



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



ARNOLD SCHWARZENEGGER
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MMCD All Plan Letter No. 03013

TO: County-Organized Health Systems (COHS)
Geographic Managed Care (GMC) Plans
Prepaid Health Plans (PHP)
Primary Care Case Management (PCCM) Plans
Two-Plan Model Plans
Office of Long Term Care

FROM: Luis R. Rico, Acting Chief
Medi-Cal Managed Care Division

SUBJECT: Non-Contracted Emergency Room (ER) Rate Schedule

This letter is to inform contracting health plans and Independent Practice Association (IPA) subcontractors of the need to correct past errors in emergency room claims processing and payment, and to take steps to avoid future problems.

In the last two years, since the new ER Medi-Cal Rate Schedule was implemented, a number of Medi-Cal managed care health plans and IPA's have been inappropriately paying ER non-contracted claims using the basic rate schedule, rather than the ER rate schedule.

It is likely this has occurred because when the IPA or health plan calls the EDS Medi-Cal Help Desk and requests the ER provider rate for a particular Current Procedural Terminology (CPT) code, they are given the amounts from the "Basic Rate" column rather than the "ER Rate" column.

Health plans and IPA's are advised that they and all their subcontractors are required to pay non-contracted ER and on-call providers according to the terms set forth in Title 22, CCR, Section 53855. The correct rates are listed in the **ER Rate** column, as posted on the Department of Health Services' web site, not the amount listed in the Basic Rate column.

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To access the proper Medi-Cal rates, go to www.medi-cal.ca.gov. On the left side of the Home page select "Medi-Cal Rates" from the list of services. Next, select "View Medi-Cal Rates By Procedure Code," then select the desired procedure code range you would like to examine. Some examples of the rate differences include the following:

<u>Proc. Code</u>	<u>Basic Rate</u>	<u>ER Rate</u>
12001	\$69.99	\$88.27
12011	\$72.97	\$92.02
30300	\$56.22	\$70.89

Those health plans that have been paying incorrectly must make retroactive reimbursements for this miscalculation. Please note that the 99281-85 CPT codes have the same rate listed in both the "Basic Rate" and the "ER Rate" columns in the published fee schedule, and thus are likely to have been paid at the proper rate even if the Basic Rate schedule was mistakenly used. These rates are the same in both schedules because these CPT E+M codes are used exclusively in the ER setting.

Also, we ask that you inform your subcontractors of this issue so they can review their payment practices, correct the error if identified, and make the necessary retroactive claims adjustments if indicated, as they may be requested to provide proof of corrective action by the Medi-Cal Managed Care Division as part of fiscal monitoring of delegated activities.

If you have any questions or require further assistance, please contact the appropriate Contract Manager for your health plan.