DATE:        July 6, 2010

MMCD All Plan Letter 10-007

TO:         ALL MEDI-CAL MANAGED CARE HEALTH PLANS

SUBJECT:  2010-11 RATES FOR EMERGENCY INPATIENT SERVICES PROVIDED
           BY OUT-OF-NETWORK ACUTE CARE HOSPITALS

This All Plan Letter (APL) provides Medi-Cal managed care health plans with rates for
emergency inpatient services provided to Plan enrollees during the 2010-11 rate period
by acute care hospitals that are not part of the health plan's provider network. This APL
replaces the rates published in APL 09-012.

For purposes of this letter, the term "out-of-network" means an acute care hospital —
including hospitals that contract with the Department of Health Care Services (DHCS)
under the Selective Provider Contracting Program (SPCP)—that does not have in effect
a contract with a Medi-Cal managed care health plan for inpatient services. In this APL,
out-of-network is used instead of "non-contracted" to avoid confusion with the term's
use for non-SPCP hospitals.

The rates published below result from the unweighted average of per-diem rates paid to
SPCP-contracted hospitals within each of the three regions identified by the California
Medical Assistance Commission (CMAC). These rates have been trended forward
based on annual increases in the regional average SPCP contract rates, as published in
the CMAC Annual Report to the State Legislature. SPCP rates for individual hospitals
are confidential for four years; health plans and their subcontractors are prohibited from
compelling hospitals to disclose their SPCP rates.

Separate rates are calculated for tertiary and non-tertiary hospitals. A "tertiary" hospital
is a Children's Hospital or a hospital that has been designated as a Level I or Level II
trauma center by the Emergency Medical Services Authority. A list of tertiary and non-
tertiary hospitals is included in the CMAC Annual Report to the State Legislature,
available at http://www.cmac.ca.gov/annual.asp.
Rogers Amendment rates for the 2010-11 rate period are as follows.

<table>
<thead>
<tr>
<th>Rogers Amendment</th>
<th>Average</th>
<th></th>
<th>Tertiary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Welfare and Institutions Code 14091.3</td>
<td></td>
<td>Non Tertiary</td>
<td>Tertiary</td>
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<tr>
<td>CMAC Regional Average Rates for Out-of-Network Acute Care Hospital Emergency Inpatient Services Rate Period: 7/1/10 to 6/30/11</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Other</td>
<td>$1,551</td>
<td>$2,062</td>
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</tr>
<tr>
<td>San Francisco / Bay Area</td>
<td>$1,908</td>
<td>$2,943</td>
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<tr>
<td>Southern California</td>
<td>$1,391</td>
<td>$2,168</td>
<td></td>
</tr>
</tbody>
</table>

*Other* = All California counties other than those listed below.

*San Francisco / Bay Area* = Counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano, and Sonoma

*Southern California* = Counties of Los Angeles, Orange, Riverside, San Bernardino, and Ventura

If you have any questions regarding this APL, please contact David Merritt, Health Program Specialist I, at (916) 552-9687 or david.merritt@dhcs.ca.gov.

Sincerely,

Tanya Homman, Chief
Medi-Cal Managed Care Division