes within CDPH and efforts necessary to achieve and maintain National Public Health Accreditation status
- **Emergency Preparedness Office (EPO):** works with DHCS to provide monitoring of an emergency preparedness contract to provide education and training, on all types of hazards/emergencies including mental/behavioral trauma to clinic staff and Tribal communities at no cost
- **Center for Chronic Disease and Health Promotion:** Offers programs that address: Environmental, Occupational, and Chronic Disease Control as well as Injury Prevention
- **Center for Family Health**
  - **Maternal, Child, and Adolescent Health (MCAH):** The CDPH-MCAH has an agreement with the IHP to provide the home visitation program known as the American Indian Infant Health Initiative (AIIHI) for high-risk pregnant and parenting American Indian families
  - **Women, Infants, and Children (WIC)**: WIC is a federally-funded health and nutrition program for women, infants, and children. WIC helps families by providing checks for buying healthy foods and has collaborated with IHP by providing trainings for AIIHI program staff
- **Center for Health Care Quality**
  - **Licensing and Certification (L& C):** Health care facilities in California are licensed, regulated, inspected, and/or certified by a number of public and private agencies at the state and federal levels, including CDPH-L&C and CMS. L&C is responsible for ensuring health care facilities comply with state laws and regulations
  - Existing state law exempts from the clinic licensing requirement clinics operated by a federally recognized Indian tribe or tribal organization on land recognized as tribal land by the federal government (Health and Safety Code 1206 c)

# California Department of Social Services (CDSS)

CDSS serves, aids, and protects needy children and adults. CDSS programs that may impact Indian Health are:

**Children and Family Services Division:**

- **Child Safety Unit** supports work being done statewide to promote the Indian Child Welfare Act (ICWA) and related activities. Unit hosts the ICWA Workgroup and its subcommittees formed to address specific issues, such as the Permanency for Indian Children and Youth Subcommittee, and ICWA Training Subcommittee. Unit supports all components of ICWA; such as policy, regulations, training, and tribal technical assistance
- **Foster Care Services:** designed to protect those children who cannot safely remain with their families.
  - American Indian children may be placed with relatives rather than in non-relative foster or group homes. Relative's homes have to be approved by social services but are exempt from foster home licensure
- **CalFRESH (formerly Food Stamps)** is federally known as the Supplemental Nutrition Assistance Program (SNAP), helps to improve the health and well-being of qualified households and individuals by providing them a means to meet their nutritional needs
- **CalWORKs** a program that gives cash aid and services to eligible needy California families. The program serves all 58 counties in the state and is operated locally by county welfare departments
- **Tribal Temporary Assistance for Needy Families (TANF)** is a program alternative to CalWORKs. TANF gives federally recognized Indian tribes flexibility in the design of welfare programs that promote work and responsibility and strengthen families. American Indian clients have the choice between CalWORKs and Tribal TANF. CDSS' Tribal TANF Unit determines funding levels, administers Memorandums of Understanding , analyzes, consults , provides technical assistance on program issues, and reviews Tribal TANF program elements such as, audits, caseload data, and corrective actions

# Office of Statewide Health Planning and Development (OSHPD)

OSHPD is responsible for hospital construction and plan review; collection and dissemination of healthcare information; collection and reporting of outcome data on selected medical conditions and procedures. OSHPD programs that may impact Indian Health are:

- **Cal-Mortgage** Provides loan insurance for non-profit healthcare facility development
- **Healthcare Information Division** Collects data and distributes information on health & healthcare in California
  - The clinic annual utilization data includes two types of clinics: primary care clinics and specialty clinics. All licensed clinics must file either an Annual Utilization Report of Primary Care Clinics or an Annual Utilization Report of Specialty Clinics with the Office at the end of each calendar year
- **Healthcare Workforce Development** Shortage Designation, Research, Data, Funding, Loan Repayments, Internships, Pilot Projects, and Resources
- **Health Professions Education Foundation** Provides scholarships and loan repayments for healthcare professionals and students

# Department of Aging (CDA)

CDA promotes the independence and well-being of older adults and adults with disabilities. CDA programs that may impact Indian Health are:

- **Community-Based Adult Services (CBAS):** CBAS, is an inter agency program that aims to maintain optimal capacity for self care for the frail elderly. CBAS programs are licensed community day health programs for older persons at risk of needing institutional care
- **Disease Prevention and Health Promotion:** Provides support to programs that assist older adults to prevent illness and manage chronic conditions
- **Family Caregiver Support Program:** Coordinates local community service systems for assisting caregivers of seniors
- **Health Insurance Counseling and Advocacy Program:** Provides information and assistance with Medicare benefits, health and prescription plans
- **Legal Assistance:** Senior Legal Services Projects assist seniors and adults with disabilities with a variety of legal problems
- **Long-Term Care Ombudsman Program:** Investigates complaints regarding long term care facilities, advocates for residents
- **Multipurpose Senior Services Program:** Care management for Medi-Cal eligible frail elderly, certifiable for nursing home placement, but remaining in their community
- **Nutrition:** Provides nutrition services in both group settings and home delivered meals
- **Senior Community Services Employment Program:** Provides job counseling, training and referral for older workers
- **Supplemental Nutrition Assistance Program-Education (SNAP-Ed):** Promotes nutrition education and obesity prevention interventions for SNAP eligible older adults

# Department of Community Services and Development (CSD)

CSD administers the following federal grant programs that may impact Indian Health:

- The U.S. Department of Health and Human Services (USDHHS) Community Services Block Grant (CSBG), USDHHS- Low Income Home Energy Assistance Program (LIHEAP), the U.S. Department of Energy Weatherization Assistance Program, and the U.S. Department of Housing and Urban Development Lead-Based Paint Hazard Control Program. Depending on the program, income eligibility ranges from 100 percent of the federal poverty line to 60 percent of the state's median income. Other eligibility criteria may also apply such as prioritizing vulnerable populations (elderly, disabled and young children)

- Under the CSBG, CSD contracts directly with three Native American Indian (NAI) organizations that target services to the NAI population in their respective territories.
  - These organizations are Los Angeles City/County Native American Indian Commission; Karuk Tribe and Northern California Indian Development Council, Inc.

- The federal government contracts directly with tribes in California to offer LIHEAP services to NAI populations

# Department of Developmental Services (DDS)

- DDS is the agency through which the State of California provides services and supports to individuals with developmental disabilities

- These disabilities include intellectual disability, cerebral palsy, epilepsy, autism and related conditions. Services are provided through state-operated developmental centers and community facilities, and contracts with 21 nonprofit regional centers

- DDS and IHP collaborate to promote awareness of regional center resources to IHP providers
  - A letter and informational materials regarding early intervention services and resources were sent to Indian health program Executive Directors

# Emergency Medical Services (EMS) Authority

- California EMS Authority works to ensure quality patient care by administering an effective, statewide system of coordinated emergency medical care, injury prevention, and disaster medical response. The EMS Authority manages the state's medical response to major disasters. This includes maintenance, staffing and deployment of three 200-bed mobile field hospitals, 39 Disaster Medical Support Units that supply ambulance strike teams, and three 40-person medical assistance teams that are prepared to respond to a disaster

- EMSA's programs consist of:
  - EMS Systems Planning and Development
  - Trauma Care System Planning and Development
  - Emergency Medical Services For Children
  - Poison Control System
  - Pre-hospital Emergency Medical Care Personnel Standards
  - Emergency Medical Dispatcher Standards and EMS Communications Systems
  - First Aid and CPR Training Programs for Child Day Care Providers and School Bus Drivers
  - Paramedic Licensure and Enforcement
  - Disaster Medical Services Preparedness and Response
  - Pre-Hospital Data, Injury Prevention, and Public Education

# Department of Managed Health Care (DMHC)

- DMHC is a Health Maintenance Organization consumer rights organization, helps California consumers resolve problems with their health plan and works to provide a more stable and financially solvent managed care system

- DMHC oversees compliance with the Knox-Keene Health Care Service Plan Act of 1975, which includes protections for health plan members

# Department of Rehabilitation (DOR)

- DOR works in partnership with consumers and other stakeholders to provide services and advocacy resulting in employment, independent living and equality for individuals with disabilities

- DOR currently maintains four separate Memorandum of Understanding (MOU) with the following Tribal Vocational Rehabilitation (TVR) programs:
  - Sycuan Inter-Tribal Vocational Rehabilitation Program (San Diego, CA)
  - Fort Mojave TVR (Needles, CA)
  - Hoopa Yurok TVR (Hoopa, CA)
  - Pinoleville Pomo Nation TVR (Ukiah, CA)

- Each DOR district (San Diego, Inland Empire, Redwood Empire x 2) with an MOU has designated staff who serve as the liaison to the respective TVR program. Additionally, there is American Indian representation on the DOR State Rehabilitation Council and State Independent Living Council

- DOR holds an annual partnership meeting in Sacramento with TVR partners

# CHHS Offices

- **The Office of the Patient Advocate** helps consumers understand their rights, learn how to get health insurance and choose quality care

- **Office of Systems Integration (OSI)** manages a portfolio of large, complex health and human services information technology projects

- **The California Office of Health Information Integrity's** focus is to advance the secure movement of electronic health information, while ensuring that the data is protected and exchanged under strict medical privacy and confidentiality standards

- For additional information or to contact CHHS please visit: http://www.chhs.ca.gov/Pages/contact.aspx

# Department of Health Care Services (DHCS) Update

# Medi-Cal Expansion

- Medi-Cal has enrolled approximately 1.9 million people including,
  - 1.1 million through the Covered California portal and county offices (as of March 2014)
  - Approximately 650,000 former Low Income Health Program members
  - 205,000 individuals who applied through the state's Express Lane Eligibility program ( CalFresh) (as of May 5, 2014)
    - Note: American Indians represent 1 % (9000) of the new enrollees deemed likely eligible for Medi-Cal by CalHEERs

- Hospital Presumptive Eligibility Program (HPE): provides individuals with temporary, no cost, Medi-Cal benefits for up to two months. Those potentially eligible for HPE benefits are: children (ages 0-18) , parents caretaker relatives , pregnant women, "new adults" (ages 19-64, not pregnant, not on Medicare, and not eligible for any other mandatory group), former foster care children between the ages of 18-26
  - Since January 1, 2014 approximately 47,520 individuals have enrolled in Medi-Cal through HPE (as of April 2014)

- DHCS is working to expedite the enrollment of about 900,000 Medi-Cal applicants who are currently pending in the CalHEERS system

- County Inmate Programs: DHCS implemented three county inmate programs, the Adult County Inmate Program, Juvenile County Wards Program, and County Compassionate Release Program, effective January 1, 2014. The programs provide Medi-Cal coverage to eligible adult and juvenile county inmates for inpatient hospital services and inpatient mental health services for juveniles provided off the grounds of correctional institutions. These county inmate programs have estimated total costs of $19.5 million FY 2014-15, impacting more than 3,000 inmates

# Medi-Cal Annual Eligibility Redeterminations

- The Medi-Cal annual redetermination process will began in June 2014 for approximately 8 million people enrolled in Medi-Cal in 2013 and will include the Request For Tax Household Information (RFTHI) Redetermination Packet: The RFTHI Packet collects the necessary income and tax household information that is missing from their current Medi-Cal case in order to conduct a MAGI eligibility determination
  - DHCS received stakeholder feedback that the RFTHI packets did not collect vital information regarding American Indian income or whether the individual received services at an Indian health program. Based on this feedback, DHCS is revising the packets to include this information should an individual have a change in circumstance. The revised RFTHI packets are tentatively scheduled for use beginning in July or August

- Redeterminations for Optional Targeted Low Income Children Program (OTLICP) will also be completed using the RFTHI process. The county will continue to exempt American Indian income already on file. In addition, the revised renewal forms will ask if there is new or additional American Indian income to report and if so would disregard this income as well

- Medi-Cal Eligibility Division Information Letter No.: I 14-12 provided guidance to counties on the continued exemption from premium payments for American Indian children in the OTLICP just as they had under the Healthy Families Program

- All County Welfare Directors Letters can be viewed at: http://www.dhcs.ca.gov/services/medi-cal/eligibility/Pages/ACWDLbyyear.aspx

# Coordinated Care Initiative (CCI)

- CCI, which is known as the CalMediConnect (CMC) program integrates the delivery of medical, behavioral, and long-term care services for dual eligibles (beneficiaries with both Medicare & Medi-Cal) through passive enrollment*
- Formally launched on April 1 in San Mateo, Riverside, San Bernardino, San Diego, and Los Angeles. Enrollment for Orange, Alameda and Santa Clara counties will began by January 2015
  - May Revise Update: The budget projects net General Fund savings for the CCI of $159.4 million in 2014-15. General Fund savings from the sales tax on managed care organizations is included in the net savings figure. Without the tax revenue, the CCI would have a General Fund cost of $172.9 million in 2014-15
- To date there have been 3,445 CMC enrollees
- To help ensure that members can find the information they need and address any concerns, DHCS also launched the CMC Ombudsman Program on April 1. For additional information please visit: http://www.calduals.org/beneficiaries/ombudsman-program/
- CMC eligible enrollees in Medicare Advantage products, including Dual Eligibles Special Needs Plans (D-SNPs) will be passively enrolled into CMC effective January 1, 2015. For further information on the D-SNP policy proposal please visit: http://www.dhcs.ca.gov/Documents/1457SAC_CCI_Overview.pdf

* Passive enrollment means that the state will enroll eligible individuals into a health plan that combines their Medicare and Medi-Cal benefits unless the individual actively chooses not to join and notifies the state of this choice

# State Plan Amendment (SPA) Updates

- **Alternative Benefit Plan (ABP):** SPA 13-035 was approved by CMS on March 28, 2014 with an effective date of January 1, 2014. DHCS' ABP meets all of the federal statutory and regulatory requirements for establishing an ABP for California's newly eligible adult population

- **Adult Dental Restoration:** SPA 13-018 was approved by CMS on April 29, 2014 and restores certain optional adult dental benefits for Medi-Cal members 21 years of age and older, effective May 1, 2014
  - The partial restoration of dental services includes examinations and x-rays, dental cleanings with fluoride treatments, silver and tooth-colored fillings, and root canals and crowns on front teeth. Complete dentures are also being restored. For a full list of services being restored, please see Provider Bulletin Volume 29, Number 14 (August 2013) available at: http://www.denti-cal.ca.gov/provsrvcs/bulletins/Volume_29_Number_14.pdf
  - Note: To the extent that an adult dental benefit is not included in the list of restored services the service provided to an IHS eligible Medi-Cal beneficiary may be billable through the Tribal Uncompensated Care Waiver Amendment (UCWA) program
  - FQHCs and RHCs may provide all adult dental services covered by Medi-Cal in 2009

# SPA Updates Continued

- **Licensed Marriage and Family Therapists (MFT) & Registered Interns as Mental Health Providers:** SPA 14-012 was approved by CMS on May 2, 2014. The SPA allows licensed MFTs, registered MFT interns, registered associate clinical social workers (ACSW), and psychological assistants as providers of psychology services as follows:
  - Licensed MFTs will be able to bill independently for psychology services they currently provide
  - Registered MFT interns, registered ACSWs, and psychological assistants to work under the supervision of a licensed mental health professional, in accordance with state laws
  - Note: DHCS' request for approval will not enable a MFT to bill independently when providing services in a FQHC or RHC, as federal and state statutory changes are needed
- A copy of approved SPAs can be found at: http://www.dhcs.ca.gov/formsandpubs/laws/Pages/ApprovedSPA.aspx
- DHCS will host the quarterly webinar on proposed changes to the Medi-Cal program on May 30, 2014 from 2 p.m. to 3 p.m. To register please visit: https://www3.gotomeeting.com/register/646520990

# Tribal Uncompensated Care Waiver Amendment (UCWA)

**Tribal UCWA (Year 1)—Ended December 31, 2013**

- Invoice totals: $2,977,920 Encounters: Uninsured- 2276 Medi-Cal Beneficiaries – 6248
- **Preliminary Costs Estimate:** $15.461 million **Estimate of Eligible Beneficiaries:** 22,000

**Tribal UCWA (Year 2) –Approved by CMS on December 24, 2013**

- Term of UCWA (Year 2) is January 1, 2014 to December 31, 2014
- Permits DHCS to make uncompensated care payments for optional services eliminated from the state plan provided by tribal health programs operating under the authority of the Indian Self-Determination and Education Assistance Act to IHS-eligible Medi-Cal beneficiaries
- DHCS has extended its partnership with CRIHB to implement this waiver proposal
- Benefits covered include:
  - Adult Dental*, Optometry, Podiatry, Speech therapy, chiropractic, acupuncture, audiology services, and incontinence washes and creams
- To the extent that an optional service comes to be offered as a Medi-Cal benefit during the duration of the UCWA (Year 2), it would no longer be eligible for uncompensated care payments under this program
- No invoices have been submitted to date
- **Preliminary Costs Estimate:** $3.097 million **Estimate Eligible Beneficiaries:** 3,129

•*Please see the provider bulletin located at: http://www.denti-cal.ca.gov/provsrvcs/bulletins/Volume_29_Number_14.pdf for a complete list of dental benefits restored as of May 1, 2014. To the extent that an adult dental benefit is not included in the list of restored services the service provided to an IHS eligible Medi-Cal beneficiary may be billable through the UCWA.

# Medi-Cal Tribal and Indian Health Program Designee Annual Meeting Update

- DHCS received numerous questions and comments during the annual meeting. Main topics of concern included: Managed Care, Mental Health expansion, Asset Recovery, Adult Dental restoration, Medi-Cal Eligibility, the DHCS Medi-Cal Advisory Process, Annual Reconciliations, and Substance Use Disorder services
- DHCS program staff contacted clinic staff directly to resolve emergent specialty care access issues. The majority of these have been resolved or are in process of being resolved
- In response to issues raised by stakeholders DHCS established a work group regarding post implementation managed care rural expansion issues in the 20 non-County Organized Health System rural expansion counties
  - The next workgroup webinar is scheduled for late May 2014. If you would like to participate in any of the upcoming stakeholder webinars that DHCS will be scheduling, please send your name and email contact information to the following: MMCD.TPGMC@dhcs.ca.gov
  - For additional information on the workgroup please visit: http://www.dhcs.ca.gov/services/Pages/PostImpManagedCareExp.aspx
- DHCS has posted responses to a many of the questions* received during the meeting. PRIHD is working with DHCS programs on responses to the remaining questions
  - DHCS continues to research outstanding issues and will post updates to the IHP website: http://www.dhcs.ca.gov/services/rural/Pages/MeetingandWebinars.aspx



*Please note: PRIHD consolidated multiple questions that were similar in nature into one question and response.

# Retro Active Reconciliations for Code 2

- Background: DHCS identified possible underpayments of Code 2 due to Medicare/Medi-Cal crossover rate set to low by Medi-Cal from 2009-2012*
- MOA clinics should have received the full federal IHS outpatient rate
- Initial instructional notice sent January 23, 2014 to 29 clinic corporations (representing 53 MOA clinics)
  - To Date:
    - 10 have submitted retro active reconciliations that are in process
    - 6 submitted requests for payment data
    - 10 are currently working to complete and submit
    - 3 unknown, PRIHD contacting for status
- DHCS will provide payment data for the Code 2 retro active reconciliation process at no cost (per January instructions)
- Deadline for submission of retro active Code 2 reconciliation is June 1, 2014
- Notify DHCS Audits and & Investigations (A&I) if an extension is needed by emailing clinics@dhcs.ca.gov

*Please note 2013 claims are to be included in current reconciliation report and are not included in the retro active reconciliation for Code 2

# Retro Active Reconciliations for Code 2 Processing Timelines and Payments

- What is the timeline on processing retroactive reconciliations?
  - MOA retro-reconciliation is a priority for A&I and the expected processing time is dependent on the following factors:
    - When the MOA Retro Code 2 Reconciliation Request was received by the Department
    - Completeness of the MOA Retro Code 2 Reconciliation Request form, i.e., missing signature, missing information, or mathematical errors
    - Workload will impact the timeline
- How is payment going to be made?
  - A&I will initiate an Action Notice once the audit has been completed (completion includes the internal review and approval process), normally ACS Xerox will issue payment within approximately three weeks

# Code 2  Rate Update Moving Forward

- In order to adjust Code 2 from 2013 forward, A&I sent a request to each MOA provider requesting the most current Medicare Cost Report, Schedule C on April 25, 2014

- The Medicare Cost Report Schedule C is used in the formula to calculate the new Code 2 rate

- A&I will adjust the Code 2 rate accordingly upon receipt of the cost report for 2014

# Medicare FQHC Prospective Payment System (PPS)

How will Medicare FQHC PPS affect Code 2 and code 18 (managed care wrap-around rate)?

- Medicare's implementation of PPS for Federally Qualified Health Centers (FQHC)
  - Medicare will implement a PPS reimbursement in October 2014
  - The new Medicare PPS is expected to increase Medicare reimbursement
  - Higher Medicare reimbursement will affect Medi-Cal code 2 and code 18 rates
- CMS Medicare Learning Network National Provider Call is scheduled for May 21, 2014:
  - Review of the New Medicare PPS for FQHC, Wednesday, May 21, 2014, 9:30 AM - 11:00 AM (Americas) Pacific Time (US & Canada)
    - To register: http://www.eventsvc.com/blhtechnologies/register/77d379a9-1902-47f6-821a-09af042c1db9

# A & I Contact Information & Upcoming Trainings

- Is there a resource for questions?
  - A&I email: clinics@dhcs.ca.gov

- To view a webinar on the reconciliation process for IHS/MOA providers please visit: http://www.dhcs.ca.gov/services/rural/Pages/PRHMeetingsandWebinars.aspx

- Will there be additional training?
  - Medi-Cal 101 training scheduled for June 2014

# Questions/Comments