



## KAISER PERMANENTE®

**Subject:** Prop 56 Payments Hyde Payments

Dear Provider,

The purpose of this letter is to inform you that in accordance with Medi-Cal requirements and per APL 23-015 “Proposition 56 Directed Payments for Private Services”, Proposition (Prop) 56 Hyde minimum payments need to be made for the following medical pregnancy termination services (CPT(s) 59840 (\$400) and 59841 (\$700)) that are provided to KFHP Medi-Cal members on or after January 1, 2023.

However, Kaiser Foundation Health Plan (KFHP) will not make additional Proposition 56 (“Prop 56”) payments because our claims are already paid at the minimum amounts for CPT(s) 59840 (\$400) and 59841 (\$700).

If payments were to be made, KFHP would pay Prop 56 directed payments within 90 days of receipt of Prop 56 funds from DHCS or from our Medi-Cal Plan Partners. Quarterly, KFHP would report all directed payments to DHCS or to the delegating Health Plan. If payments were to be made, you may be required to remit the directed payments to your rendering providers (the rendering provider NPI is included on the check stub).

Prop 56 (the California Healthcare, Research, and Prevention Tobacco Tax Act of 2016) passed in California in November 2016. As a result, state excise tax on cigarettes and other tobacco products increased. Revenue from these higher taxes is to be used for many purposes, but primarily to augment spending on health care for low-income Californians. Prop 56 revenue will be paid directly to health plans to forward to medical providers. The current Prop 56 Hyde Payments program is effective for services with dates of service on or after January 1, 2023.

Clean claims and accepted encounter standards can be found on the KP Community Provider Portal:

1. NCAL location:
  - a. <https://healthy.kaiserpermanente.org/northern-california/community-providers>
    - i. Provider Information > Section 5: Billing and Payment
    - ii. Provider Information > Claims Settlement and Dispute Practices
2. SCAL location:
  - a. <https://healthy.kaiserpermanente.org/southern-california/community-providers>
    - i. Claims > Quick Claims Resources > NCA Provider Notification
    - ii. Claims > Quick Claims Resources > Dispute Resolution Mechanisms

If payments were to be made and you have grievances related to the processing or non-payment of a Prop 56 directed payment, please contact us via KFHP’s Prop 56 email box at [Prop56@kp.org](mailto:Prop56@kp.org). This email box serves as a designated point of contact for provider questions, grievances, and technical assistance, which will be responded to within 60 days of receipt.

Sincerely,

KFHP Prop 56 Team