DATE: July 13, 2012

MMCD All Plan Letter 12-003 REVISED

TO: ALL MEDI-CAL MANAGED CARE HEALTH PLANS

SUBJECT: 2012-13 RATES FOR EMERGENCY-BASED INPATIENT SERVICES PROVIDED BY OUT-OF-NETWORK ACUTE CARE HOSPITALS

This All Plan Letter (APL) provides Medi-Cal managed care health plans (Plans) with rates for emergency-based inpatient services provided to Plan enrollees during the 2012-13 rate period by general acute care hospitals that are not part of the Plan’s provider network.

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 Medi-Cal Selective Provider Contracting Program (SPCP), that does not have in effect a contract with a patient’s 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 average regional per-diem SPCP contract rates in the table below were determined using the methodology provided in Welfare & Institutions Code section 14166.245, except that the payment amount shall not be reduced by 5 percent. As required by Government Code section 6254(q) and SPCP contract terms, SPCP rates for individual hospitals are confidential for four years; Plans and their contractors are prohibited from compelling hospitals to disclose them.

Separate rates are calculated for tertiary and non-tertiary hospitals. A “tertiary” hospital is a children’s hospital specified in W&I Code section 10727, or a hospital that has been designated as a Level I or Level II trauma center by the Emergency Medical Services Authority established under Health & Safety Code section 1791.1. Please also refer to APL 10-011 for details on the meaning of tertiary hospitals, http://www.dhcs.ca.gov/formsandpubs/Pages/AllPlanLetters.aspx.
Rogers Amendment rates for the 2012-13 rate period are as follows:

| Rogers Amendment SPCP-Based Regional Average Rates for Out-of-Network Acute Care Hospital Emergency Inpatient Services Rate Period: 7/1/12 to 6/30/13 | Average |
|---|---|---|
| | Non Tertiary | Tertiary |
| Other | $1,590 | $2,154 |
| San Francisco / Bay Area | $2,016 | $3,201 |
| Southern California | $1,375 | $2,207 |

*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 letter, please contact David Merritt, Health Program Specialist I, at (916) 449-5047 or david.merritt@dhcs.ca.gov.

Sincerely,

ORIGINAL SIGNED BY MARGARET TATAR

Margaret Tatar, Chief
Medi-Cal Managed Care Division