PPS Rate Setting Process

Issue – The three comparable method being used by A&I is still very inconsistent and seems very subjective and appears to be based on more on how high the rate is as opposed to the comparable statistics. There seems to be many more litmus tests recently for acceptable comparable clinics as noted below:

1. Issue – Comps being denied because of Dental Hygienist FTEs and/or visits
   Position - When comps are found with DH visits/FTEs but they are so low and therefore insignificant to the overall FTE/visits, the comps should be acceptable

2. Issue – Variance levels. DHCS refuses to make a definitive determination on what are high or low variance levels in visits and FTEs, which allows them to be subjective when it suits them.
   Position – A collective decision (CPCA, DHCS and consultants) on variance levels should be discussed and agreed upon so that the research and review process is more clear.

- Issue - Rejecting comps because of the size of the organization as a whole rather than looking at individual clinic to clinic comparability
  Position – DHCS should not consider size of overall organization as a factor. This issue is not addressed in the regulations or in the DHCS FAQs. Dental Hygienist issue when visits/FTEs are low and therefore insignificant to the overall FTE/visits

- Other Rejections and issues we are seeing:

- Variance levels – what is the cutoff to define high/low variance? DHCS uses this variance level subjectively
- Rejecting comps when you have a 3,000 visit variance
- Rejecting clinics in the same area because DHCS found a clinic one mile closer
- Rejecting comps based on difference in mid level versus physician visits event though the total primary care visit total is identical
- Rejecting comps based on the difference of psychologist versus LCSW visits
- Rejecting comps because 10% of the services are HIV services
- Rejected comps because there is a current change in scope pending
- Rejecting comps because Alta Med is used as one of the comparable clinics
- Rejecting comps because of the size of the organization as a whole rather than looking at individual clinic to clinic comparability
- Rejecting comps because it had 700 “other visits” out of 13,000 visits
- Need more understanding of when a provider needs to be working at the clinic to count the FTEs for the comp method. If a provider starts one or two months after the clinic receives its license, can these providers be counted in the FTE pool?
- Holding rate setting requests until the clinic has been added into the PMF. This is delaying the process by months

- Asking for ALL provider contracts (not just dental and BH), and having to pull visits reports to prove providers are CURRENTLY working at the clinic
- The entire process is taking upwards of six months again. They need to start issuing interim rates
- Not adhering to their own FAQ's standards– example below

From DHCS's FAQ's – they allow a 3,800 visit variance (below) but when we submitted another clinic last week with 17,000 plus visits, one clinic was denied because it had a 3,100 visit variance - meaning that they are not even following their own FAQ guidelines.

	Applying Clinic	Proposed Clinic 1	Proposed Clinic 2	Proposed Clinic 3
Physician	8,400	9,600	30,000	11,500
Dentist	1,000	3,800	1,200	700
NP	8,500	2,200	7,500	0.0
PA	0.0	9,500	0.0	9,500
Total	**17,900**	25,100	38,700	**21,700**

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- Clinic 1 and Clinic 2 would not be comparable based on large variances in the total number of visits. **Clinic 3 would be considered comparable** assuming all other criteria was met.