

What is the Private Hospital Directed Payment Program?

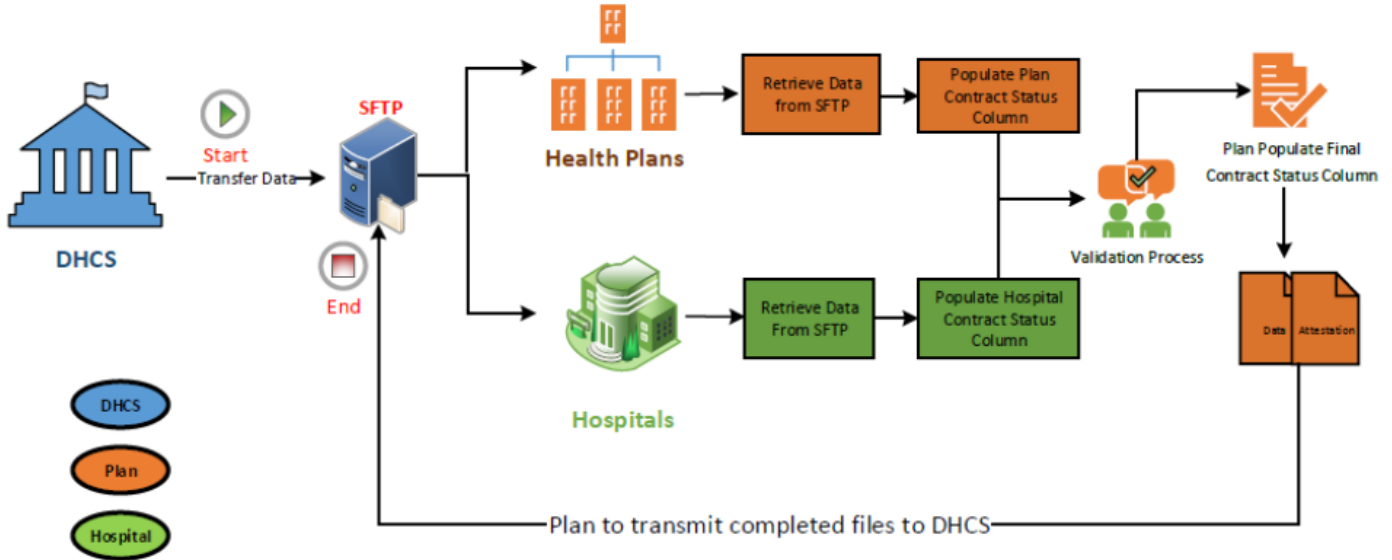
The Private Hospital Directed Payment (PHDP) Program provides private hospitals a uniform dollar or percentage increase in supplemental reimbursement for utilization of contracted services with Partnership HealthPlan of California (Partnership). PHDP payments are calculated by the Department of Health Care Services (DHCS) in accordance with the CMS approved preprint. They are issued by Partnership in six-month increments: January through June and July through December. The following provides information on the reconciliation phase of the program.

- It is contingent upon hospitals providing adequate access to service, including primary, specialty, and inpatient (both tertiary and quaternary) care.
- Hospitals must be contracted with Partnership to receive the PHDP payment. For more information on contracting and eligibility, follow this [link](#).
- DHCS will evaluate the extent to which enhanced payments achieve the goals identified.
- DHCS has implemented a cycle/phase approach for collecting data pertaining to contracted services eligible for reimbursement.
 - **Phase 1** data corresponds to encounters in the first half of a calendar year, whereas **Phase 2** corresponds to encounters in the second half of a year.
 - Each phase is divided into six cycles, each with different objectives.
 - For any given phase, eligibility for reimbursement is contingent upon entry into the DHCS encounter system before specific deadlines.
 - **Cycles 1 through 3:** These are preliminary phases to verify DHCS has proper encounter detail, though cycle 1 usually begins before the relevant phase is complete.
 - **Cycle 4:** This is the most critical cycle for providers to ensure that all encounters they expect for a phase are in the DHCS file; after cycle 4's deadline, adding new encounters for a phase will not be possible.
 - **Cycles 5 and 6:** These cycles are used to ensure that Partnership and providers agree on the contract statuses of all encounters; contract statuses must agree to be eligible for reimbursement.
- DHCS will make files of all eligible encounters in a period available to Partnership and service providers via SFTP.
- Providers must review files as soon as possible to ensure that all encounters the provider believes should be eligible for a cycle are in the DHCS file; there is a small window during which additional encounters can be added.
- Once files are available, Partnership and service providers must work together to identify whether given encounters in the data set were contracted or not contracted.
- Partnership will then return the agreed-upon contract statuses to DHCS.

Exclusions

The following services are excluded from the PHDP:

- Inpatient services provided to enrollees with Medicare Part A, and Non-Inpatient services provided to enrollees with Medicare Part B.
- Services provided to enrollees with Other Health Coverage.
- Services provided by the following:
 1. Cost-Based Reimbursement Clinics (CBRCs)
 2. Indian Health Care Providers (IHCPs)
 3. Federally Qualified Health Centers (FQHCs)
 4. Rural Health Clinics (RHCs)
- State-only abortion services are identified by one of the following procedure codes: 59840, 59841, 59850, 59851, 59852, 59855, 59856, 59857, 59866, X7724, X7726, Z0336, 01964, or 01966.3
- Where a hospital and CBRC, FQHC, IHCP, or RHC share the same NPI, all service counts except Inpatient and Emergency Room encounters are zeroed out because of the NPI.



PHDP Process Steps

1. DHCS releases the encounter detail file; any given detail file pertains to encounters that occurred in a specific period.
 - Partnership and providers will be notified by email once the files are available
 - Partnership and providers are to retrieve their files from DHCS' SFTP site

- Partnership will at this time take the opportunity to reach out to providers to:
 - Verify the correct contact person(s) for various providers.
 - Provide a target deadline for the providers' completed files.
- 2. Partnership and service providers review their respective files and note the contract status of any given encounter.
 - Partnership updates records in the Plan_contract_status field
 - Service providers update records in the hospital_contract_status field
 - Service providers must also verify that all expected encounters are included.
- 3. Upon completion of updating hospital_contract_status, providers submit updated files to Partnership.
- 4. Partnership compares, for all encounters, contract statuses as indicated by service providers with the values identified by Partnership.
 - If all data match, Partnership will contact the provider with a confirmation
 - If there are discrepancies, Partnership will contact the provider with the following:
 - An iterative process ensues wherein Partnership provides data regarding discrepancies until Partnership and the provider come to the same conclusions.
 - If needed, the provider may need to resubmit to Partnership their updated files.
 - Once providers and Partnership agree on the contract status of all encounters, Partnership updates the final_contract_status field and submits results to DHCS.

Summary

This document serves as a high-level review of the PHDP process, though the specifics for how any given provider handles their data will differ. We at Partnership want to be as transparent and open as possible in our communications with providers to meet DHCS deadlines. We will communicate our expectations at each step of the PHDP process. If at any point expectations are unclear or circumstances make it challenging to meet a deadline, please contact us and we will work with you to solve any problems.

Resources and Contact Information

PHDP Program site: <https://www.dhcs.ca.gov/services/Pages/DP-PHDP.aspx>

Encounter Detail File Review Toolkit: <https://www.dhcs.ca.gov/services/Documents/PHDP-Encounter-Detail-File-Review-Toolkit-September-2019.pdf>

Partnership HealthPlan of California:

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