

Noticing an Increase in your Reimbursement Rates?

Recently, some LEAs have noticed RADs showing a reimbursement rate increase in "payable charges". These reimbursement rate increases relate to the recent inflation updates the Department of Health Care Services (DHCS) is implementing to meet LEA Medi-Cal Billing Option program requirements.

Electronic Data Systems (EDS), under the direction of DHCS, has recently installed two sets of reimbursement rate inflation increases, one for FY 2006/07 (July 1, 2006 to June 30, 2007) and one for all dates of service after June 30, 2007. By mid-August 2009 a third reimbursement rate inflation increase for dates of service after June 30, 2008 will also be installed. However, this third installation will not only introduce another reimbursement rate inflation increase, it will also include an FMAP rate increase.

Therefore, claims with a date of service between July 1, 2008 and September 30, 2008 will include a third reimbursement rate inflation increase but will continue to be reimbursed at the FMAP rate of 50%. However, claims with a date of service on or after October 1, 2008 will also include the third reimbursement rate inflation increase but will be subjected to the increased FMAP rate of 61.59%.

EDS will reprocess the affected claims via an Erroneous Payment Correction (EPC). Claims with dates of service in FY 2006/07 or 2007/08, will be reprocessed in August 2009; claims with dates of service on or after July 1, 2008 are expected to be reprocessed in Fall 2009.

A detailed example is provided below:

Originally, one unit of initial IEP speech therapy treatment services (92507 TM GN) had a maximum allowable rate of \$49.09 (the 50% FMAP resulted in a reimbursement of \$24.55). For dates of service occurring in FY 2006/07, one unit of initial IEP speech therapy treatment services (92507 TM GN) will have a maximum allowable rate of \$57.58 (the 50% FMAP will result in a reimbursement of \$28.79).

For dates of service occurring in FY 2007/08, one unit of initial IEP speech therapy treatment services (92507 TM GN) will have a maximum allowable rate of \$60.97 (the 50% FMAP will result in a reimbursement of \$30.48).

As of mid-August 2009 one unit of initial IEP speech therapy treatment services (92507 TM GN) with dates of service occurring after July 1, 2008 will have a maximum allowable rate of \$62.82 (the 50% FMAP for dates of service between July 1, 2008 and September 30, 2008 will result in reimbursement of \$31.41; yet, the 61.59 percent FMAP for dates of service on or after October 1, 2008 will result in reimbursement of \$38.69).

Please note that rates for transportation, mileage and Targeted Case Management (TCM) services are not inflated since those services are excluded from LEA program requirements to inflate reimbursement rates. You should not notice a rate increase for these services on your RADs; however, these services will receive the increased FMAP rate for dates of service on or after October 1, 2008.

To assist LEAs in updating charges in their internal systems, the inflated rates for dates of service on or after July 1, 2008, have been posted to the LEA Program website and published in the LEA Provider Manual.