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ARNOLD SCHWARZENEGGAR
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DATE: July 6, 2010

MMCD All Plan Letter 10-008

TO: ALL MEDI-CAL MANAGED CARE HEALTH PLANS

SUBJECT: 2010-11 RATES FOR POST-STABILIZATION INPATIENT SERVICES
PROVIDED BY OUT-OF-NETWORK ACUTE CARE HOSPITALS

This All Plan Letter (APL) provides Medi-Cal managed care health plans with rates for post-stabilization inpatient services provided to Plan enrollees during the 2010-11 rate period by acute care hospitals that are not part of the health plan's provider network. This APL replaces the rates published in APL 09-013.

For purposes of this letter, "post-stabilization" refers to inpatient service day(s) following the inpatient service day on which a physician determines that the patient is stable enough to be safely transferred to a Plan hospital. The term "out-of-network" means an acute care hospital—including hospitals that contract with the Department of Health Care Services (DHCS) under the Selective Provider Contracting Program (SPCP)—that does not have in effect a contract with a Medi-Cal managed care health plan for inpatient services. In this APL, out-of-network is used instead of "non-contracted" to avoid confusion with the term's use for non-SPCP hospitals.

The rates published below result from the unweighted average of per-diem rates paid to SPCP-contracted hospitals within each of the three regions identified by the California Medical Assistance Commission (CMAC). These rates have been trended forward based on annual increases in the regional average SPCP contract rates, as published in the CMAC Annual Report to the State Legislature, and reduced by five percent. SPCP rates for individual hospitals are confidential for four years; health plans and their subcontractors are prohibited from compelling hospitals to disclose their SPCP rates.

Separate rates are calculated for tertiary and non-tertiary hospitals. A "tertiary" hospital is a children's hospital or a hospital that has been designated as a Level I or Level II trauma center by the Emergency Medical Services Authority. A list of tertiary and non-tertiary hospitals is included in the CMAC Annual Report to the State Legislature, available at <http://www.cmac.ca.gov/annual.asp>.

Rogers Amendment rates for the 2010-11 rate period are as follows.

Rogers Amendment Welfare and Institutions Code 14091.3 CMAC Regional Average Rates for Out-of-Network Acute Care Hospital Post- Stabilization Inpatient Services Rate Period: 7/1/10 to 6/30/11		
	Average Non-Tertiary	Average Tertiary
Other	\$1 474	\$1 959
San Francisco / Bay Area	\$1 813	\$2 796
Southern California	\$1.321	\$2.060

Other= All California counties other than those listed below.

San Francisco I Bay Area = Counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano, and Sonoma

Southern California = Counties of Los Angeles, Orange, Riverside, San Bernardino, and Ventura

If you have any questions regarding this APL, please contact David Merritt, Health Program Specialist I, at (916) 552-9687 or david.merritt@dhcs.ca.gov.

Sincerely,

Original Signed by Tanya Homman

Tanya Homman, Chief
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