



KAISER PERMANENTE®

Subject: Prop 56 Value-Based Payments Program

Dear Provider,

The purpose of this letter is to inform you that in accordance with Medi-Cal requirements, Kaiser Foundation Health Plan, Inc. (KFHP) will make Proposition (Prop) 56 Value-Based Payments Program (VBPP) payments to you based on eligible services that you provide to KFHP Medi-Cal members on or after January 1, 2022 through June 30, 2022. Per All Plan Letter (APL) 23-014, the Proposition 56 VBP directed payment program ended on June 30, 2022.

KFHP will pay Prop 56 VBPP directed payments within 90 days of receipt of Prop 56 funds from Department of Health Care Services (DHCS) or from our Medi-Cal Plan Partners. The payments will be based on eligible services provided to KFHP's Medi-Cal members as reflected in encounter data reported to the Department of Health Care Services (DHCS). Below is a schedule of the directed payments for Prop 56 Value-Based Payments. To qualify for payments, the rendering provider must be a "Network Provider"¹. You may be required to remit the directed payments to your rendering providers (the rendering provider NPI is included on the check stub). Payment-eligible services must meet the requirements per APL 23-014, "Proposition 56 Value-Based Payment Program Directed Payments" as well as the Value Based Payment Program specifications.²

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 program is effective for dates of service starting January 1, 2022 through June 30, 2022.

Claims/encounter submission processes, including 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>
 - ii. Claims > Quick Claims Resources > NCA Provider Notification
 - iii. Claims > Quick Claims Resources > Dispute Resolution Mechanisms

If 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. This email box serves as a designated point of contact for provider questions, grievances, and technical assistance; KFHP will research and respond within 60 days of receipt.

Sincerely,

¹ Eligible Network Providers are Network Providers (as defined in DHCS APL 19-001, "Medi-Cal Managed Care Health Plan Guidance On Network Provider Status," the DHCS/MCP contract and 42 CFR, Section 438.2). CFRs are searchable at: <https://www.ecfr.gov/cgi-bin/ECFR?SID=d15b0ce81c0ea804f39e129fd7f11a5f&mc=true&page=browse>.

² VBP Program Specifications are outlined in the Value Based Payment Program Performance Measures specifications, available at: <https://www.dhcs.ca.gov/provgovpart/Documents/VBP-Specifications-9.30.20.pdf>

Directed Payment Rates per Encounter, to be Paid to Providers:

Domain	Measure	Add-On Amount for Non-At-Risk Members	Add-On Amount for At-Risk Members*
Prenatal/Postpartum Care Bundle	Prenatal Pertussis ('Whooping Cough') Vaccine	\$25.00	\$37.50
	Prenatal Care Visit	\$70.00	\$105.00
	Postpartum Care Visits	\$70.00	\$105.00
	Postpartum Birth Control	\$25.00	\$37.50
Early Childhood Bundle	Well Child Visits in First 15 Months of Life	\$70.00	\$105.00
	Well Child Visits in 3rd – 6th Years of Life	\$70.00	\$105.00
	All Childhood Vaccines for Two Year Olds	\$25.00	\$37.50
	Blood Lead Screening	\$25.00	\$37.50
	Dental Fluoride Varnish	\$25.00	\$37.50
Chronic Disease Management Bundle	Controlling High Blood Pressure	\$40.00	\$60.00
	Diabetes Care	\$80.00	\$120.00
	Control of Persistent Asthma	\$40.00	\$60.00
	Tobacco Use Screening	\$25.00	\$37.50
	Adult Influenza ('Flu') Vaccine	\$25.00	\$37.50
Behavioral Health Integration Bundle	Screening for Clinical Depression	\$50.00	\$75.00
	Management of Depression Medication	\$40.00	\$60.00
	Screening for Unhealthy Alcohol Use	\$50.00	\$75.00

*For qualifying events tied to Members diagnosed with a substance use disorder, a serious mental illness, or who are homeless or have inadequate housing, MCPs must make the add-on directed payments corresponding to at-risk Members. For qualifying events tied to all other Members, MCPs must make the add-on directed payments corresponding to non-at-risk Members.