



COUNTY OF ORANGE
HEALTH CARE AGENCY

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DATE: March 4, 2013 - **UPDATED**

TO: MSI Physicians and MSI Community Clinics

FROM: Anthony Rose, MSI Administrator *A. Rose*
Shelley Vrungos, Ph.D., MSI Associate Administrator

SUBJECT: MSI Interim Reimbursement Rate Change for Dates of Service *d*
January 15, 2013 to June 30, 2013

The MSI program continues to experience a number of financial and logistical challenges that threaten the smooth operation of services and care of its patients. These challenges include:

- Rising MSI enrollment with annual increases as high as 30%.
- Pharmaceutical expenditures currently projected at \$11,100,000 over budget.
- Rising utilization including increases in high dollar clinical conditions.
- Continued delays of 6 to 11 weeks in reimbursement by California's Department of Health Care Services (DHCS).

In order to avoid a stoppage of all payments to MSI Providers, MSI must reduce the *interim* reimbursement rate for physicians and clinic providers between **50% and 55%** of National Medicare to **20%** of National Medicare for dates of services on or after January 15, 2013 through June 30, 2013.

For program year 2012-13, MSI physician and non-FQHC community clinics will receive a final settlement reimbursement in December 2013. Current financial projections should allow us to bring all claims paid at the **20%** rate to a final rate between **45% and 50% of the National Medicare rate**. Please be advised that these are projected numbers and subject to change.

MSI deeply appreciates the years of dedicated service and the high quality of care that you continue to provide MSI patients. We realize that our MSI providers constitute the core backbone of the safety net delivery care system and are integral to our ability to serve such a large membership in Orange County. MSI is fully committed to ensuring the maximum possible reimbursement rate for these affected claims.

Thank you for your understanding in this matter. If you should have any questions, please feel free to contact Anthony Rose, MSI Administrator at arose@ochca.com or Dr. Shelley Vrungos, MSI Associate Administrator at svrungos@ochca.com.