

## ATTACHMENT 3

### **438.6(c) Proposal – Uniform Dollar Increase for Family Planning Services**

#### **Risk Corridor**

**Program Year 3: January 1, 2022 – December 31, 2022**

#### **Risk Corridor**

A two-sided risk corridor shall be in effect for Proposition 56 Directed Payments for Family Planning Services capitation payments to MCPs. The risk corridor shall be based on the Medical Expenditure Percentage (MEP) achieved by each MCP, as calculated by DHCS. The MEP shall be calculated in aggregate across all applicable categories of aid (see Question 21) and rating regions where the MCP operates for dates of service within the Program Year (PY). DHCS will perform the risk corridor calculation no sooner than 12 months after the end of the PY.

DHCS will calculate the numerator of the MEP using an MCP's submitted encounters that have been accepted by DHCS, in accordance with its policies, for services eligible to receive a Proposition 56 Directed Payments for Family Planning Services add-on amount, multiplied by the applicable directed payment add-on amount for each encounter. The resulting amount will be considered the "actual amount" of Proposition 56 Directed Payments for Family Planning Services expenditures issued by the MCP to its eligible network providers in accordance with this preprint for date of service within the PY. The denominator of the MEP, shall be equal to the total of the medical (i.e., non-administrative and non-underwriting gain) portion of the MCP's Proposition 56 Directed Payments for Family Planning Services capitation payment revenues for the PY, as calculated by DHCS.

The risk corridor will consist of the following bands:

- If the aggregate MEP is less than or equal to 98 percent, the MCP will remit to DHCS within 90 days of notice the difference between 98 percent of the medical portion of the MCP's Proposition 56 Directed Payments for Family Planning Services capitation payment revenues and the aggregate amount of the MCP's MEP numerator, plus a proportional amount for the non-medical portion of the capitation payments aligned with the Proposition 56 Directed Payments for Family Planning Services.
- If the aggregate MEP is greater than 98 percent but less than 102 percent, the MCP will retain all gains or losses, with no reconciliation payments from DHCS to the MCP, or vice versa.
- If the aggregate MEP is greater than or equal to 102 percent, DHCS will remit to the MCP the difference between 102 percent of the medical portion of the MCP's Proposition 56 Directed Payments for Family Planning Services capitation payment

revenues and the aggregate amount of the MCP's MEP numerator, plus a proportional amount for the non-medical portion of the capitation payments aligned with the Proposition 56 Directed Payments for Family Planning Services.