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Title 22@ Social Security

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Division 3@ Health Care Services

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Subdivision 1@ California Medical Assistance Program

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Chapter 4@ Prepaid Health Plans

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Article 3@ OPERATIONAL REQUIREMENTS

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Section 53322@ Capitation Rate Redetermination

53322 Capitation Rate Redetermination

(a)

Capitation rates shall be redetermined during the rate year only when all of the following conditions are met: (1) A change occurs in the obligations of the plan which results in increased or decreased costs of performing under the contract. (2) The change in subsection (1) is the result of either of the following: (A) A change in federal or state law or regulation. (B) A change in the Department's interpretation or implementation of federal or state law or regulation. (3) The projected difference in plan costs associated with either of the conditions set forth in subsection (a)(2) exceeds one percent of the statewide average capitation rate for the affected categories of members.

(1)

A change occurs in the obligations of the plan which results in increased or decreased costs of performing under the contract.

(2)

The change in subsection (1) is the result of either of the following: (A) A change in federal or state law or regulation. (B) A change in the Department's interpretation or implementation of federal or state law or regulation.

(A)

A change in federal or state law or regulation.

(B)

A change in the Department's interpretation or implementation of federal or state law or regulation.

(3)

The projected difference in plan costs associated with either of the conditions set forth in subsection (a)(2) exceeds one percent of the statewide average capitation rate for the affected categories of members.

(b)

The redetermination of capitation rates shall be subject to the approval of the Secretary, United States Department of Health and Human Services, the State Department of General Services and the State Department of Finance.

(c)

Rates redetermined pursuant to subsection (a) shall be effective on the first day of the month in which the change in the obligations of a plan becomes effective.

During the period of rate redetermination, continued payment of the rate in effect shall be interim payment only. Final payment shall be: (1) Subject to increase or decrease to the level of the redetermined rates. (2) Retroactive to the first day of the month in which the change in the obligations of a plan became effective.

(1)

Subject to increase or decrease to the level of the redetermined rates.

(2)

Retroactive to the first day of the month in which the change in the obligations of a plan became effective.