MCP TARGETED RATE INCREASE SUB-CAPITATED COMPLIANCE ATTESTATION

The purpose of this Medi-Cal Managed Care Plan (MCP) Targeted Rate Increase (TRI) Sub-Capitated Compliance Attestation is for MCPs to certify their compliance with provider reimbursement levels covered under sub-capitated contracts for TRI covered services. Sub-capitated contracts for this attestation include any reimbursement arrangement not tied explicitly to fee-for-service contracting. This attestation will serve to illustrate that the MCP has themselves, or confirmed with their subdelegates, that each capitated sub-contract to a provider has been analyzed and determined to meet or exceed the TRI requirements. This attestation will cover Calendar Year (CY) 2024 for TRI. This attestation must be submitted by each MCP no later than **December 31, 2024**, certifying that their reimbursement levels meet the TRI requirements to TargetedRateIncreases@dhcs.ca.gov.

Scope of Attestation

The attestation must include all capitated contracts paid to providers for the MCPs members which covers any of the TRI codes. DHCS considers a capitated contract as any contract with a provider where the provision of payment is not based on the single specific service provided. DHCS is not asking for analysis of a contract with a delegated entity that will not be providing the service. The MCP is responsible for identifying which contracts are covered under this scope. A best practice could be to review both the Division of Financial Responsibility (DOFR) and submitted encounters under the contract to determine if at least one TRI-affected code is included. The MCP is responsible for analyzing each unique contractual relationship which encompasses the TRI codes at the TIN level. The MCP, at their discretion, may require any of the processes in this attestation be completed by their subdelegates. Contracts established and paid directly to Federally Qualified Health Centers (FQHCs), Rural Health Clinics (RHCs), Cost Based Reimbursement Clinics (CRBCs), and Indian Health Service (IHS) providers do not require attestation.

Process/Documentation

DHCS is not prescribing the methodology that a MCP must follow to document their compliance with the TRI attestation. The MCP can determine their compliance with the TRI requirements but must clearly demonstrate how their methodology was sufficient to determine compliance. DHCS may determine that an audit of the MCP's contractual reimbursement is necessary and will require the MCP to provide all necessary documentation and methodology behind their process. This would include providing documentation and methodology that their subdelegates completed as part of this attestation. DHCS expects the MCP to provide; historical and credible encounter and eligibility data for the contract, pricing information for the utilization, and a methodology for developing a prospective Per-Member, Per-Month (PMPM) expense adjusting the historical data.

An example for the process may include the following for the MCP and their subdelegates:

1. Historical, credible encounter and eligible data.
    a. Use the most recent complete and credible 12-month period.
    b. If historical, credible experience is not available, reference experience (e.g., FFS payments) or best judgement.
    c. Best practice would be to perform this evaluation at the granularity of any payable population, but attestation does not require this level of review.
2. Pricing the experience.
    a. All codes: use the appropriate fee schedule in place for the period for each code.
3. Developing a prospective PMPM expense utilizing historical data with the following considerations:
    a. Medical inflation
    b. Non-Claims
    c. Material population/benefit changes
    d. Admin/Profit/Risk/Contingency Margin
    e. Consideration for withholds or risk-mitigation strategies.
4. Utilizing all the information from above, compare the results to the contracted capitation rates.
    a. If the contracted rate exceeds the TRI reimbursement level, the attestation is appropriate, and no further review is required.

b. If the contracted rate does not exceed the TRI reimbursement level, the MCP at least needs to raise the contracted rate to meet the TRI reimbursement as determined.

Attestation

I, <insert name>, duly authorized, certify on behalf of <MCP name> that all sub-capitated contracts have been reviewed and analyzed for compliance with TRI reimbursement requirements. As of <XX/XX/2024>, all sub-capitated contracts meet or exceed the required reimbursement levels. Upon request, <MCP name> will provide all documentation and methodologies to DHCS.

Print Name: _____

Title: _____

Signature: _____

Date: _____