

Date: 7/9/2019

Medi-Cal

Important Provider Notice: #358

Subject: RATE CHANGES -- INTERMEDIATE CARE (ICF-DD), DISTINCT PART-SNF (DP-SNF) and LONG TERM CARE (LTC) FACILITIES only

In 2015, Partnership HealthPlan of California (PHC) implemented two (2) reimbursement changes for all Intermediate Care Facilities (ICF-DD) providers, Distinct Part-Skilled Nursing Facilities (DP-SNF) providers and LTC providers:

- (1) PHC added an additional 2% into the rates for these facilities in addition to the rates determined by Medi-Cal; and,
- (2) PHC also continued to reimburse these facilities at the higher of the two rates should the annual prescribed rate be lowered by the State, in an attempt to increase the amount of revenue available for the facilities and encourage quality care in the network.

With increasing cost pressures on the HealthPlan, these two reimbursement changes are being discontinued, per PHC Board direction and approval. **Effective for dates of service beginning August 1, 2019, PHC will:**

1. **Rescind the “hold harmless” rate change policy.** Effective for dates of service 8/1/2019, PHC will implement the annual rates published for both freestanding and distinct part facilities as approved by the California Department of Health Care Services (DHCS).
2. **Rescind the 2% Rate Increase & LTC Quality Improvement Program (QIP).** Additionally, PHC will no longer apply an additional 2% to the rates for ICF-DD, DP-SNF and LTC facilities. Participation in the LTC Quality Improvement Program (QIP) is limited to contracted LTC providers only.

Please do not submit CIFs for the 8/1/19 rate adjustment to PHC. PHC will not make rate adjustments through the CIF process. For those ICF-DD, DP-SNF and LTC facilities affected by the rate change, PHC will notify and provide you with a report of the claims impacted by this rate adjustment.

If you receive an additional retro rate change notice from the State, please forward this immediately to PHC so that our system can be updated in a timely manner.

For further information regarding this process or your rate change, please contact the PHC Claims Department at (707) 863-4130 or Provider Relations Department at (800) 863-4155 (Option # 7).