

Denti-Cal Bulletin



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Ten (10) Percent Payment Injunction

On July 1, 2008, the Department of Health Care Services (DHCS) implemented a 10 percent payment reduction for providers of various services, as required by Welfare and Institutions Code 14105.19, provided in ABX 3 5, Chapter 3, Statutes of 2008. On August 18, 2008, the U.S District Court issued a preliminary injunction to halt certain portions of the 10 percent payment reduction affecting payments to various providers under the Medi-Cal Program. The injunction applies to Medi-Cal covered payments made to physicians, dentists, adult day health care centers, optometrists, clinics and pharmacies with respect to prescription drugs, with effective dates of service on or after August 18, 2008. Therefore, this injunction applies to Denti-Cal payments made to Denti-Cal providers.

The 10 percent reduction will no longer be applied to Denti-Cal claims processed after Tuesday, September 9, 2008, for all services with dates of service on or after August 18, 2008. An Erroneous Payment Correction (EPC) will follow to reprocess previously adjudicated claims for Denti-Cal providers for dates of service on or after August 18, 2008. The EPC is anticipated to begin in mid- September and will take approximately two weeks to complete.

Please note the injunction does not apply to non Medi-Cal payments for programs such as state-only California Children's Services and state-only Genetically Handicapped Persons Program claims. DHCS understands that these programs and services are not subject to the Court order. Therefore, the 10 percent payment reduction will continue to be applied for services provided under state-only programs.

For questions on the above, or any other information, please contact the Denti-Cal Telephone Service Center at (800) 423-0507.