State of California—Health and Human Services Agency
Department of Health Care Services

MICHELLE BAASS
DIRECTOR

GAVIN NEWSOM
GOVERNOR

State of California Medi-Cal Managed Care Physician Visit Directed Payment Program Evaluation for Bridge Period July 1, 2019 – December 31, 2020

Background

This Proposition 56 Physician Visit (Prop56 PV) directed payment program evaluation presents analysis on evaluation measures per evaluation plans originally submitted by California DHCS in accordance with Title 42 of the Code of Federal Regulations (CFR), Section 438.6(c)(2)(ii)(D).

This program directs Medi-Cal managed care health plans (MCPs) to make uniform and fixed dollar amount add-on payments to network provider physicians for contracted outpatient services reimbursed on a primarily fee-for-service (FFS) and capitated payment basis. This Prop56 PV program applies to eligible network providers for specific outpatient services services.

Specifically, uniform increases in payments are directed in the form of uniform percent increases to payments for capitated contractual arrangements and uniform dollar amount payments for FFS contractual arrangements for specific outpatient services services. This directed payment program supports network providers to provide critical services to Medi-Cal managed care members.

Evaluation Purpose and Questions

This bridge period (covering July 1, 2019 through December 31, 2020) evaluation assesses performance and results within the context of Prop56 PV directed payment program implementation.

The Prop56 PV directed payment program is expected to enhance the quality of care by first 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 physician payments, via the proposed Prop56 PV bridge period directed payments, serve to maintain or improve the timeliness and completeness of encounter data when compared to baseline period?

2. Do higher physician payments, via the proposed Prop56 PV bridge period directed payments, serve to maintain or change utilization pattern of outpatient physician services for members when compared to baseline period?

Evaluation Data Sources and Measures

This evalution addresses these questions mainly through quantitative analyese of encounter data extracted from the DHCS Management Information System/Decision Support System (MIS/DSS), spaning service dates SFY 2016-2017 (baseline), and the bridge period.

To measure data quality improvement in ecounter 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 the Management Information System/Decision Support System (MIS/DSS).

To measure changes in utilization pattern, number of outpatient visits per 1,000 member months were assessed using encounter claims extracted from MIS/DSS.

Evaluation Results

<u>Encounter Data Quality</u>

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 date of resubmission to DHCS.

Turnaround Time	SFY 2016 – 2017 (Baseline)			Jul 1, 2019 – Dec 31, 2020 (Bridge)		
	Corrected Encounters	Total Denied Encounters	Percentage of Corrected Encounters per Group	Corrected Encounters	Total Denied Encounters	Percentage of Corrected Encounters per Group
0 to 15 Days	85,880	803,309	11%	60,320	271,477	22%
15 to 30 Days	3,623	803,309	0%	9,133	271,477	3%
30 to 60 Days	253,531	803,309	32%	17,965	271,477	7%
Greater Than 60 Days	460,275	803,309	57%	184,059	271,477	68%

- 22% has been corrected and resubmitted within 15 days of denial notice for bridge period, compared to 11% for baseline period.

- 3% has been corrected and resubmitted between 15 to 30 days of denial notice for bridge period, compared to 0% for baseline period.

- 7% has been corrected and resubmitted between 30 to 60 days of denial notice for bridge period, compared to 32% for baseline period.

- 68% has been corrected and resubmitted in greater than 60 days of denial notice for bridge period, compared to 57% for baseline period

b. Total Denied Encounters

SFY 2016 – 2017 (Baseline)			Jul 1, 2019 – Dec 31, 2020 (Bridge)		
Total Denied Encounters	Total Encounters	Percent of Denied Encounters per Month	Total Denied Encounters	Total Encounters	Percent of Denied Encounters per Month
9,337,046	164,450,893	6%	1,383,685	20,743,933	7%

- The results showed that, the total denied encounters per month reported for bridge period is about 7%, compared to 6% for baseline period.

2. Timeliness (lagtime): This measure reports the time it takes for MCPs to submit encounter data files. Lagtime is the time, in days, between the Date of Services and the Submission date to DHCS

Lagtime	SFY 2016 – 2017 (Baseline)			Jul 1, 2019 – Dec 31, 2020 (Bridge)		
	Encounters per Lagtime Group	Total Encounters	Percent of Encounters per Lagtime Group*	Encounters per Lagtime Group	Total Encounters	Percent of Encounters per Lagtime Group
0 to 90 days	96,722,659	164,450,893	59%	14,195,721	20,743,933	68%
91 to 180 days	23,971,896	164,450,893	15%	3,049,251	20,743,933	15%
181 to 365 days	16,543,314	164,450,893	10%	1,902,318	20,743,933	9%
More than 365 days	27,213,024	164,450,893	17%	1,596,643	20,743,933	8%

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

- About 83% of encounters were submitted within 180 days of date of services for bridge period, compared to 73% for baseline period.

Service Utilization

Outpatient Utilization: Physcian Visits per 1,000 Member Months – DHCS calculated the number of MCP physcian visits per 1,000 member months at a statewide level from MCP encounter data. A "visit" refers to a unique combination of provider, member, and date of service.

SFY 2016 – 2017 (Baseline)	Jul 1, 2019 – Dec 31, 2020 (Bridge)
Physcian Visits per 1,000 member months	Physcian Visits per 1,000 member months
176.41	195.12

- The number of outpatient visits is 195.12 per 1,000 member months for bridge period, compared to 176.41 for baseline period.
- DHCS will continue to monitor this metric in future program year (PY).

Limitations of Evaluation:

The results presented here suggest that the directed payment programs may have had positive impacts on encounter data quality. Both percent denied claims and timeliness of claim submission showed positive improvements. Outpatient physcian visits also increased substantially during the bridge period.

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 baseline and bridge period encounter data quality and outpatient service utilizationfor Proposition 56 Physician Visit directed payment program indicates the following:

1. For about a quarter of denied encounters, MCPs took within 30 days to review, correct and resubmit encounter data files for bridge period. This compares to 11% for baseline period.

2. The percent of denied encounters per month is 7% for bridge period, compared to 6% for baseline period.

3. About 83% of encounter data files were submitted within 180 days or less of date of services for bridge period, compared to 73% for baseline period.

4. The increase in physician visit services seen in bridge period when compared to baseline period may be partely driven by payment rate increases.