

**Medi-Cal Managed Care Family Planning Services
Directed Payment Program Evaluation for
Calendar Year (CY) 2022**

Background

In accordance with Title 42 of the Code of Federal Regulations (CFR), Section 438.6(c)(2)(ii)(D), the California Department of Health Care Services (DHCS) is required to submit an evaluation that measures the degree to which the directed payment arrangement advances at least one of the goals and objectives in the DHCS Quality Strategy. This evaluation will assess the performance and results of the Proposition 56 Family Planning Services Directed Payment Program implementation for CY 2022.

The Proposition 56 Family Planning Services Directed Payment Program directs Medi-Cal managed care health plans (MCPs) to make uniform dollar add-ons payments to eligible network providers for specific family planning services. This directed payment program supports network providers to provide critical services to Medi-Cal managed care members.

Evaluation Purpose and Questions

The Proposition 56 Family Planning Services Directed Payment Program is expected to enhance the quality of care by improving encounter data submissions by providers to better target those areas where improved performance will have the greatest effect on health outcomes. The CMS-approved evaluation design features two evaluation questions:

1. Do higher provider directed payments for family planning services serve to maintain or improve the timeliness and completeness of encounter data when compared to the baseline?
2. Do higher provider directed payments for family planning services serve to maintain or improve access to services for members when compared to the baseline?

Evaluation Data Sources and Measures

This evaluation addresses these questions mainly through quantitative analyses of encounter data extracted from the DHCS Management Information System/Decision Support System (MIS/DSS), spanning service dates in CY 2018 through CY 2022.

The evaluation is focused on MCPs making direct payment to eligible contracted and non-contracted providers, all network and non-network providers qualified to provide

the services, but excluding provider types within these categories that are subject to distinct reimbursement methodologies such as: Federally Qualified Health Centers (FQHC), Rural Health Clinics (RHC), Tribal Health Clinics (IHS/MOA), and Cost-Based Reimbursement Clinics (CBRC), a uniform and fixed dollar add-on payment for every adjudicated claim for specific family planning services . DHCS will contractually require MCPs to pay these amounts via All Plan Letter or similar instruction.

To measure data quality improvement in encounter claim submission, denied encounters, denied encounter turnaround time, and timeliness in submission were assessed using the Post-Adjudicated Claims and Encounters System (PACES) data extracted via MIS/DSS.

To measure changes in utilization pattern, DHCS compared Healthcare Effectiveness Data and Information Set (HEDIS) rates of Contraceptive Care – All Women (CCW-CH and CCW-AD) measures for managed care members.

Evaluation Results

Encounter Data Quality

1. Denied claims and turnaround time:
 - a. Denied Encounters Turnaround Time – This measure addresses how quickly denied encounter data files are corrected and resubmitted by MCPs. Turnaround time is the time, in days, between an encounter data file denial date and the resubmission date to DHCS. This measure reports on the deduplicated number of encounters that were initially denied and then accepted in the specified time frame.

| Turnaround Time | CY 2018 (Baseline Period) | | | CY 2022 | | |
|----------------------|---------------------------|------------------------|---|----------------------|-------------------------|--|
| | Corrected Encounters | Total Denied Encounter | Percentage of Corrected Encounters per Group ¹ | Corrected Encounters | Total Denied Encounters | Percentage of Corrected Encounters per Group |
| 0 to 15 Days | 461 | 22,998 | 2% | 2,179 | 4,853 | 45% |
| 16 to 30 Days | 303 | 22,998 | 1% | 1,315 | 4,853 | 27% |
| 31 to 60 Days | 1,460 | 22,998 | 6% | 940 | 4,853 | 19% |
| Greater than 60 Days | 20,774 | 22,998 | 90% | 419 | 4,853 | 9% |

- 9% of denied encounters were corrected and resubmitted in greater than 60 days from denial notice for the CY 2022 compared to 90% for the Baseline Period.

b. Total Denied Encounters - This measure sums the total times an encounter is denied. For example, for an encounter (ParentEncounterID) that is denied three times and then accepted over the period, will represent three denials for the encounter.

| CY 2018 (Baseline Period) | | | CY 2022 | | |
|---------------------------|------------------|---|-------------------------|------------------|---|
| Total Denied Encounters | Total Encounters | Percentage of Denied Encounters per Month | Total Denied Encounters | Total Encounters | Percentage of Denied Encounters per Month |
| 79,967 | 1,763,357 | 5% | 15,263 | 1,587,621 | 1% |

- Total denied encounters per month reported for the CY 2022 was 1% compared to 5% for the Baseline Period.

c. Timeliness (Lag Time): This measure reports the time it takes for MCPs to submit encounter data files. Lag Time is the time, in days, between applicable Dates of Service and the Submission date to DHCS.

¹ Total percentages may not sum up to 100% due to rounding in each group.

| Lag Time | CY 2018 (Baseline Period) | | | CY 2022 | | |
|--------------------|-------------------------------|------------------|--|-------------------------------|------------------|--|
| | Encounters per Lag Time Group | Total Encounters | Percent of Encounters per Lag Time Group | Encounters per Lag Time Group | Total Encounters | Percent of Encounters per Lag Time Group |
| 0 to 90 Days | 1,063,530 | 1,763,357 | 60% | 1,355,629 | 1,587,618 | 85% |
| 91 to 180 Days | 278,987 | 1,763,357 | 16% | 122,487 | 1,587,618 | 8% |
| 181 to 365 Days | 187,598 | 1,763,357 | 11% | 72,158 | 1,587,618 | 5% |
| More than 365 Days | 233,242 | 1,763,357 | 13% | 37,344 | 1,587,618 | 2% |

- For CY 2022, 93% of encounters were submitted within 180 days of the date of service compared to 76% for the Baseline Period.

Service Utilization

Utilization: From the MCP encounter data, DHCS evaluated CCW-CH and CCW-AD in accordance with current CMS Core Set Technical Specifications to determine the percentage of women who used most effective or moderately effective method and long-acting reversible method of contraception, for age groups 15-20 and 21-44.

| Method of Contraception | Age Group | CY 2018 (Baseline Period) | CY 2022 | Percent Change | Fisher's Exact Test p-value |
|--|-----------|---------------------------|---------|----------------|-----------------------------|
| Most effective or moderately effective method (MMEC) | 15-20 | 9.40% | 12.70% | 35.00% | <0.0001 |
| | 21-44 | 16.70% | 21.20% | 26.90% | <0.0001 |
| Long-acting reversible contraception method (LARC) | 15-20 | 2.20% | 1.70% | -22.70% | <0.0001 |
| | 21-44 | 4.30% | 3.4% | -20.90% | <0.0001 |

$$\text{Percent Change} = \frac{(\text{CY 2022 rate} - \text{Baseline Period rate})}{\text{Baseline Period rate}} \times 100$$

- There was a 35% increase for most effective or moderately effective method of contraception for age group 15-20 in utilization of family planning service in CY 2022 compared to Baseline Period.
- There was a 26.9% increase for most effective or moderately effective method of contraception for age group 21-44 in utilization of family planning service in CY 2022 compared to Baseline Period.
- There was a 22.7% decrease for Long-acting reversible contraception method of contraception for age group 15-20 in utilization of family planning service in CY 2022 compared to Baseline Period.
- There was a 20.9% decrease for Long-acting reversible contraception method of contraception for age group 21-44 in utilization of family planning service in CY 2022 compared to Baseline Period.
- Fisher's exact test was used to determine if there were a significant association between time and utilizations rates (comparing CY 2022 to the Baseline Period). There were statistically significant associations over time (two-tailed $p = < .0001$).
- DHCS will continue to monitor this metric in future program years.

Limitations of Evaluation

The results presented here suggest that the directed payment programs may have had positive impacts on encounter data quality. Both denied claim turnaround time and timeliness of claim submission showed positive improvements. However, we cannot separate changes attributable to the directed payment programs from other secular

changes such as technology advancements occurring across the health system, provider supply, or other factors.

Conclusions

DHCS' examination of the Baseline Period and the CY 2022 encounter data quality and HEDIS Contraceptive Care – All Women (CCW-CH and CCW-AD) rates for managed care members indicates the following:

1. Data quality increased during CY 2022 when compared to the Baseline Period.
 - a. For approximately 9% of denied encounters, MCPs took longer than 60 days to review, correct, and resubmit encounter data files for the CY 2022 compared to 90% for the Baseline Period.
 - b. The percentage of denied encounters per month for the CY 2022 was 1% compared to 5% for the Baseline Period.
 - c. Approximately 93% of encounter data files were submitted within 180 days or less of the date of service for CY 2022, compared to 76% for the Baseline Period.
2. Utilization changes during CY 2022 when compared to the Baseline Period were inconsistent:
 - a. Contraceptive care utilization increased during CY 2022 the for most effective or moderately effective method (MMEC) for both age groups, compared to the Baseline Period.
 - b. Contraceptive care utilization decreased during CY 2022 for the long-acting reversible contraception method (LARC) for both age groups, compared to the Baseline Period.