



State of California—Health and Human Services Agency
Department of Health Care Services



EDMUND G. BROWN JR.
GOVERNOR

June 3, 2013

Ginger Smith, Director
Health Center Operations
California Primary Care Association
1231 I Street, Suite 400
Sacramento, CA 95814

Dear Ms. Smith:

During recent meetings with the California Primary Care Association (CPCA), the issue of “out of network” Medi-Cal managed care beneficiaries receiving services at Federally Qualified Health Centers (FQHCs) was discussed. The discussion centered on the increasing frequency of “out of network” visits at FQHCs relating to Medi-Cal beneficiaries. In these instances, CPCA wants assurance that the visits will be fully reimbursed by the Department of Health Care Services (DHCS) as part of the Code 18, Code 19, and Code 20 reconciliation process.

Our current process is, Audits and Investigations (A&I) counts “out of network” visits as reimbursable at the Prosecutive Payment Systems (PPS) rate established for each clinic, subject to offset of managed care payments (paid at the managed care plan’s out of network rates) received by the clinics. Proof of payment from the managed care plans showing that “out of network” services were billed to and subsequently paid or denied by the managed care plans shall be maintained by the clinics. Further, proof of payment from the managed care plans is subject to review by A&I during the Code 18, Code 19, and Code 20 reconciliation process.

Ginger Smith, Director
Page 2
June 3, 2013

In addition to the above documentation, since Medi-cal beneficiaries in managed care plans are required to be seen by "in network providers" except in emergency or other isolated instances (e.g. on vacation), we ask that clinics document that they reminded the Medi-Cal beneficiary of this situation, and redirect the beneficiary back to an "in network provider" to receive services or have the beneficiary request to change networks.

Sincerely,



Bruce Lim
Deputy Director

cc: Karen Johnson
Chief Deputy Director
Department of Health Care Services
P.O. Box 997413-MS 0000
Sacramento, CA 95899-7413

William L. Alameda
Assistant Deputy Director
Audits and Investigations
P.O. Box 997413-MS 2000
Sacramento, CA 95899-7413

Jeff Sandman, Chief
Financial Audits Branch
P.O. Box 997413
Sacramento, CA 95899-7413

Deborah Ortiz, Vice President
Governmental Affairs
California Primary Care Association
1231 I Street, Suite 400
Sacramento, CA 95814