

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

**Effective December 19, 2008  
(Originally Adopted September 22, 2005)**

The County Medical Services Program Governing Board (Board) sets the rates of payment for the provision of medically necessary health care services to County Medical Service Program (CMSP) members. The Board has entered into a contract with a benefits administrator, Anthem Blue Cross (Administrator), for the administration of CMSP medical, dental and vision benefits. (This document does not address pharmacy services.)

The rates of payment reflected in this Rates for Health Care Services shall be for the dates specified herein; rates of payment for prior dates not specified herein shall be as specified in the preceding version of the Rates for Health Care Services amended September 27, 2007.

**CONTRACTING PROVIDERS**

The Administrator, on behalf of the Board, may enter into contracts with providers for the provision of medically necessary health care services to CMSP members. These 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 these providers.

**I. Outpatient Services**

A. Physician Services

Effective October 1, 2007, the CMSP rate shall be equal to the Medi-Cal rate for such services 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

Effective January 1, 2009, the rate shall be equal to the Medi-Cal rate for such services in effect on January 1, 2008.

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

Effective October 1, 2008, the rate shall be equal to the Medi-Cal rate for such services on file September 1, 2008. Medicare Economic Index (MEI) adjustments to the Medi-Cal rate shall take effect December 1 of each year for CMSP.

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

Effective October 1, 2008, the rate shall be equal to the Medi-Cal rate for such services in effect on September 1, 2008.

Updates to the rates described in A-D in this section shall be made by Anthem Blue Cross in accordance with its policies to reflect periodic changes in Medi-Cal payment rates for such services.

**II. Inpatient Hospital Services**

Effective January 1, 2009, the Board has established an all-inclusive per diem payment methodology that provides hospital-specific per diems for specified bed types and does not require any subsequent audit and cost settlement process to reconcile overpayments and underpayments. It is intended that this policy be reflected in the rates under contracts with hospital providers effective January 1, 2009. With the exception of payment for implants/devices as provided herein, the per diem shall be all-inclusive and the hospital shall not be entitled to any additional payment.

A. Contracting California Hospitals

1. Inpatient Hospital Services (excluding inpatient mental health services)

Beginning with dates of service on or after January 1, 2009 payment for inpatient hospital services shall be based upon per diem payment rates set established by the Administrator as set forth herein for each contracting hospital. Depending on the hospital and the actuarial sufficiency of the paid claims data, per diem payment rates shall be set for the following bed types:

- a. Intensive Care Unit (ICU);
- b. Trauma;
- c. Burn;
- d. Acute Care (Med/Surg);
- e. Percutaneous Transluminal Coronary Angioplasty (PTCA)/Cardiac Catheterization (Cath);
- f. Cardiovascular Surgery; and,
- g. Subacute Care.

All inpatient bed types not otherwise specified above, including but not limited to acute rehabilitation, shall be paid at the Acute Care (Med/Surg) per diem payment rate.

Notwithstanding the above, payment for inpatient hospital services 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 that hospital if this CMAC rate is greater than that hospital's per diem payment rate established by the Administrator as provided herein.

Payment for the following implants/devices shall be paid separately from any per diem payment: Hip; Knee; Pacemaker; Automatic Implantable Cardioverter Defibrillator (AICD); and Spine. Payment for these implants/devices shall be limited to manufacturer or distributor invoice price plus ten percent (10%), subject to reasonable maximum allowances as determined by the Board.

Base per diems for each hospital shall be calculated based upon paid CMSP claims for each hospital paid through June 30, 2008, for dates of service from January 1, 2007, through December 31, 2007. Separate per diem payment rates will be established only when a hospital billed and was paid an actuarially sufficient number of days for the bed type as determined by the Administrator. For each Service Year, the base per diems shall be adjusted in the following manner:

- Service Year 1 – (January 1, 2009 through December 31, 2009) – the product of the base per diem and 1.08. Stated as an equation:  $\text{Base per diem} \times 1.08$
- Service Year 2 – (January 1, 2010 through December 31, 2010) – the product of the Service Year 1 per diem and 1.05. Stated as an equation:  $\text{Service Year 1 per diem} \times 1.05$
- Service Year 3 – (January 1, 2011 through December 31, 2011) – the product of the Service Year 2 per diem and 1.05. Stated as an equation:  $\text{Service Year 2 per diem} \times 1.05$

Beginning January 1, 2009, administrative days shall be paid at a rate of \$296 per day. Payment of such rate shall be limited and payable subject to requirements approved by the Board. The administrative days rate for Service Years 2 and 3 shall be adjusted in the same manner as adjustments for Service Years 2 and 3 for inpatient hospital services.

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 payment rates shall be based upon per diems for each hospital in accordance with the provisions set forth herein or as otherwise approved by the Board.

## 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. Beginning January 1, 2009, 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 seven percent (7%).
  2. Beginning January 1, 2009, 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 seven percent (7%).
- 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. Beginning January 1, 2009, 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 seven percent (7%).
  2. Beginning January 1, 2009, 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 seven percent (7%).

This payment rate shall apply only 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 Anthem Blue Cross 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)

Effective January 1, 2009, 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.

In addition, payment for the following implants/devices shall be paid separately from any per diem payment: Hip; Knee; Pacemaker; Automatic Implantable Cardioverter Defibrillator (AICD); and Spine. Payment for these implants shall be limited to manufacturer's or distributor's invoice price plus ten percent (10%), subject to reasonable maximum allowances as determined 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 provisions set forth in section II.A.1 or as otherwise approved by the Board.

### 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. Beginning January 1, 2009, 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 seven percent (7%).
- b. Beginning January 1, 2009, 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 seven percent (7%).

This payment rate shall apply only 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 Anthem Blue Cross in accordance with its policies to reflect periodic changes in Medi-Cal payment rates for such services.

### **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 for such services 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 for such services in effect on July 1, 2007.

#### **C. Home Infusion Services**

The rate shall be comparable with the rate for such services 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 for services to individual CMSP members on a single day shall be discounted.

Updates to the rates described in A and B in this section shall be made by Anthem Blue Cross in accordance with its policies to reflect periodic changes in Medi-Cal and Denti-Cal payment rates for such services.

### **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, II 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 for such services 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 for the provision of medically necessary health care services to CMSP members. The rate for inpatient hospital services shall be determined pursuant to the criteria set forth in Section II A (1). If there is insufficient data to use the methodology set forth in Section II A (1), 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 for the provision of medically necessary health care services to CMSP members 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 or as otherwise approved by the Board.

### **NON-CONTRACTING PROVIDERS**

For medically necessary emergency services provided to CMSP members by non-contracting providers and for medically necessary services by non-contracting hospital based physicians during an approved hospital stay at a contracting hospital, 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 these providers.

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

Effective January 1, 2009, 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 medically necessary emergency services to a CMSP member 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.
- b. Payment for the following implants/devices shall be paid separately from any per diem payment: Hip; Knee; Pacemaker; Automatic Implantable Cardioverter Defibrillator (AICD); and Spine. Payment for these implants shall be limited to manufacturer's or distributor's invoice price, subject to reasonable maximum allowances as determined by the Board.

Effective January 1, 2009, for outpatient hospital services, the rate shall be eighty-five percent (85%) of the CMSP rate for such services on January 1, 2009.

The Board shall not pay for non-emergency services or emergency services that were not medically necessary.

## **II. Non-Contracting Physicians and Other Providers for Emergency Services**

Effective October 1, 2008, 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 for such services on October 1, 2007.

The Board shall not pay for non-emergency services or emergency services that were not medically necessary.

## **III. Non-Contracting Hospital Based Physicians Providing Services During an Authorized Hospital Stay at a Contracting Hospital**

Effective October 1, 2008, if a non-contracting hospital based physician renders medically necessary services to a CMSP member during an hospital stay approved by the Administrator at a contracting hospital, the non-contracting hospital based physician shall be paid the CMSP rate for such services in effect on October 1, 2007.