

PROVIDERUpdate



REGULATORY | JULY 31, 2024 | UPDATE 24-821 | 3 PAGES

Stay Informed About the Medi-Cal Targeted Rate Increase (TRI) and Changes to Prop 56 Physician Services Payments

Understand how payments are calculated and how you will be paid.

Pursuant to the 2023 Budget Act and Assembly Bill (AB) 118 (Chaptered 42, Statutes of 2023), effective January 1, 2024, the Department of Health Care Services (DHCS) is increasing reimbursement rates for contracted and qualified Medi-Cal providers to no less than 87.5% of the lowest California-specific Medicare allowable rates for certain Medi-Cal covered services. You can obtain the TRI fee schedule that shows eligible codes from [DHCS](#).

What makes a provider eligible?

Only contracted providers, as defined by [DHCS](#), providing qualifying services are eligible to receive the TRI. The TRI is not applicable to any services provided by non-contracted providers.

Providers who are on single case agreements (SCAs) or letters of agreements (LOAs) are not considered contracted per APL 19-001 and therefore ineligible for the TRI.

Refer to [CY 2024 TRI Fee Schedule v1.06.01082024 \(XLSX\)](#) for CPT codes and rate information.

What services are eligible?

TRI category	Eligible provider types	Eligible claim forms	Contract status
Primary/general care	- 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	CMS 1500	Contracted Network Provider (Does not include SCA, LOA)

THIS UPDATE APPLIES TO CALIFORNIA PROVIDERS:

- Physicians
- Behavioral Health Providers
- Douglas

LINES OF BUSINESS:

- Medi-Cal
 - Amador
 - Calaveras
 - Inyo
 - Los Angeles
 - Mono
 - Sacramento
 - San Joaquin
 - Stanislaus
 - Tulare
 - Tuolumne

PROVIDER SERVICES

provider_services@healthnet.com

Medi-Cal (including CS and ECM providers) –
800-675-6110

Behavioral Health physicians – 844-966-0298

PROVIDER PORTAL

provider.healthnetcalifornia.com

PROVIDER COMMUNICATIONS

provider.communications@healthnet.com

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TRI category	Eligible provider types	Eligible claim forms	Contract status
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)

Here is what eligible providers directly contracted with Health Net* need to know.

Providers contracted through a capitated participating physician group (PPG), refer to page 3.

How TRI impacts Proposition 56 Physician Services payments (APL 23-019)

TRI incorporates the Proposition 56 Physician Services payments outlined in APL 23-019. All other Proposition 56 programs (dental, family planning, sensitive services) will remain unchanged in 2024.

- TRI and Prop 56 Physician Services payments Prop 56 Physician Services payments end with TRI. To ensure a seamless transition from Prop 56 Physician Services payments to TRI payment logic, Health Net will leverage the “greater of” calculation described below.
- Health Net will continue paying Prop 56 Physician Services payments until all necessary claims systems updates have been made and implemented. Health Net anticipates this system update will be complete by December 31, 2024.

If you have any questions regarding any contracting changes, refer to the FAQ section of [2024 DHCS Targeted Rate Increase For Select Medi-Cal Services](#).

TRI payment calculation methodology

If ...	is ...	then
The current contracted rate plus Prop 56 physician services payment Example: Billed \$60, contract \$40 Lesser of = \$40 Prop 56 physician services payment = \$30 Total = \$70	greater than the TRI fee schedule TRI \$50	Health Net pays the current contracted rate + Prop 56 physician services payment. Pay \$70
The current contracted rate plus Prop 56 physician services payment Example: Billed \$40, contract \$60 Lesser of = \$40 Prop 56 physician services payment = \$30 Total = \$70	less than the TRI fee schedule TRI \$100	Health Net pays based on the TRI fee schedule. Pay \$100

Important dates to remember

Date	Action
January 1, 2024	TRI effective date
December 31, 2024	Deadline for health plans to start paying at TRI rates for any new FFS claims.
	All claims with dates of service January 1, 2024, to December 31, 2024, that were previously processed will be adjusted to pay at the new TRI rates. Eligible providers do not need to re-submit claims.

Here is what eligible providers contracted through a PPG need to know

Providers directly contracted with Health Net, refer to page 2.

The intent of TRI is to increase your compensation up to 87.5% of Medicare for the eligible procedure codes. Therefore, you should not see any decrease in compensation as result of TRI. If you are already getting paid 87.5% of Medicare or higher, TRI does not change your compensation.

Your PPG's TRI payment is based on the encounters that you submitted to your PPG. Be sure to submit your encounters to your PPG on time and accurately to ensure correct TRI payments to you.

If you are contracted with multiple PPGs, your applicable payment will be distributed to you from the PPG that the member is enrolled with.

Important dates to remember

Date	Action
Claims with date of service January 1, 2024, through December 31, 2024	Prop 56 Physician Services payments will continue to come directly to you through Health Net.
December 31, 2024	Health Net will make any necessary retroactive TRI add-on capitated payments to your PPG.
Claims with dates of service on or after January 1, 2025	Separate Prop 56 Physician Services payments will end and be incorporated in the TRI capitation that we pay your PPG. Your PPG will need to determine how to pay you for TRI payment. If you have any disputes related to the TRI with your PPG, please work directly with your PPG.

Eligible Providers contracted both directly with Health Net and with a PPG

If you are contracted directly with Health Net **and** a PPG, information provided in both sections above apply to you. Additionally, your payment will be distributed to you from the PPG or from Health Net depending on whether the member is enrolled with the PPG, or directly with Health Net.

Additional information

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](#).