

Network Provider Update

To: Medi-Cal network participants
From: Melinda Kjer
Director, Provider Relations and Contracting

July 2024

Subject: All Plan Letter 24-007: Targeted Provider Rate Increases

The Department of Health Care Services (DHCS) recently issued [All Plan Letter \(APL\) 24-007](#), "Targeted Provider Rate Increases." We are sharing a summary of this APL with you to ensure you are aware of the information, and you can apply the information to your practice or facility operations, where appropriate.

APL 24-007 establishes guidelines for instituting the new Targeted Rate Increases (TRI) fee schedule for procedure codes categorized as primary/general care, obstetric care, and non-specialty outpatient mental health services. Managed care plans (MCPs) such as Blue Shield of California Promise Health Plan are advised about requirements for reimbursing eligible Medi-Cal providers according to the TRI fee schedule rates.

APL summary

- The TRI fee schedule applies for dates of service on or after January 1, 2024.
- DHCS increased rates for targeted services to no less than 87.5% of the lowest Medicare rate for California.
- The new rates eliminate AB 97 provider payment reductions and incorporate applicable Proposition 56 supplemental payments into the schedule.
- Additional TRI adjustments include a 39.7% increase for specified physicians' services provided under the California Children's Services program and a 20% reduction for specified procedures performed in outpatient facilities.
- MCPs are advised that eligible network providers should receive no less than the applicable minimum fee schedule rates for qualifying services. When payment is on a per-service basis, the rate requirement applies at the procedure code level.
- The TRI fee schedule also applies to capitated payment agreements. MCPs will attest that they are in compliance with this requirement and may require their subcontractors to attest as well.
- The APL sets December 31, 2024 as the deadline for full compliance.
- MCPs may be subject to interest penalties, corrective action, or other remedies if they do not meet the compliance deadlines for this APL.
- MCPs are advised to make available to their network providers an itemization of reimbursement adjustments in an electronic format.

This FAX was distributed by the Provider Communications Team at Blue Shield of California. Please email any questions you may have about this communication to BSCPro01@blueshieldca.com. CONFIDENTIALITY NOTICE: This facsimile transmission may contain protected and privileged, highly confidential medical and/or legal information. If you are not the intended recipient of this material, you may not use, publish, discuss, disseminate or otherwise distribute it. If you are not the intended recipient, please immediately notify the sender. Blue Shield of California Promise Health Plan will arrange to retrieve the fax at no cost to you.

Which types of provider services are eligible for rate increases?

Select procedure codes identified as primary/general care, obstetric, and non-specialty mental health services will be reimbursed at the increased rates. These include:

- Physicians
- Physician Assistants
- Nurse Practitioners
- Podiatrists
- Certified Nurse Midwives
- Licensed Midwives
- Doula Providers
- Psychologists
- Licensed Professional Clinical Counselor
- Licensed Clinical Social Workers
- Licensed Marriage and Family Therapists

Assistant Surgeons, Federally Qualified Health Centers (FQHCs), Rural Health Clinics (RHCs), Indian Health Care Providers, and Cost-Based Reimbursement Clinics **are not eligible** for the TRI fee schedule.

This summary is only meant as a brief description of the APL. Please see the APL itself for additional background and the complete requirements. The full text of APL 24-007 may be found at this URL: <https://www.dhcs.ca.gov/formsandpubs/Documents/MMCDAPLsandPolicyLetters/APL%202024/APL24-007.pdf>

The Medi-Cal rate schedule may be found at this URL: <https://mcweb.apps.prd.cammis.medi-cal.ca.gov/rates>

(Links to the websites above will take you off of the Blue Shield Promise website.)

For your convenience, we have created a [TRI Frequently Asked Questions](#) document that provides answers to anticipated queries.

If you have questions about the TRI fee schedule, please email TRIRateInquiries@blueshieldca.com. You may also contact Blue Shield Promise Provider Services via Live Chat after logging in at www.blueshieldca.com/provider or call **(800) 468-9935** from 6 a.m. to 6:30 p.m., Monday through Friday.