



Government Relations Update

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Medi-Cal Physician Payment Increase

The state Department of Health Care Services (DHCS) has begun making payments to Medi-Cal managed care plans, which are required to allocate 100% of the payments to providers. Plans have until June 30, 2014, to pass on the retroactive portion of the 2013 rate increase. Plans will have until June 30, 2015, to pass on the 2014 rate increase. However, it is DHCS' expectation that plans promptly disburse the increases as soon as administratively possible prior to the dates noted for the respective years. DHCS began paying at the higher rate for fee-for-service Medi-Cal in December 2013.

As a reminder, the federal Affordable Care Act requires that states reimburse eligible physicians for Medi-Cal services at rates not less than Medicare rates for calendar years 2013 and 2014. It is rumored that state Assembly Member Richard Pan may introduce legislation within the next couple of weeks to extend the rate increase beyond 2014.

California Children's Services Program

With the CCS program's current carve out from Medi-Cal managed care set to expire on January 1, 2016, there is growing conversation and interest in what happens to the program in 2016 and beyond. While the California Health and Human Services Agency continues to give every indication that it intends to fold CCS into Medi-Cal managed care, the program's future is still very uncertain. As the discussion intensifies, Children's Hospital will work hard to ensure that any changes made to the program protect and enhance the interests and needs of CCS eligible children and the specialty providers who care for them.

Covered California

Covered California began enrolling eligible individuals and small businesses (1 to 50 employees) into participating health plans Oct. 1, 2013, with coverage effective Jan. 1, 2014. In late October 2013, Covered California posted a provider directory on its website so that potential enrollees and providers could confirm which providers were included in which plans. Unfortunately, the directory has been plagued by inaccuracies and slow loading times and has been pulled offline indefinitely.

Covered California is asking potential enrollees to locate providers using links to each health insurance plan's provider directory, which is available on its website at <https://www.coveredca.com/coverage-basics/plans.html>. Additionally, providers should verify participation status with the health plans.

Between Oct. 1, 2013 and Jan. 31, 2014, 728,410 individuals were enrolled into a Covered California participating health plan. Of that total, 48,674 were less than 18 years of age. The number of enrollees by county is not available.

For the same time period, 877,000 individuals were determined to be eligible for Medi-Cal. This includes individuals that either have been enrolled or for whom their applications are pending. The number of Medi-Cal enrollees by age group and by county is not available.

Children's Hospital Graduate Medical Education Program

In January, President Obama signed legislation funding the federal government through September 30, 2014, the end of the current federal fiscal year. Included in the legislation was \$265 million for CHGME, an amount slightly better than the \$251 million funded in 2013 but far short of the \$317.5 million funded in 2010. CHGME plays a critical role in helping to offset some of Children's Hospital physician training costs. Children's Hospital will work hard to increase CHGME funding for federal fiscal year 2015.