



Important Update: New Targeted Provider Rate Increases

Alameda Alliance for Health (Alliance) values our dedicated provider partner community. We have an important update that we would like to share with you.

The California Department of Healthcare Services (DHCS) recently enacted the targeted rate increase (TRI) fee schedule through State Plan Amendment (SPA) 23-0035. The TRI impacts Alliance network provider payments for services rendered on or after Monday, January 1, 2024, for the following provider service types:

- Primary care services/general care services
- Maternal care services
- Non-specialty mental health services (NSMHS)

For services rendered on or after Monday, January 1, 2024, the Alliance will comply with the TRI minimum fee schedule per All Plan Letter (APL) 24-007 published by DHCS on June 20, 2024.

How does the TRI change impact Alliance Network Providers?

- The Alliance will reimburse eligible network providers at the higher rate of the TRI fee schedule rate or the existing contracted rate for qualifying services.
- If the TRI rate exceeds the network provider's contracted rate, the provider will receive the TRI rate.
- If a network provider's contracted rate exceeds the TRI rate, the provider will continue to receive the existing contracted rate.
- For services where the network provider receives reimbursement on a per-service basis, the TRI rate requirement will apply at the procedural code level.

We initially shared that the new fee schedule would be implemented by Wednesday, July 31, 2024. However, APL 24-007 now requires Managed Care Plans to implement TRI rates no later than Tuesday, December 31, 2024. We will review our network provider claims paid before the TRI rate implementation and adjust all eligible claims if the original payment was lower than the TRI rate. We will not make any adjustments or additional payments to claims with procedure codes where the reimbursement was more than the TRI rate. **The Alliance will complete the analysis and payment adjustments for TRI rates no later than December 31, 2024.** Any Alliance TRI payment adjustments will be retroactive to claims for dates of service starting Monday, January 1, 2024, and onward.

For more information and additional resources about TRI rates, please see the links below:

- DHCS – Medi-Cal Targeted Provider Rate Increases and Investments – www.dhcs.ca.gov/Pages/Medi-Cal-Targeted-Provider-Rate-Increases.aspx
- DHCS – Directed Payments Program – www.dhcs.ca.gov/services/Pages/DirectedPymts.aspx

We appreciate and thank you for the high-quality care you give your patients and your continued partnership in making a difference in our community.

Questions? Please call the Alliance Provider Services Department
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www.alamedaalliance.org