

**Rates for Health Care Services
County Medical Services Program**

Effective October 1, 2005
(Originally Adopted September 22, 2005)

The County Medical Services Program Governing Board (Board) sets the rates of payment for the provision of health care services to County Medical Service Program (CMSP) beneficiaries. The Board has entered into a contract with a new benefits administrator (Administrator) for the administration of CMSP.

CONTRACTING PROVIDERS

The Administrator, on behalf of the Board, will enter into contracts with providers for the provision of health care services to CMSP beneficiaries. Providers shall be located in CMSP Counties or counties contiguous to CMSP Counties unless otherwise specified. These contracts will be at the rates set forth below, as may be revised by the Board from time to time. Payments made pursuant to these contracts, net any share of cost collections, shall constitute payment in full to providers.

I. Outpatient Services

A. Physician Services

Effective October 1, 2007 the CMSP rate shall be equal to the Medi-Cal rate in effect on July 1, 2007 plus ten percent (10%).

For selected specialty providers, the Administrator may enter into a contract at an alternative rate to promote the availability of such provider, subject to approval by the Board or its designated representative.

B. Hospital Outpatient Services

The rate shall be the rate in effect for CMSP on April 1, 2005. The CMSP rate in effect on April 1, 2005, is the Medi-Cal rate less ten percent (10%).

C. Services Provided by Federal Qualified Health Centers and Rural Health Clinics (FQHC/RHC)

The rate shall be comparable with the rate in effect for CMSP on April 1, 2005. The CMSP rate in effect on April 1, 2005, is the Medi-Cal rate less ten percent (10%).

D. Services Provided by Tribal Health Program Providers (THP)

The rate shall be comparable with the rate in effect for CMSP on April 1, 2005. The CMSP rate in effect on April 1, 2005, is the Medi-Cal rate less ten percent (10%).

Updates to the rates described in A-D in this section shall be made by BC Life & Health in accordance with its policies to reflect periodic changes in Medi-Cal payment rates.

II. Inpatient Hospital Services

The Board intends to substantially retain the payment reduction for inpatient hospital services that became effective October 1, 2002. In addition, the Board intends to authorize the use of a payment methodology that eliminates the audit and cost settlement process of overpayment and underpayment of reimbursement and provides for a single reimbursement without subsequent reconciliation.

A. Contracting California Hospitals

1. Inpatient Hospital Services (excluding inpatient mental health services but including ancillary charges and administrative days)

The rate shall utilize a percent of charges methodology that incorporates the following:

- a. The hospital's historical CMSP paid and billed amounts under the Medi-Cal interim rate system; and,
- b. One of following:
 - i. A percentage reduction equal to the average overpayment collection from the hospital, based upon the last three (3) consecutive years of available final audit settlement data; or
 - ii. A percentage increase equal to the average underpayment made to the hospital, based upon the last three (3) consecutive years of available final audit settlement data.

A maximum payment per day for inpatient hospital services (excluding inpatient mental health services but including ancillary charges and administrative days) shall be established at the eightieth (80th) percentile of claim payments during the period of July 1, 2003 through June 30, 2004.

For selected inpatient hospital services specified by the Board or its designated representative, the Administrator shall establish a maximum payment per day for such inpatient hospital services (excluding inpatient mental health services but including ancillary charges and administrative days) at the 90th percentile of claim payments during the period of July 1, 2003 through June 30, 2004.

Subject to the approval by the Board or its designated representative, the Administrator shall establish an administrative day payment rate equal to the Medi-Cal administrative date rate in effect on June 30, 2004 less 15%. Payment of such rate shall be limited and payable subject to requirements approved by the Board.

Alternatively and subject to approval by the Board or its designated representative, the Administrator may enter into a contract with a hospital and utilize a per diem payment methodology if the use of this alternative method is based upon the criterion set forth above in (a) and (b) of this section.

Subject to approval by the Board or its designated representative, the Administrator may enter into a contract with a hospital for the sole purpose of providing certain high-level procedures, such as organ transplant services, complex orthopedic surgeries, catastrophic burn care and similar complex tertiary services not otherwise available in the community. For such a specified tertiary hospital, the maximum payment per day for inpatient hospital services (excluding inpatient mental health services but including ancillary charges and administrative days) shall be established at the ninetieth (90th) percentile of claim payments during the period of July 1, 2003, through June 30, 2004.

2. Inpatient Hospital Mental Health Services

The rate shall utilize a two-tiered (higher-level of care and lower-level of care), all inclusive per diem structure that incorporates the following:

- a. If the hospital has negotiated an all inclusive per diem rate under Medi-Cal through a contract with the county where the hospital is located:
 1. The higher-level of care rate shall be the hospital's greater revenue code rate on file effective April 1, 2005, for revenue code 114 (room and board – private, psychiatric), revenue code 124 (room and board – semi-private 2 bed psychiatric), and revenue code 204 (intensive care, psychiatric), less fifteen percent (15%).
 2. The lower-level rate of care rate shall be the hospital's greater revenue code rate on file effective April 1, 2005, for revenue code 134 (room and board – semi-private 3 or 4 bed psychiatric) and revenue code 154 (room and board – ward (medical or general), psychiatric), less fifteen percent (15%).
- b. If the hospital has not negotiated an all inclusive per diem rate under Medi-Cal through a contract with the county where the hospital is located, the rates referenced shall be the regional all-inclusive per diem rate established by the California Department of Mental Health for inpatient acute psychiatric care for the hospital:
 1. The higher-level of care rate shall be the hospital's greater revenue code rate on file effective April 1, 2005, for revenue code 114 (room and board – private, psychiatric), revenue code 124 (room and board – semi-private 2 bed psychiatric), and revenue code 204 (intensive care, psychiatric), less fifteen percent (15%).
 2. The lower-level rate of care rate shall be the hospital's greater revenue code rate on file effective April 1, 2005, for revenue code 134 (room and board – semi-private 3 or 4 bed psychiatric) and revenue code 154 (room and board – ward (medical or general), psychiatric), less fifteen percent (15%).

This payment provision will only apply to hospitals that maintain licensed acute psychiatric care beds.

Updates to inpatient hospital mental health services rates described in this section shall be made by BC Life & Health in accordance with its policies to reflect periodic changes in Medi-Cal payment rates.

B. Out-of-State Contracting Hospitals in Designated Border State Areas

1. Inpatient Hospital Services (excluding inpatient mental health services but including ancillary charges and administrative days)

For inpatient hospital services, the rate shall be the most recent average contract payment rate published by the California Medical Assistance Commission (CMAC) for the Standard Consolidated Statistical Area (SCSA) for the hospital.

Alternatively and subject to approval by the Board or its designated representative, the Administrator may enter into a contract with a hospital and utilize a per diem payment methodology if the use of this alternative method is based upon the criterion set forth in (a) and (b) of section II.A.1.

2. Inpatient Hospital Mental Health Services

The rates referenced shall be the regional all-inclusive per diem rate established by the California Department of Mental Health for inpatient acute psychiatric care for the hospital. The rate shall utilize a two-tiered (higher-level of care and lower-level of care), all inclusive per diem structure that incorporates the following:

- a. The higher-level of care rate shall be the hospital's greater revenue code rate on file effective April 1, 2005, for revenue code 114 (room and board – private, psychiatric), revenue code 124 (room and board – semi-private 2 bed psychiatric), and revenue code 204 (intensive care, psychiatric), less fifteen percent (15%).
- b. The lower-level rate of care rate shall be the hospital's greater revenue code rate on file effective April 1, 2005, for revenue code 134 (room and board – semi-private 3 or 4 bed psychiatric) and revenue code 154 (room and board – ward (medical or general), psychiatric), less fifteen percent (15%).

This payment provision will only apply to hospitals that maintain licensed acute psychiatric care beds.

Updates to inpatient hospital mental health services rates described in this section shall be made by BC Life & Health in accordance with its policies to reflect periodic changes in Medi-Cal payment rates.

III. **Dental, Vision and Home Infusion Services**

A. Dental Services

Effective October 1, 2007 the CMSP rate shall be equal to the Medi-Cal rate in effect on July 1, 2007.

For selected specialty providers, the Administrator may enter into a contract at an alternative rate to promote the availability of such provider, subject to approval by the Board or its designated representative.

B. Vision Services

Effective October 1, 2007 the CMSP rate shall be equal to the Medi-Cal rate in effect on July 1, 2007.

C. Home Infusion Services

The rate shall be comparable with the rate in effect for CMSP on April 1, 2005. The payment structure is a "per-diem-plus" basis meaning that total payment for the service is composed of two components: the per-diem, which provides payment for services and supplies, plus payment for the medication. The payment rate for the medication is average wholesale price minus ten percent (AWP-10%).

The services and supplies that are included in the per-diem payment include: pharmacy compounding fees, therapy-related medical supplies (syringes, tubing, catheters, dressings, etc.), equipment rental (pump, pole, etc.), medication and supply delivery, clinical pharmacy services and kinetic dosing, and 24

hour on-call availability. Multiple per diems shall be discounted – any day in which a client is receiving more than one per diem is discounted.

Updates to the rates described in A and B in this section shall be made by BC Life & Health in accordance with its policies to reflect periodic changes in Medi-Cal and Denti-Cal payment rates.

IV. All Other Services

These services include, but are not limited to: laboratory, home health, durable medical equipment, ground medical transportation, and ambulatory surgery centers. These services do not include the services listed in I, I and III above or the prescription drug benefit services provided by MedImpact Health Systems, Inc. (MedImpact).

Effective October 1, 2007 the CMSP rate shall be equal to the Medi-Cal rate in effect on July 1, 2007.

The Administrator may enter into a contract with such providers at an alternative rate subject to approval by the Board or its designated representative.

V. Contracts with Hospitals and Other Providers in Non-CMSP Counties

Subject to approval by the Board or its designated representative, the Administrator may enter into a contract with a California hospital that is not located in a CMSP county or a county contiguous to a CMSP county. The rate for inpatient hospital services shall be determined pursuant to the criteria set forth in Section II A 1 (a) and (b). If there is insufficient data to use the methodology set forth in Section II A 1 (a) and (b), then the rate shall be the most recent average contract payment rate published by the California Medical Assistance Commission (CMAC) for the Standard Consolidated Statistical Area (SCSA) for the hospital. Rates for hospital outpatient services shall be set in accordance with Section I (B). Rates for inpatient mental health services shall be set in accordance with Section II A (2).

Subject to approval by the Board or its designated representative, the Administrator may enter into a contract with other providers that provide health care services to CMSP clients at a California hospital that has a contract to provide services and is not located in a CMSP county or a county contiguous to a CMSP county. Rates of payment shall be those set forth in Section I A and Section IV.

NON-CONTRACTING PROVIDERS

For emergency services provided to CMSP beneficiaries by non-contracting providers, payment for these services shall be made as set forth below. These payment rates may be revised by the Board from time to time. Payment made for such services, net any share of cost collections, shall constitute payment in full to providers.

I. Non-Contracting California and Out-of-State Hospitals in Designated Border State Areas for Emergency Services

The Board or its designee shall direct the Administrator to pay a non-contracting California and non-contracting out-of-state hospital that has provided emergency services to a CMSP beneficiary at the following rates:

- a. For inpatient hospital services, the rate shall be the most recent average contract payment rate published by the California Medical Assistance Commission (CMAC) for the Standard Consolidated Statistical Area (SCSA) for the hospital.

For outpatient hospital services, the rate shall be eighty-five percent (85%) of the CMSP rate on April 1, 2005. The CMSP rate in effect on April 1, 2005, is the Medi-Cal rate less ten percent (10%).

II. Non-Contracting Clinics and Other Providers for Emergency Services

For all non-contracting providers in California and designated border state areas, excluding non-contracting hospitals, the rate shall be eighty-five percent (85%) of the CMSP rate on April 1, 2005. The CMSP rate in effect on April 1, 2005, is the Medi-Cal rate less ten percent (10%).

III. Non-Contracting Physicians Providing Services During an Authorized Hospital Stay

If a non-contracting hospital based physician renders medically necessary services to a CMSP member during an approved hospital stay, the non-contracting hospital based physician shall be paid the CMSP rate in effect on April 1, 2005 for such services. The CMSP rate in effect on April 1, 2005 for such services is the Medi-Cal rate in effect on April 1, 2005 less ten percent (10%).