

Proposition 56 Supplemental Payment Methodologies

The California Healthcare, Research and Prevention Tobacco Tax Act of 2016 (Proposition 56) increased the excise tax rate on cigarettes and tobacco products for purposes of funding specified expenditures, including funding for existing programs administered by the Department of Health Care Services (DHCS). Assembly Bill 120 (Stats. 2017, ch. 22, § 3, Item 4260-101-3305) appropriates Proposition 56 funds in the 2017-18 state fiscal year for specified DHCS supplemental payment expenditures, and DHCS has developed the required supplemental payment methodologies as outlined below.

Physician Services

DHCS has proposed supplemental payments for physician services in both the Medi-Cal fee-for-service (FFS) and Medi-Cal managed care delivery systems. The supplemental payments, subject to federal approvals from the Centers for Medicare and Medicaid Services (CMS), would work as follows:

Providers who are eligible to provide and bill for the following CPT codes will receive the associated supplemental payment identified, in addition to whatever other payment they receive from the State in FFS or from the health plan as a network provider in managed care.

CPT	Supplemental Payment
99201	\$10.00
99202	\$15.00
99203	\$25.00
99204	\$25.00
99205	\$50.00
99211	\$10.00
99212	\$15.00
99213	\$15.00
99214	\$25.00
99215	\$25.00
90791	\$35.00
90792	\$35.00
90863	\$5.00

DHCS is seeking federal approval of a State Plan Amendment for the FFS delivery system supplemental payments. DHCS is seeking federal approval of an allowable directed plan payment for the Managed Care supplemental payments.

DHCS estimates that the supplemental payments made for services in FY2017-18 under this proposal will total approximately \$814M total funds (\$325M Proposition 56). These payments will occur once applicable CMS approvals are obtained and the systems necessary to implement these payments are in place, with proposed effective dates of July 1, 2017 through June 30, 2018.

Dental Services

DHCS has proposed supplemental payments for dental services in both the Medi-Cal FFS and Medi-Cal Dental Managed Care (DMC) delivery systems. The supplemental payments, subject to federal approvals, would work as follows:

Providers who are eligible to provide and bill [for the list of CDT codes](#) will receive an associated supplemental payment equal to 40% of the Medi-Cal Dental FFS rate, in addition to whatever other payment they receive from the State in FFS or from the health plan as a network provider in managed care.

DHCS is seeking federal approval of a State Plan Amendment for the Dental FFS delivery system supplemental payments. DHCS is seeking federal approval of an allowable directed plan payment for the DMC supplemental payments. DHCS estimates that the supplemental payments made for services in FY2017-18 under this proposal will total approximately \$350.6M total funds (\$140M Proposition 56). These payments will occur once applicable CMS approvals are obtained and the systems necessary to implement these payments are in place, with proposed effective dates of July 1, 2017 through June 30, 2018.

Intermediate Care Facilities for the Developmentally Disabled (ICF-DDs, including Habilitative and Nursing Facilities)

DHCS has proposed the following supplemental payments for ICF-DDs, subject to federal approvals:

ICF-DDs will receive a per day supplemental payment based on the difference between:

1. the frozen rate at the 2008-09 65th percentile increased by 3.7%; and
2. the 2017-18 unfrozen rate

DHCS is seeking federal approval of a State Plan Amendment to authorize the above proposal. DHCS estimates that the supplemental payments made for services in FY2017-18 under this proposal will total approximately \$53.4M total funds (\$26.7M Proposition 56). The payments will occur once applicable CMS approvals are obtained and the system necessary to implement the payment are in place, with proposed effective dates of August 1, 2017 through July 31, 2018.

Women's Health Services: Family Planning, Access, Care, and Treatment Program (FPACT)

DHCS has proposed supplemental payments for FPACT services, subject to federal approvals, that would work as follows:

Providers who are eligible to provide and bill for the list below of FPACT CPT visit codes will receive an associated supplemental payment equal to 150% of the current FPACT rate. (99201, 99202, 99203, 99204, 99211, 99212, 99213, 99214).

DHCS is seeking federal approval of a State Plan Amendment to authorize the above proposal. DHCS estimates that the total supplemental payments made for services in FY2017-18 under this proposal will total approximately \$173M total funds (\$40M proposition 56). The payments will occur once applicable CMS approvals are obtained and the system necessary to implement the payment are in place, with proposed effective dates of July 1, 2017 through June 30, 2018.

Women’s Health: Pregnancy Termination

DHCS has proposed supplemental payments for medical pregnancy termination services in both the Medi-Cal FFS and Medi-Cal managed care delivery systems. The supplemental payments, subject to federal approvals, would work as follows:

Providers who are eligible to provide and bill for the following CPT codes will receive an associated supplemental payment in order to bring their payment total to the amount identified below:

CPT	Total Payment
59840	\$400.00
59841	\$700.00

DHCS estimates that the supplemental payments made for services in FY2017-18 under this proposal will total approximately \$10M (all Proposition 56). These payments will occur once the systems necessary to implement these payments are in place, with proposed effective dates of July 1, 2017 through June 30, 2018.

HIV/AIDS Waiver

DHCS has proposed to increase payments for select HIV/AIDS Waiver services under the §1915(c) Home and Community-Based Services AIDS Waiver. The increased payments, subject to federal approvals, would work as follows:

Providers who are eligible to provide and bill for the following CPT codes under the HIV/AIDS Waiver will receive an increased payment, in order to bring their payment total to the amount identified.

Procedure Code	Service	Total Payment
G0299	Skilled Nursing (RN)	\$19.27
G0300	Skilled Nursing (LVN)	\$13.97
90837	Psychotherapy (Hr)	\$98.02
G0156	Attendant Care	\$9.5
S5130	Homemaker	\$7.0
T2003	Non-Emergency Medical	\$100.00
S9470	Nutritional Counseling	\$63.61
T2022	Case Management	\$363.23
T2025	Admin	\$246.91
Payment for codes G0299, G0300, S5130 and G0156 are reflected, as billed, in 15 minute time increments.		

DHCS is seeking federal approval of a Waiver Amendment to authorize the above payment increases. DHCS estimates that the total increased payments made for services in FY2017-18 under this proposal will total approximately \$8M total funds (\$4M Proposition 56). These payments will be effective on the date identified in the approved Waiver Amendment and will occur once the systems necessary to implement these payments are in place.

Once available, the referenced HIV/AIDS Waiver Amendment proposal can be found on the [AIDS Medi-Cal Waiver Program webpage](#).

Note: Public notices for the [proposed State Plan Amendments](#) are available on the DHCS website. Once submitted to CMS, any [pending State Plan Amendments](#) can also be found on the DHCS website.