



FAQs on Proposition 56 Directed Payments for Physician Services

What is Proposition 56 Directed Payments for Physician Services?

- California voters approved the California Healthcare, Research and Prevention Tobacco Tax Act (known as Prop 56), which increased the excise tax rate on cigarettes and tobacco products. As a result, Assembly Bill (AB) No. 120 was passed to appropriate Prop 56 tobacco tax revenue to fund supplemental payments for specific physician services.
- DHCS is implementing this in the form of a directed payment. DHCS intends to continue this directed payment arrangement on an annual basis for the duration of the program subject to future appropriation of funds and CMS approval.

What Provider types are eligible for this supplemental payment?

- Any professional “Network Provider” that is eligible to bill for the applicable evaluation and management (E&M), preventive care, and psychiatric CPT codes and the service setting is not excluded from this program (see below for excluded service settings) are eligible for the supplemental payment. The definition of “Network Provider” can be found in DHCS APL’s 19-001 and 19-006.

What is the effective period for this directed payment?

- Services rendered on or after July 1st, 2018.

Which service settings are excluded from supplemental payment?

- The services rendered in the following setting are excluded: Federally Qualified Health Center (FQHC), Rural Health Center (RHC), Cost Based Reimbursement Clinic (CBRC), and Indian Health Setting (IHS).

Who are the eligible Members?

- The Physician must have rendered qualified services to Medicaid Members that are **not**:
 - o Full dual Members (eligible for both Medicare Part A & Part B coverage); or
 - o Partial dual Members that are eligible for Medicare Part B coverage only.

What are the eligible (qualified) procedure codes and directed payment amount under this Prop 56 directed payment?

CPT Code	Directed Amount	CPT Code	Directed Amount	CPT Code	Directed Amount
99201	\$18.00	99214	\$62.00	99385	\$30.00
99202	\$35.00	99215	\$76.00	99391	\$75.00
99203	\$43.00	90791	\$35.00	99392	\$79.00
99204	\$83.00	90792	\$35.00	99393	\$72.00
99205	\$107.00	99381	\$77.00	99394	\$72.00
99211	\$10.00	99382	\$80.00	99395	\$27.00
99212	\$23.00	99383	\$77.00	90863	\$5.00
99213	\$44.00	99384	\$83.00		

How do we determine the payee for these payments?

- IEHP will pay the Prop 56 directed payment to the billing Provider and billing tax ID associated with the eligible claim or encounter.

How often will payments be disbursed?

- IEHP will release Prop 56 directed payments on a monthly basis. For each payment cycle, we will pay Prop 56 payments for claims and encounter data adjudicated and/or received by the cutoff date for the corresponding service months. The most current payment schedule can be found at: www.iehp.org > For Providers > Plan Updates > Correspondence.
- Prop 56 directed payments are processed separately after the initial claim submission is adjudicated. Providers **will not find** Prop 56 directed payments in the initial claim payment.

What is the Provider Dispute process related to Prop 56 payments?

- If a provider has a dispute regarding Prop56 directed payment, the provider is to complete the applicable dispute form (claim or encounter). The Prop56 Dispute Forms can be found on the Provider portal at: www.iehp.org > For Providers > Plan Updates > Correspondence.

The completed Dispute form should be emailed to: Prop56Inquiry@iehp.org.

- Please only include claims without Prop56 directed payment in the dispute form.
- If there are more than 20 disputed claims, please submit them in a spreadsheet to expediate the review process.
- Please always include a valid email address with the dispute. The primary method of communication for Prop56 directed payment disputes is by email.

What is the turnaround time for a resolution for Provider disputes?

- IEHP will provide written notification of the Provider dispute results (via mail) within 30 working days from date of receipt.

How long does a Provider have to file a dispute regarding Prop 56 payments?

- A provider has 365 calendar days from the Prop56 directed payment date to file a dispute.
- DHCS allows 90 calendar days from the date of receipt of a clean claim to issue Prop56 directed payment. Disputes submitted prior to this 90-day window will lead to denial or rejection of the dispute.