



Important Update: Third Notice About the New Targeted Provider Rate Increases (TRI)

Alameda Alliance for Health (Alliance) values our dedicated provider partner community. We have an important update about Targeted Rate Increases (TRI) billing that we are sharing with you.

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

TRI impacts Alliance network provider payments for services for the following provider service types:

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

TRI services for the above provider types must be billed as a professional claim (837p/CMS-1500 form).

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.
- DHCS has incorporated Proposition 56 (Prop 56) physician services supplemental payments into the TRI fee schedule; these supplemental payments will end for any claim processed after the Alliance implements the TRI rates into our claims system.
- For claims with dates of services on or after Monday, January 1, 2024, paid prior to the Alliance's TRI implementation, a comparison will be made between the initial payment **plus** any previously paid Prop 56 supplemental payment and the TRI rate. If the initial payment **plus** the Prop 56 supplemental payment is higher than the TRI rate, no further payment is due.
- There is only one rate on the TRI fee schedule, i.e., no Child Rate or ER Rate.
- If the billed charge for a TRI-eligible code is less than the TRI or existing contracted rate, reimbursement will not exceed the billed charge.
- TRI rates **do not** apply to the following services:
 - Services billed for Vaccines for Children (VFC) with modifier SL
 - Services billed or rendered by assistant surgeons

- Services billed with modifier TC or 26
- Surgical trays (services billed with UA or UB modifiers)
- TRI rates for services performed on an outpatient basis billed with Place of Service (POS) 22 and surgical procedures billed with POS 24 are subject to a 20% cutback; these services are indicated with a “1” in the Cutback Indicator column on the TRI fee schedule.
- TRI rates **do not** supersede benefit and billing policies; all modifier requirements remain, e.g., primary surgeon should bill with modifier AG, doula should bill with modifier XP, bilateral, or multiple surgical procedures billed with modifiers 50 or 51.
- TRI rate increases are applicable to Medi-Cal only; Group Care reimbursement remains unchanged.
- TRI rate increases are not applicable to Federally Qualified Health Centers (FQHCs); any services that are not included in capitation that are reimbursable on a fee-for-service (FFS) basis will be at existing contracted rates.

How does the TRI change impact Alliance delegates/subcontractors?

- TRI applies to Alliance delegates, subcontractors, and downstream subcontractors.
- Delegates, subcontractors, and downstream subcontractors must meet full compliance with APL 24-007 by Tuesday, December 31, 2024.

The Alliance must implement TRI rates no later than Tuesday, December 31, 2024; however, we are currently targeting to implement TRI by the end of September and complete the analysis and payment adjustments for TRI rates no later than Tuesday, December 31, 2024.

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