News

20-693 Submit Contract Status Validation for Hospital Directed Payment Programs

Date: 09/15/20

This information applies to Participating Physician Groups (PPGs), and Hospitals.

For Medi-Cal, this information applies to Kern, Los Angeles, Riverside, Sacramento, San Bernardino, San Diego, San Joaquin, Stanislaus, and Tulare counties.

Use these step-by-step instructions to validate contract status

The Department of Health Care Services (DHCS) implemented the Designated Public Hospital (DPH) Enhanced Payment Program (EPP) and Private Hospital Direct Payment Program (PHDP).

The DPH EPP and PHDP provide supplemental reimbursement to participating hospitals based on the actual utilization of qualifying services for eligible members covered under managed care organizations (MCOs), as reflected in Medi-Cal claims and encounters reported to DHCS.

DHCS has sent out FY 2019–2020 Phase 1 files

Health Net received detail files from DHCS for fiscal year (FY) 2019–2020 Phase 1. Hospitals will also receive files directly from DHCS. Phase 1 will have two passes. First pass files are preliminary and may be missing service lines. DHCS will send a second pass file, which will be the final pass file, which will reflect all encounters received by the final encounter submission date of December 31, 2020.

- Phase 1 will cover July 1, 2019, through December 31, 2019, dates of service.

Hospitals and capitated providers must update their contract status

Capitated providers will be asked to complete “Plan Contract Status” for their contract status with the hospital. Hospitals will be asked to complete “Hospital Contract Status” for their contract with either the capitated provider or the health plan. The health plan will be providing capitated and hospital providers with a unique file containing all of the encounters:

- Capitated providers will receive a file for services that were provided to their assigned members that were covered under their risk arrangement (services they were financially responsible for under the Division of Financial Responsibility matrix).

- Hospitals will receive a file for all encounters for their hospitals.

All files will be sent by secure email.

Take these steps to validate status

To validate contract status for the unique encounters file provider report, providers are required to do the following:

1. Hospitals can use either the file that Health Net will send to them via secure email or the files received directly from DHCS to confirm contract status.

2. Do not add or delete any service lines, change column headings, format the data, rearrange the data, or remove any columns. Files that have been modified will be returned to the hospital to provide in the original format.

A) Capitated providers - Complete **the file they received from Health Net** with "Contract Status" under the "Plan_Contract_Status" column.

B) Hospitals - Complete either **the file they received from Health Net** or **the file they received from DHCS** with "Contract Status" under the "Hospital_Contract_Status" column.

3. Include the contract status code. Acceptable values are:

- C – Contracted
- H – Hospital to hospital
- N – Not contracted

4. To be deemed contracted, agreements must meet the DHCS requirements. See below for contract definition and demonstrable "unbroken contracting path."

5. Name files correctly. Please use the following file naming convention and change the date to the date you are sending us the file:

- Private hospitals: PHDP_Contract_Date sent back to Health Net_Capitated Provider or Hospital Name.

  Example: PDHP_Contract_YYYYMMDD_Smith Medical Center

- Public hospitals: EPP_Contract_Date sent back to Health Net_Capitated Provider or Hospital Name.

  Example: EPP_Contract_YYYYMMDD_Doe Medical Center

6. Send in your files by due date. Capitated providers and hospitals must return their completed files to Health Net no later than the following dates:

- First pass files must be received by December 28, 2020. Any files received after December 28, 2020, will **NOT** be included in the first pass submission to DHCS but will be included in the second/final pass.
- Second/final pass files must be received by March 5, 2021. Any files received after March 5, 2021, will **NOT** be included in the second/final pass submission to DHCS. (This date is subject to change since the DHCS due date has not yet been published.)

7. Email files to two email addresses. Files must be submitted to both **Dianna.Bailey@Centene.com** and **HNCA_DirectPay@HealthNet.com.**

8. Please note that the contract files have encounters for all Medi-Cal members, including full and partial dual members as well as service categories that are not part of the PHDP/EPP program. We recommend completing the contract status for each line, as DHCS will make the final determinations of what qualifies for payment. **Note that it is our understanding that the encounters for members who have Medicare (full or partial duals) will not qualify for directed payments.**

DHCS will be collecting contract documents via a random sampling process to validate the reported contract status data. In the event any of your contracts are selected, you will need to submit supporting contract data to Health Net within 48 hours of our request.

Contract definition and contracting path

PHDP and EPP contract definition

Agreement MUST:	Agreement MUST NOT:
Cover one or more defined non-excluded populations of Medi-Cal beneficiaries.	Be limited to a single patient only.
Cover a defined set of one or more non-excluded hospital services.	Be limited to treatment of a single case or instance only.
Specify rates of payment or include a defined methodology for calculating specific rates of payment.	Permit payment to be negotiated on a per-patient or single instance of service basis.
Be for a term of at least 120 days, be signed and dated, and be effective for the dates of service.	Expressly permit the provider to select on a case-by-case basis whether to provide services covered in the agreement to a patient covered by the agreement.

Furthermore, for delegated arrangements:

- There must be a demonstrable “unbroken contracting path” between the plan and the provider for:
  - The service rendered; and
  - The member receiving the service; and
  - The applicable dates of service.

"Unbroken contracting path" means a sequence of contracts (as defined) linking the plan and a direct subcontractor, or a series of subcontractors, to the provider.

Please review the Directed Payments Program (https://www.dhcs.ca.gov/services/Pages/DirectedPymts.aspx), for more information.

Additional information

Providers are encouraged to access the provider portal online at provider.healthnet.com for real-time information, including eligibility verification, claims status, prior authorization status, plan summaries, and more.

If you have questions regarding the information contained in this update, contact both Dianna.Bailey@Centene.com and HNCA_DirectPay@HealthNet.com. For all other questions, contact the Health Net Medi-Cal Provider Services Center within 60 days at 1-800-675-6110.

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