



A Public Entity

Inland Empire Health Plan



**To:** IUD Prescribers  
**From:** IEHP – Provider Relations  
**Date:** August 14, 2019  
**Subject:** **Prop 56 and Family Planning Notice**

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**Effective July 1, 2019**, Providers qualified to offer family planning services may be eligible to receive supplemental payments per the attached FY 2019-20 Proposition 56 Medi-Cal Family Planning Supplemental Payment Proposal by DHCS.

These services will be identified by the procedure coding submitted on your IEHP medical claims. These supplemental payments are on top of the IEHP’s Provider payment for the services. **IEHP will not begin processing these supplemental payments until the State Plan Amendment is approved by the Centers for Medicare & Medicaid Services (CMS).**

The supplemental payment is calculated on the item’s fee-for-service (FFS) rate. As noted in the attachment, the supplemental payment level for long acting reversible contraceptives (LARC) would be 400% the usual FFS rate.

DHCS has allocated \$500 million, from Proposition 56 funding, for this program and the supplemental payments for the Providers are substantial. IEHP is notifying Physicians qualified to provide family planning services about the new program so that you are aware of how to maximize the supplemental payment.

### **WHAT TO DO**

- If you are currently utilizing a Physician “buy and bill” process for LARC products **AND** are submitting claims to IEHP with the correct procedure codes for both the LARC product and LARC insertion. *For example, the potential supplemental payment for LARC (J7296) and insertion of IUD (58300) would be \$3,400.*
  - **NO ACTION IS NEEDED**
- If you are using a pharmacy to drop ship the LARC products to your office, you **will not** be included in the supplemental payment for the LARC products. *The potential supplemental payment for the IUD insertion (58300), procedure only, would be \$673.*
  - **ACTION NEEDED**
    - Transition to a Physician “buy and bill” program for LARC products.
    - Use the correct procedure codes on IEHP claims for LARC Products & LARC insertions.

IEHP will be monitoring Pharmacy claims for LARC products and will be notifying Providers on “lost” supplemental payments.

Here are links to LARC Manufacturer’s Prescriber Purchase Programs:

- Nexplanon: <https://www.merckconnect.com/nexplanon/coverage/ordering/theracom/>
- Kyleena, Mirena & Skyla: <https://www.whcsupport.com/>
- Liletta: <https://www.lilettahcp.com/en/resources#access-connect>
- Paragard-T: <https://hcp.paragard.com/ordering-paragard/paragard-access-center/>

As a reminder, all communications sent by IEHP can also be found on our Provider portal by following: [www.iehp.org](http://www.iehp.org) > For Providers > Plan Updates > Correspondence.

If you have any questions, please do not hesitate to contact the IEHP Provider Relations Team at (909) 890-2054.

Enclosed: *DHCS 2019-2020 Proposition 56 Family Planning Supplemental Payment Proposal*



State of California—Health and Human Services Agency  
 Department of Health Care Services



Gavin Newsom  
 GOVERNOR

**FY 2019-20 Proposition 56 Medi-Cal Family Planning Supplemental Payment Proposal**

Proposed procedure codes and supplemental reimbursement rates:

	Description	Proposed Supplemental Payment Rate
J7296	LEVONORGESTREL-RELEASING IU COC SYS 19.5 MG	\$ 2,727
J7297	LEVONORGESTREL-RLS INTRAUTERINE COC SYS 52 MG	\$ 2,053
J7298	LEVONORGESTREL-RLS INTRAUTERINE COC SYS 52 MG	\$ 2,727
J7300	INTRAUTERINE COPPER CONTRACEPTIVE	\$ 2,426
J7301	LEVONORGESTREL-RLS INTRAUTERINE COC SYS 13.5 MG	\$ 2,271
J7307	ETONOGESTREL CNTRACPT IMPL SYS INCL IMPL & SPL	\$ 2,671
J3490U8	DEPO-PROVERA	\$ 340
J7303	CONTRACEPTIVE VAGINAL RING	\$ 301
J7304	CONTRACEPTIVE PATCH	\$ 110
J3490U5	EMERG CONTRACEPTION: Ulipristal acetate 30 mg	\$ 72
J3490U6	EMERG CONTRACEPTION: Levonorgestrel 0.75 mg(2) &1.5 mg (1)	\$ 50
11976	REMOVE CONTRACEPTIVE CAPSULE	\$ 399
11981	INSERT DRUG IMPLANT DEVICE	\$ 835
58300	INSERT INTRAUTERINE DEVICE	\$ 673
58301	REMOVE INTRAUTERINE DEVICE	\$ 195
81025	URINE PREGNANCY TEST	\$ 6
55250	REMOVAL OF SPERM DUCT(S)	\$ 521
58340	CATHETER FOR HYSTEROGRAPHY	\$ 371
58555	HYSTEROSCOPY DX SEP PROC	\$ 322
58565	HYSTEROSCOPY STERILIZATION	\$ 1,476
58600	DIVISION OF FALLOPIAN TUBE	\$ 1,515
58615	OCCLUDE FALLOPIAN TUBE(S)	\$ 1,115
58661	LAPAROSCOPY REMOVE ADNEXA	\$ 978
58670	LAPAROSCOPY TUBAL CAUTERY	\$ 843
58671	LAPAROSCOPY TUBAL BLOCK	\$ 892
58700	REMOVAL OF FALLOPIAN TUBE	\$ 1,216

Important considerations behind reason for proposal:

- The E&M codes in FPACT receiving the supplemental reimbursement rates are already a subset of the codes that receive the P56 provider supplemental payments in Medi-Cal FFS and managed care, and therefore it would be duplicative to also add an additional supplemental payment rate on top of those.
- Additionally, even if duplication was not an issue, it would not be possible from an administrative perspective to only pay supplemental payment rates for those codes for only family planning as it would require the use of both the E&M code and the diagnosis of “family planning” which neither our FFS or managed care data systems are able to programmed in that manner
- DHCS selected only those procedure codes that are considered “family planning” for purposes of FFP reimbursement at the 90/10 FMAP so to be consistent with the intent to both focus specifically on family planning procedures as well as the intent to provide for \$500M of total funding for these services.
- Services were categorized into four groups:
  1. Long-acting contraceptives
  2. Other contraceptives (other than oral contraceptives) when provided as medical benefit
  3. Emergency contraceptives when provided as a medical benefit
  4. Pregnancy testing
  5. Sterilization procedures (both female and male)
- The supplemental payment rates were developed by applying the following percentages to existing FFS rates for the specified procedure codes and rounding to the nearest dollar, thus resulting in the supplemental payment amounts listed in the table:
  1. LARC – 400%
  2. Other contraceptives – 300%
  3. Emergency contraceptives – 200%
  4. Pregnancy testing – 200%
  5. Sterilization – 200%
- The above percentages were developed to target generally spending the total funds of \$500M, also accounting for increased utilization in FFS and managed care and better data reporting in managed care
- The end result is significant incentive to provide these family planning procedures given the fairly substantial supplemental payment amounts, which is consistent with the intent to truly focus these dollars on family planning services.