

Provider Bulletin

Molina Healthcare of California

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December 13, 2024

- ☐ Imperial
- ☒ Riverside
- ☒ San Bernardino
- ☒ Los Angeles
- ☐ Orange
- ☒ Sacramento
- ☒ San Diego

Frequently Asked Questions (FAQ) on the Targeted Provider Rate Increases (TRI) Requirements

This is an advisory notification to Molina Healthcare of California (MHC) network providers applicable to the Medi-Cal line of business.

What you need to know:

On January 1, 2024, the Department of Health Care Services (DHCS) implemented a targeted rate increase (TRI) for Medi-Cal providers offering primary care, obstetric, and non-specialty mental health services.

Provider Action

Please review the attached FAQ regarding the TRI requirements for guidance and clarification.



What if you need assistance?

If you have any questions regarding the notification, please contact your Molina Provider Relations Representative below.

Service County Area	Provider Relations Representative	Contact Number	Email Address
Los Angeles County	Clemente Arias	562-517-1014	Clemente.Arias@molinahealthcare.com
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California Facilities (Hospitals, SNFs, CBAS, ICF/DD & ASC Providers)	Facility Representative	Contact Number	Email Address
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Riverside & San Bernardino, California Facilities	Mimi Howard	562-549-3532	Smimi.Howard@molinahealthcare.com

If you are not contracted with Molina and your fax number is not shared with a contracted provider, and you wish to opt out of receiving the MHC Provider Bulletin, please email mhcproviderbulletin@molinahealthcare.com.

Please include the provider's name, NPI, county, and fax number, and you will be removed within 30 days.

Molina Healthcare of California: 200 Oceangate, Suite 100, Long Beach, CA 90802

Frequently Asked Questions on the Targeted Provider Rate Increases (TRI) Requirements

Dear Delegated Provider:

This letter responds to questions regarding the Targeted Provider Rates Increases (TRI) requirements that the state of California has mandated that MCOs, and their delegates make for selected providers and services. This requires retroactive payments to the providers for 2024 and increased rates to providers for subsequent years. Please note that delegated providers will receive full reimbursement from Molina for the TRI funds that they are required to pay to their network providers. Molina will also compensate delegated providers for their efforts by paying them an 8% administrative load.

We want to make it clear that delegated providers are required by state law to implement the TRI payments. Delegated providers that fail to make TRI payments to their network providers will be in violation of California law and their contracts with Molina.

Q1. What are the Targeted Provider Rate Increases?

In 2023, the Legislature enacted a statute, at Welfare & Institutions Code § 14105.201, which provides rate increases for selected procedure codes that are performed by specific providers for Medi-Cal managed care beneficiaries, effective January 1, 2024. The statute expressly authorized the Department of Health Care Services (DHCS) to enact rules for TRI by issuing all-plan letters. DHCS issued APL 24-007 which states its rules for complying with the statute, including providing instructions on where to locate and how to apply the new rates.

For ease of reference, the TRI rates for 2024 can be accessed at this link: dhcs.ca.gov/Pages/Medi-Cal-Targeted-Provider-Rate-Increases.aspx

Q2. Are delegates of managed care plans (MCPs) required to make TRI payments to their network providers?

Yes. Welfare & Institutions Code § 14105.201 and DHCS APL 24-007 state that MCPs must ensure that eligible network providers receive no less than the TRI fee schedule. Because MCPs delegate claims payment to subcontractors, DHCS APL 24-007 (pp. 5-6) requires these delegated subcontractors to comply as well, and expressly states:

MCPs, and their Subcontractors and Downstream Subcontractors as applicable, must achieve full compliance with this APL by December 31, 2024. Full compliance includes ensuring that eligible Network Providers receive payment in accordance with this APL, including retroactive payment adjustments where necessary, by the compliance date, except for instances here payment would not otherwise be due by that date. (Emphasis supplied.)

As such, Molina's delegated providers are obligated by law to comply with DHCS's TRI requirements.

Q3. How is Molina funding the TRI payments?

The state has obtained funds for the TRI payments from a special multi-year MCO tax. Molina has partnered with actuaries from an independent consulting firm, Milliman, and estimated the funds necessary for each delegate to make the TRI payments for 2024 to their network providers. Molina has also added an eight percent (8%) administrative load to this amount which is to be retained by the delegated providers. Molina intends to pay the entire sum to each delegated provider by December 15, 2024. This will include the funds necessary for the delegate to pay to its individual providers and the administrative load.

Q4. Do Molina's contracts with its delegated providers require compliance with the TRI rules?

Yes. Molina's agreements with its delegated providers include the requirement that the delegate comply with the Laws and Government Program Requirements that are applicable to the agreement. These include all requirements set forth by a government agency, such as DHCS. This means that if a delegated provider does not comply with APL 24-007, it will both be in violation of California law and in breach of its contract with Molina.

Q5. How will Molina determine that delegated providers are in compliance with the TRI requirements?

APL 24-007 (p. 4) states that MCPs may "require" their Subcontractors and Downstream Contractors to provide them with attestations and documentation of their compliance. Molina distributed its attestation form in a November 11, 2024, Provider Bulletin.

Q6. Where can I find further information about the TRI requirements?

molinahealthcare.com/-/media/Molina/PublicWebsite/PDF/Providers/ca/Medicaid/Provider-Bulletin-05-24-2024-Medi-Cal-Targeted-Rate-Increase-IE-LA-SAC-SD.ashx

molinahealthcare.com/-/media/Molina/PublicWebsite/PDF/Providers/ca/Medicaid/Provider-Bulletin-10-25-2024-Medi-Cal-Targeted-Rate-Increase-Capitated-Providers-IE-LA-SAC-SD.ashx

molinahealthcare.com/-/media/Molina/PublicWebsite/PDF/Providers/ca/Medicaid/Provider-Bulletin-11-06-2024-REMINDER-Medi-Cal-Targeted-Rate-Increase-Capitated-Providers-IE-LA-SAC-SD.ashx

dhcs.ca.gov/formsandpubs/Documents/MMCDAPLsandPolicyLetters/APL%202024/APL24-007.pdf

Q7. How will the CY2024 Prop 56 physician services payments for December and run-out be administered after Molina stops paying standalone Prop 56 physician services payments in November 2024?

Molina will cease direct standalone payments for Prop 56 physician services after November 2024. This change is due to the TRI-related CAP increases reflected in the amendments, which include the value of Prop 56 physician services payments. Further guidance on how Molina will support IPAs for CY 2024 Prop 56 physician services payments will be provided in a separate provider bulletin.