

DEPARTMENT OF HEALTH SERVICES

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April 27, 1998

MMCD Policy Letter 98-08

TO: **[X]** Prepaid Health Plans

 [X] Primary Care Case Management Plans

 [X] Geographic Managed Care Plans

 [X] Two-Plan Model Plans

SUBJECT: FEE-FOR-SERVICE REIMBURSEMENT RATE ASSISTANCE

BACKGROUND

With the expansion of Medi-Cal managed care, increasing numbers of Medi-Cal fee-for-service (FFS) beneficiaries are being enrolled in Medi-Cal managed care plans (hereafter referred to as the Plans), and the responsibility for claims payment for services provided to these beneficiaries is moving from the Medi-Cal program's fiscal intermediary, Electronic Data Systems (**EDS**) to the Plans. To this end, the Department of Health Services recognizes a responsibility to provide sufficient information to enable the Plans to meet contractual obligations to pay out-of-plan providers at Medi-Cal FFS rates of reimbursement for specified services.

POLICY

The procedure described in this letter must be used by **Medi-Cal** managed care plan contractors to obtain Medi-Cal **FFS** pricing information when *necessary* to pay out-of-plan providers when contractors are required by contract to reimburse these providers at **Medi-Cal** FFS reimbursement rates. EDS will respond to pricing inquiries from the **Plans when** submitted in accordance with this letter. **The** Plans may submit such requests only if claims cannot be priced using the information currently available to the Plans in **Medi-Cal** Provider Manuals, Title 22 or the RF-O-500 report. Please note that this process does not preclude the Plans from developing the necessary internal expertise for pricing claims.

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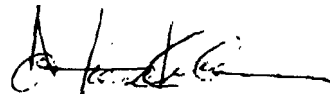
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PROCEDURE FOR REQUESTING PRICING INFORMATION

The following procedure must be followed to request claims pricing assistance:

1. Each Plan must designate **one** person to be the contact **with** EDS.
2. Pricing requests must be sent via FAX to EDS at (916) 636-1287, Attention: Encounter Data Unit. FAX requests must be followed by a telephone call to (916) 636-1296 to verify EDS receipt of sufficient information.
3. Additional information may be required by **EDS** before an answer can be given. When possible, the Plans must enclose in their FAX transmittal a copy of the claim in question and other pertinent information.
4. EDS will respond directly to the designated Plan contact.

If you have any questions or comments regarding this letter, please contact your contract manager.



Ann-Louise **Kuhns**, Chief
Medi-Cal Managed Care Division