

# Memorandum

To: Gold Coast Health Plan Providers

From: Steve Peiser  
Senior Director of Network Operations

Re: **Proposition 56: Supplemental Payment for Physician Services**

Date: June 29, 2018

Gold Coast Health Plan (GCHP) will begin issuing checks on June 30 to eligible providers in accordance with Proposition 56, the California Healthcare, Research and Prevention Tobacco Tax Act of 2016. Proposition 56 increased the excise tax rate on cigarettes and tobacco products and provides funding for services and existing health care programs administered by the Department of Health Care Services (DHCS).

Assembly Bill 120 appropriates Proposition 56 funds for state fiscal year (SFY) 2017-18 to pay for specified services in managed care according to the DHCS developed payment methodology. On February 21, DHCS obtained federal approval from the Centers for Medicare & Medicaid Services (CMS) for this directed payment arrangement during SFY 2017-18.

Proposition 56 funds will result in directed payments by a Managed Care Plan (MCP) and its delegated entities and subcontractors (as applicable) to individual providers rendering specified services between July 1, 2017 and June 30, 2018. DHCS requires MCPs to make payments for qualifying services for 13 Current Procedural Terminology (CPT) codes.

**Eligible network providers are those who are qualified to provide and bill for the CPT codes in the table below (Table 1).**

Federally Qualified Health Centers, Rural Health Clinics, American Indian Health Programs and Cost-Based Reimbursement Clinics are not eligible network providers.

A qualifying service is one provided by an eligible network provider where a specified service is provided to a member enrolled in the MCP who is not dually eligible for Medi-Cal and Medicare Part B (regardless of enrollment in Medicare Part A or Part D). The MCP is responsible for ensuring qualifying services reported using the specified CPT codes are appropriate for the services being provided and reported to DHCS in encounter data.

**Table 1**

<b>CPT</b>	<b>Description</b>	<b>Directed Payment</b>
99201	Office/Outpatient Visit New	\$10.00
99202	Office/Outpatient Visit New	\$15.00
99203	Office/Outpatient Visit New	\$25.00
99204	Office/Outpatient Visit New	\$25.00
99205	Office/Outpatient Visit New	\$50.00
99211	Office/Outpatient Visit New	\$10.00
99212	Office/Outpatient Visit New	\$15.00
99213	Office/Outpatient Visit New	\$15.00
99214	Office/Outpatient Visit New	\$25.00
99215	Office/Outpatient Visit New	\$25.00
90791	Psychiatric Diagnostic Eval	\$35.00
90792	Psychiatric Diagnostic Eval with Medical Services	\$35.00
90863	Pharmacologic Management	\$5.00

If you have any questions, please contact us at [providercontracting@goldchp.org](mailto:providercontracting@goldchp.org). Thank you.