

November 8, 2024

Billing and Claims Changes for Skilled Nursing Facilities, Subacute Facilities, and Intermediate Care Facilities for Individuals with Developmental Disabilities

Dear providers,

We are writing to inform you of important changes to the reimbursement rates and Share of Cost (SOC) payments for Skilled Nursing Facilities (SNF), Subacute Care Facilities, and Intermediate Care Facilities for Individuals with Developmental Disabilities (ICF/DD). These changes are outlined in California Department of Health Care Services (DHCS) All Plan Letters (APL) 24-009, 24-010, and 24-011.

Changes include:

- **Facility Payment:** DHCS may periodically update Medi-Cal Fee-for-Service (FFS) per diem rates for SNF, subacute, and ICF/DD services for specified dates of service. When DHCS updates these rates, HPSM will implement the new rates as soon as possible. For claims received on or after 30 working days of the update, HPSM will use the new rate. For claims with applicable dates of service processed before the update, HPSM will make any necessary retroactive payments within 45 working days after being notified by DHCS that the updated rates are published. HPSM will automatically reprocess claims to reflect the updated rates. Network providers do not need to manually reprocess or resubmit the claims.
- **SOC for Non-Covered Services**
 - As a result of the Johnson v. Rank lawsuit, Medi-Cal members, not their providers, can elect to use the SOC funds to pay for necessary, non-covered, medical or remedial care services, supplies, equipment, and drugs (medical services) that are prescribed by a physician and are part of the plan of care authorized by the member's attending physician.

- The physician's prescriptions for SOC expenditures must be maintained in the member's medical record.
- If the member spends part of their SOC on non-covered medical or remedial services or items, the SNF, subacute facility, or ICF/DD facility should subtract those amounts from a member's SOC and collect the remaining SOC amount owed. The SNF, subacute facility or the ICF/DD facility should adjust the amount on the claim and submit the claim to HPSM to pay the balance.

For further DHCS guidance regarding Johnson v. Rank requirements, please refer to the Medi-Cal LTC Provider Manual: https://mcweb.apps.prd.cammis.medi-cal.ca.gov/assets/B45119CA-A84B-4828-A38D-2638562E19A6/shareltc.pdf?access_token=6UyVkrRfByXTZEWIh8j8QaYyIPyP5ULO

To read the full scope of changes, read the APLs here:

- **APL 24-009:**
<https://www.dhcs.ca.gov/formsandpubs/Documents/MMCDAPLsandPolicyLetters/APL%202024/APL24-009.pdf>
- **APL 24-010:**
<https://www.dhcs.ca.gov/formsandpubs/Documents/MMCDAPLsandPolicyLetters/APL%202024/APL24-010.pdf>
- **APL 24-011:**
<https://www.dhcs.ca.gov/formsandpubs/Documents/MMCDAPLsandPolicyLetters/APL%202024/APL24-011.pdf>

Please direct questions to HPSM Provider Services at PSInquiries@hpsm.org.

Thank you,

The Health Plan of San Mateo