



FAQs on Hospital Directed Payments

What is the Hospital Directed Payment Program?

- **Enhanced Payment Program (EPP)** provides supplemental reimbursement to Network Provider Designated Public Hospitals (DPHs) through uniform dollar increases for select inpatient and non-inpatient services, based on the actual utilization of qualifying services as reflected in encounter data reported to DHCS.
- **Private Hospital Directed Payment (PHDP)**- PHDP provides supplemental reimbursement to participating Network Provider private hospitals through uniform dollar increases for select inpatient and outpatient services based on actual utilization of qualifying services as reflected in encounter data reported to DHCS.
- **District and Municipal Public Hospital (DMPH) Quality Incentive Pool (QIP)** DMPH QIP provides quality incentive payments to participating Network Provider DMPHs that meet quality metric designated in the program. DMPH QIP payments will be calculated by DHCS in accordance with the CMS-approved preprint and must be issued to DMPHs based on the program year.
- **Designated Public Hospital (DPH) Quality Incentive Pool (QIP)** DPH QIP provides quality incentive payments to participating network Providers DPHs that meet quality metrics designated in the program. DPH QIP payments will be calculated by DHCS in accordance with CMS approved preprint and must be issued to DPHs based on the program year. IEHP is required to comply with the data sharing requirements.

What provider types are eligible for this directed payment program?

- Any Public or Private Hospital provider whose contract meets the below requirements
 - o Agreement must cover one or more defined non-excluded populations of Medi-Cal beneficiaries
 - o Cover a defined set of one or more non-excluded Hospital services
 - o Specify rates of payment or include a defined methodology for calculating specific rates of payment.
 - o Be for a term of at least 120 days, be signed and dated, and be effective for the dates of service.

For delegated arrangements, there must be a demonstrable “unbroken contracting path” between the Plan and the provider for the service rendered and the member receiving the service, as well as the applicable date(s) of service.



Which service settings are excluded from supplemental payment?

DPH EPP Payments and Private Hospital Directed Payment PHDP Payments are not applicable to the following:

- Inpatient services provided to enrollees with Medicare Part A
- Non-Inpatient services provided to enrollees with Medicare Part B
- outpatient services provided to Members with Medicare Part B.
- State-only abortion services
- Services provided by the following:
 - o Cost-Based Reimbursement Clinics (CBRCs)
 - o Indian Health Care Providers (IHCPs)
 - o Federally Qualified Health Centers (FQHCs)
 - o Rural Health Clinics (RHCs)

For services not eligible under District and Municipal Public Hospital (DMPH) Quality Incentive Pool (QIP) and Designated Public Hospital (DPH) Quality Incentive Pool (QIP) please contact DHCS at qip@dhcs.ca.gov

What is the effective period for this incentive/supplemental payment?

- Services rendered for State Fiscal Years (SFY) 2017-18
- Services rendered for State Fiscal Years (SFY) 2018-19
- Services rendered for State BP 19-20
- Services rendered for Calendar Year (CY) 2021
- Services rendered for Calendar Year (CY) 2022

How are Hospital Directed Payments calculated?

- EPP and PHDP payments are issued in accordance with CMS-approved preprint, DHCS will calculate final payments based on actual utilization of contracted services as reflected in the Medi-Cal managed care encounter data received by DHCS. DHCS will then communicate to IEHP payment obligations to eligible Network Provider Hospital's.

How are Hospital Payments processed?

- IEHP must ensure that any payment obligations under these programs are made timely after IEHP receives revenue from DHCS accounting for the projected value of the payment obligations.



What is the dispute process related to Hospital directed payments?

- A Hospital with a dispute regarding PHDP/EPP payments, should email PHDP-EPP@iehp.org stating the service period and providing a detailed dispute reason.

What is the turnaround time for a resolution for a hospital dispute?

- IEHP will provide written notification of the Hospital dispute results within 30 working days from date of receipt.

How long does a Hospital have to file a dispute regarding directed payment?

- A Hospital has 6 months from IEHP's payment check date to dispute payment.