



Normative Letter 21-1222

December 22, 2021

To: Managed Care Organizations (MCOs), Primary Medical Groups (PMGs) and Behavioral Healthcare Providers contracted to offer services under Plan Vital

Re: 10% Increase Payment Adjustment to PMGs and Behavioral Health Providers under Plan Vital

For the last two years, the Puerto Rico Health Insurance Administration (ASES) has worked in the implementation of sustainability measures, approved by the U.S. Congress, and in compliance with the requirements set forth in section 1108(g)(6) of the Social Security Act, added by section 202 of the Further Consolidation Act. Amendments to the contract between Plan Vital and MCOs (Art. 10.3.2.1.7), Normative letters #20-0527 and #21-0318 and Circular Letter #20-1022 were developed to include a 70% Medicare fee schedule minimum payment to providers and, increases of sub-capitated amounts to PMGs for the pass-through of those increases to the primary care services professionals (Medicare Part B Providers).

The purpose of the above mentioned measures, pursues Puerto Rico's Government public policy, of retaining medical providers serving the government healthcare plan, as well as, enhancing quality, accessibility, and satisfaction of services for the Plan Vital population.

With the present Normative Letter, ASES adds new a step to those sustainability measures, by instructing the MCOs to increase their negotiated sub-capitated amounts by 10% to PMGs and Behavioral Health Providers, that are reimbursed under such agreement. This directed payment institute a 10% increase that will be implemented by adjusting the capitated premium (PMPM) for a six (6) month period under the following terms:

- Payment will cover period of services from January 1, 2020 through June 30, 2020.
- Payments will apply to PMGs and Behavior Health providers.
- Payments will be 10%, calculated as:

- a. For PMGs: 10% of the sub-capitated amounts paid for the primary care services performed under the sub-capitated agreement between PMGs and MCOs. The 10% calculated on the total payment including any administrative load.
- b. For Behavioral Health Providers: 10% of the sub capitated amount paid for behavioral health services, excluding behavioral health drugs costs, and facility based behavioral health services.

ASES has already calculated amounts of directed payments for the MCOs and the corresponding payments to individual PMGs and Behavioral Health Providers that qualify for this initiative. This calculation was based on a designed methodology approved by the Centers for Medicare and Medicaid Services (CMS). ASES will distribute lump sum payments and its distribution reports to MCOs and the MCOs must distribute, in their entirety, such lump sum payments to PMGs and Behavioral Health Providers, as informed and directed by ASES. The MCOs must issue the payments to PMGs and Behavioral Health Providers, within five (5) business days of receipt of funds from ASES.

An attestation of payment to PMGs and Behavioral Health Providers must be send to ASES Compliance Office within 48 hours after payment is made by MCOs to PMGs and Behavioral Health providers. Reports should be submitted to ASES FTP server Citrix Share folders located in the root directory **“Directorio para Reportes”/ <MCO> / Compliance / 6-AD Hoc / PMG and Behavioral Health Providers Direct Payment**. In addition, a report of these payments transactions will be sent to ASES Systems and Information Department in a flat file “Submit to ASES” within those 48 hours after payments are delivered to PMGs and Behavioral Health Providers.

ASES will strictly monitor the full compliance to instructions described on this Normative Letter. All MCOs must comply and carry out any operational processes to deliver calculated increase to PMGs and Behavioral Health Providers as required by ASES.

Non-compliance of this instructions and time frames set forth, might bring contractual applicable sanctions.

Cordially,



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Primary Medical Groups & Behavioral Health Providers Directed Payment Standard Operating Procedure

Responsible Party:
ASES

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1. Acronyms and Terms

The table below provides definitions for the acronyms and terms used throughout this document.

Table 1: Acronyms and Terms

Acronyms/ Terms	Definition
Actuary/ Actuarial Firm	A business professional or firm, who analyzes the financial consequences of risk. Actuaries use mathematics, statistics, and financial theory to study uncertain future events, especially those of concern to insurance and pension programs.
ASES/PRHIA	Administración de Seguros de Salud de Puerto Rico/ Puerto Rico Health Insurance Administration.
Behavioral Health	Behavioral health includes the emotions and behaviors that affect your overall well-being. Behavioral health is sometimes called mental health and often includes substance use. Just like physical health, behavioral health has trained providers who can help you much like a physical health care provider would.
Centers for Medicare & Medicaid Services (CMS)	The Centers for Medicare & Medicaid Services is the agency within the U.S. Department of Health and Human Services (HHS) that Administers the nation’s major healthcare programs. The CMS oversees programs including Medicare, Medicaid, the Children’s Health Insurance Program (CHIP), and the states and federal health insurance marketplaces. CMS collects and analyzes data, produces research reports, and works to eliminate instances of fraud and abuse within the healthcare system.
Managed Care Organization (MCO)	An entity that is organized for the purpose of providing health care and is licensed as an insurer by the Puerto Rico Commissioner of Insurance (“PRICO”), which contracts with ASES for the provision of Covered Services and Benefits Island-wide on the basis of PMPM Payments, under the GHP program.
MIP	ASES Accounting Program. This module registers the invoices for payment. The information that is entered in A / P Invoices form is the following: invoice, date, amount, description, Vendor ID, enter the transaction in debit and credit among others.
Plan de Salud VITAL/ GHP	Government healthcare plan.

Acronyms/ Terms	Definition
Primary Medical Group (PMG)	Per the Plan Vital contract, PMGs are a grouping of associated primary care physicians and other providers that have contractually agreed to offer a coordinated model of care to enrollees. The Plan Vital MCOs contract with PMGs on a sub-capitated basis and contract with some Behavioral Health providers on a sub-capitated basis.
Supplemental Payments	Amounts paid by the State in its FFS Medicaid delivery system to providers that are described and approved in the State plan or under a demonstration or waiver thereof and are in addition to State plan approved rates.
SOP	Standard Operating Procedure

2. Purpose

This directed payment institutes a uniform ten (10) percent increase to the sub-capitated payments negotiated between Plan Vital MCOs and Primary Medical Groups (PMGs) and Behavioral Health providers. The total 6-months increase is estimated to be \$13,000,000 and will be implemented by adjusting the capitated premium PMPM for the six-month period. Plan Vital enrollees are assigned to a PMG upon enrollment for receipt of primary care and other covered services delivered and coordinated by the PMG. The sub-capitated payment represents payment in full for services during the month based on assigned membership to the PMG and for Behavioral Health providers under such payment arrangements. This directed payment is not supported by a provider tax or IGT agreement. Puerto Rico’s funding for this initiative is derived from the additional federal Medicaid funding, authorized in the “Further Consolidated Appropriations Act, 2020,” that was conditioned on PRHIA’s implementation of the 70% of Medicare for professional services directed payment. Any providers of professional services covered by Medicaid and Medicare Part B that are not reimbursed via a sub-capitated arrangement are addressed in the approved directed payment to reimburse providers at 70% of the Medicare Part B fee schedule.

ASES's three primary goals in providing this new funding to PMGs and Behavioral Health providers are:

- Improve preventive care screening, access of care and utilization of health services for all GHP enrollees.
- Improve quality of care and health services provided to all GHP enrollees through the High Cost High Needs (HCHN) program.
- To Improve enrollee satisfaction with provided services and primary care experience.

This Primary Medical Groups & Behavioral Health Providers Directed Payment Standard Operating Procedure (SOP) outlines the process that is in place to properly make the supplemental payments for services provided to Plan Vital members.

3. Background

The Code of Federal Regulations Title 42, Section 438.6(c) provides States with the flexibility to implement delivery system and provider payment initiatives under MCO, PIHP, or PAHP Medicaid managed care contracts. Section 438.6(c)(1) describes types of payment arrangements that States may use to direct expenditures under the managed care contract – paragraph (c)(1)(i) provides that States may specify in the contract that managed care plans adopt value-based purchasing models for provider reimbursement; paragraph (c)(1)(ii) provides that States have the flexibility to require managed care plan participation in broad-ranging delivery system reform or performance improvement initiatives; and paragraph (c)(1)(iii) provides that States may require certain payment levels for MCOs, PIHPs, and PAHPs to support State practices critical to ensuring timely access to high- quality care.

Under section 438.6(c)(2), contract arrangements that direct the MCO's, PIHP's, or PAHP's expenditures under paragraphs (c)(1)(i) through (iii) must have written approval from CMS prior to implementation and before approval of the corresponding managed care contract(s) and rate certification(s).

ASES submitted a preprint to CMS for approval related to the 10% increase. The directed payment preprint instructs the MCOs to increase their negotiated subcapitated amounts by 10% for PMGs and Behavioral Health providers that are reimbursed under such arrangements.

4. Process Triggers

This Primary Medical Groups & Behavioral Health Providers Directed Payment process begins when ASES assessed the direct payments to the MCOs and the payments that the MCOs will be directed to make to the PMGs & Behavioral Health Providers based on the methodology approved by CMS for the contract period.

Process ends once the directed payments have been made to the MCOs and the MCOs comply with the disbursement and attestation of said payments in the mandatory time frame.

5. Scope

The procedure included in this SOP is the proper manner to make the direct payments to PMGs and Behavioral Health Providers for services provided to Plan Vital members, as required by the Plan Vital contract, CMS, and the applicable federal law and regulations.

6. Responsible Parties

The following parties are responsible for the execution of this SOP.

1. ASES Information and Systems Department.
2. ASES Office of Fiscal Affairs.
3. ASES Compliance Office.
4. Managed Care Organization (MCO) contracted for Plan Vital.

7. Primary Medical Groups & Behavioral Health Providers Directed Payment Standard Operating Procedure

This SOP has the purpose of delineating the main procedure of properly make the direct supplemental payment to PMGs & Behavioral Health Providers for services provided to Plan Vital members.

7.1 Methodology

ASES calculated the 10% based on the following criteria:

- 1) Payment will be for the period of January 1, 2020 through June 30, 2020;
- 2) Payment will apply to PMGs and Behavioral Health Providers;
- 3) Payment will be equal to 10% of the following:
 - a. For the PMGs, it will be 10% of the sub-capitation amounts paid for the primary care services to be performed under the sub-capitated agreement between the PMGs and the MCOs. The 10% is calculated on the total payment including any administrative load.
 - b. For the Behavioral Health providers, it is calculated as 10% of the sub-capitation amounts paid for behavioral health services, excluding behavioral health drug costs and facility based behavioral health services.
- 4) Payment is based on the sub-capitation payment amounts submitted by the MCOs to ASES in the data request.

Each MCO provided the following data:

- 1) Data Period : January 2020 through June 2020 Incurred Dates
- 2) Cap Type = 18 (PMG) or Cap Type = 11 (Mental Health)
- 3) Exclude Mental Health drugs from the payment amounts
 - Data Elements:
 - Member Identification Number

- Primary Medical Group or Behavioral Health Entity Number
- Primary Medical Group Name or Behavioral Health Entity Name or Cap Type
- Incurred Month
- Paid Month
- Gross Capitation Payment Amount
- Net Capitation Payment Amount

ASES has already calculated the direct payments for the MCOs and the payments that the MCOs will be directed to make to individual PMGs and Behavioral Health Providers, based on the methodology approved by CMS and documented in Preprint.

ASES will distribute lump sum payment to the MCOs, which the MCOs must then distribute in their entirety as lump sum payments to individual PMGs and Behavioral Health Providers as directed by ASES.

7.2 PMGs & Behavioral Health Providers Directed Payment Process

Distribution Report



1. ASES contracted Actuarial firm, will produce a PMG and Behavioral Health Providers Direct Payment Report based on the defined methodology aforementioned.

2. This report will specify the amounts to be paid to each one of the MCOs qualifying PMGs and Behavioral Health Providers.
3. The report will be submitted to the ASES Executive Office in PDF, as well to the Systems and Information Department in a Flat-file. The file will be deposited in the FTP where it will automatically be uploaded to the ASES database.
4. The MCOs will review the distribution report.

Direct Payments to MCO / Payments Distribution to PMGs



1. The Office of Fiscal Affairs will review in information of the Distribution Report in the ASES database and will verify that the data sent by the actuary is in accordance as the report submitted to the ASES executive office.
2. ASES Office of Fiscal Affairs upon receiving the final approval of the executive office, will then issues the corresponding Payments to the MCOs.
3. The MCOs will receive the deposit for the Directed Payment from ASES.
4. The System and Information Department will send the payment detail of Distribution Report to the MCOs. The payment detail will be sent in a flat-file.
(See "From ASES to MCO to Pay" Tab in Attachment 1)
5. The MCOs will pay each PMGs based on the Distribution Report received from ASES.

6. The MCOs must assign the corresponding PMG NPI number in order to make the payment that ASES will be remitting them. If the MCO do not have a PMG NPI number, they must inform the ASES for the corresponding determination in regard to that PMG.
7. The MCOs must issue the payments to the PMGs within **5 business days** of receipt of funds from ASES.

Payment Attestation



1. The MCOs will pay each PMGs based on the report received.
2. A payment attestation must be sent to the ASES Compliance Office within **48 hours** after the PMGs payments. (**Attachment 2**)
3. The MCOs in addition to the payment attestation to the Compliance Office, must sent to the System and Information Department a flat file, in ANSI-Latin 1/ ANSI Western European (1252) format, with the information pertaining to the payments made to the PMGs in (**See "From MCO to ASES Amt Paid" Tab in Attachment 1**), within **48 hours** after the PMGs payments.
 - a. The attestation to the Compliance Office must be sent to the ASES FTP server Cintrix Share folders located in the root directory "Directorio para Reportes"<"MCO"<"Compliance">"6-AD Hoc">"PMG and Behavioral Health Providers Directed Payment" folder.

- b. The flat file to the System and Information Department must be sent to the ASES FTP server in the "Submit to ASES" folder.

NOTE: If an MCO is unable to make a payment for one or more PMGs and Behavioral Health Providers, it will notify ASES in the attestation mentioned above and will show it within the flat file to be sent with a zero (0) in the corresponding cell. The recovery these funds must be returned by check payable to ASES.

4. ASES Compliance Office will monitor and validate the following:
 - The payment attestation is received within the established period determined by ASES.
 - The payments made to the PMGs are according to the Distribution Report sent to the MCOs.

8. Non-Participant PMGs

Non-Participant PMGs (meaning PMGs and Behavioral Health Providers who don't have a provider contract under the GHP with an MCO) are entitled and can receive the supplemental payments as directed by ASES in the Distribution Report.

To this end, the MCOs must produce and undertake, with said PMGs and Behavioral Health Providers, a Letter of Agreement for the Directed Payments.

The Agreement must be in accordance with the definitive terms and conditions contained in this SOP regarding PMGs and Behavioral Health Providers direct payment participation with the MCO. This Agreement is for the sole purpose of the direct payments, it does not make the PMGs and Behavioral Health Providers a contracted provider of the MCO under the GHP Network.

After the Agreement is signed, a copy must be sent to the Compliance Office within a reasonable timeframe to the ASES FTP server Cintrix Share folders located in the root directory "Directorio para Reportes"<"MCO"<"Compliance">"6-AD Hoc">"PMG

and Behavioral Health Providers Directed Payment”. The Compliance Office will validate that the Agreement meets the requirements aforesaid.

In the event that a Non-Participant PMG and Behavioral Health Provider does not want to undertake a Letter of Agreement with an MCO, the MCO must provide an attestation, within a reasonable timeframe, to the ASES Compliance Office containing all efforts made with the PMGs and Behavioral Health Providers to sign the Letter of Agreement, and that such efforts were unsuccessful.

The attestation must be sent to the ASES FTP server Cintrix Share folders located in the root directory “Directorio para Reportes”<“MCO”<“Compliance”>“6-AD Hoc”>“PMG and Behavioral Health Providers Directed Payment” folder. The recovery of funds the given for said PMGs and Behavioral Health Providers must be returned by check payable to ASES.

9. References

The following items will be used to execute this procedure.

- Applicable Federal Law.
- Applicable Puerto Rico Law.
- Standard Medicaid payment policies.
- 42 CFR 438.6(c).
- ASES Normative Letter 21-1222.
- ASES-specific payment policies.

Directed Supplementary Payments - by PMG

File layout of the file where ASFS will notify the insurers of the amount to be paid to each PMG, according to the actuarial analysis
 The file will be delivered in .txt format

CC	File name
	carrier code
YYYY	Year
MM	Pay Month
9	Sequence, begin 0
PMGSP	Extension

Item #	Field	Field type	Length	Description
1	begin date	char	6	YYYYMM
2	end date	char	6	YYYYMM
3	MCO code	char	2	
4	MCO name	char	80	
5	PMG NPI	char	10	
6	PMG name	char	100	
7	Directed Payment	numeric	10	2 decimal position / decimal point not included
Total Record length			214	

Directed Supplementary Payments - by PMG
 File layout where MCOs notify ASES of the amount paid to each PMG for the purpose of reconciliation
 The file will be delivered in .txt format

ACCCYYMM 9.PMG PAID		File name
A		Attestation File
CC		carrier code
YYYY		Year
MM		Pay Month
9		Sequence, begin 0
PMG_PAID		Extension

Item #	Field	Field type	Length	Description
1	begin date	char	6	YYYYMM
2	end date	char	6	YYYYMM
3	MCO code	char	2	
4	MCO name	char	80	
5	PMG NPI	char	10	
6	PMG name	char	100	
7	Paid Amount	numeric	10	2 decimal position / decimal point not included
8	Pay Date	numeric	8	YYYYMMDD
9	Pay Reference Number	char	20	
Total Record lenght			242	

Attachment 2

ATTESTATION

As per ASES outlined standard operating procedure to make supplemental payments to Primary Medical Groups (PMGs) and Behavioral Health Providers for services provided for Plan Vital beneficiaries, and in accordance with Plan Vital Contract, CMS and applicable federal laws and regulations _____ (MCO name) _____ certifies as follow:

1. _____ MCO name _____ received from ASES on _____ (date) _____, the PMGs and Behavioral Health Providers directed payment and its distribution, applicable to PMGs contracted to give services to Plan Vital beneficiaries.
2. Such payments to the PMGs and Behavioral Health Providers are according to the payment distribution corresponding to each as identified by ASES.
3. The PMGs and Behavioral Health Providers directed payments made are detailed in the herein attached distribution report. (Attachment A)
4. The corresponding payment to each PMGs and Behavioral Health Providers has been issued within **five (5) business days** of receipt of funds from ASES.
5. _____ (MCO Name) _____ is submitting this information not later than **48 hours** after completing the PMGs and Behavioral Health Providers directed payments to all corresponding Plan Vital PMG contracted.

I hereby attest that the information submitted in the reports herein is current, complete and accurate to the best of my knowledge. I understand that whoever knowingly and willfully makes or causes to be made a false statement or representation on the reports may be prosecuted under the applicable Puerto Rico laws. In addition, knowingly and willfully failing to fully and accurately disclose the information requested may result in denial of a request to participate, or where the entity already participates, a termination of a Contractor's agreement or contract with ASES. Failure to sign a Certification Statement will result in non-acceptance of the attached reports.

Name of Preparer _____

Title _____

Signature _____

Date _____

Attachment A

PMGs and Behavioral Health Providers

Period

FROM [BEGIN Date]

TO [END Date]

Managed Care Organization

ASES MCO Code **MCO Legal Name**

ASES Transaction ID	PMG Tax ID	PMG NPI	PMG Legal Name	Paid Amount	Pay Date	Pay Ref Number

Notes:

Pay Date: Date when the check or electronic remittance for payment is processed.

Pay Ref Number: Check number or electronic remittance number for payment.