Process for Provider Rate Increase Requests

Our Process: Magellan has developed a rate increase review process that includes a full analysis of historical audits, complaints/grievances, claims efficiency measurements, performance indicators and/or metrics pertinent to the service or level of care, use of Magellan required outcomes tools (e.g., CANS, SmartScreener), cooperation with Magellan clinical practices, footprint within the service delivery system, and provider specialties.

Annual adjustments are determined through an analysis of our rates by level of care/service.

- Results of our analysis combined with state and county rate setting processes drive our annual strategy for each county and level of care.
- Should it be determined that a market adjustment is needed for a level of care/service and/or a specific provider organization, rates will be adjusted accordingly.

What we need from you: Providers should send as much supporting documentation as possible to help inform our decision. Lack of information may result in our inability to make a fully informed decision. The email address to use for provider rate requests is: ProviderRateIncreaseRequestsPAHealthChoices@magellanhealth.com

Examples of information that would be helpful for our committee include:

- Outcomes Data / Reports
- Cost Drivers
- Evidenced based practices
- Agency investments in quality / training / technology
- Evidence of collection of Social Determinants of Health
- Prior to requesting a rate increase, ensure that your organization is billing and being reimbursed for the most current rates on your contract fee schedules.

***NOTICE**: If the service or level of care that you are requesting a rate increase for has had an increase in the past year (12 Months) you are **required** to submit the following information. Failure to submit the following information will result in an automatic denial of your request.*

- *Cost Drivers with enough detailed information to support an additional increase.*
- *Sustainability plans*
- *Clinical outcomes*

Timeline: Our committee meets one time per month. Because of the due diligence involved in our review, we will not review any request that is received less than 10 business days prior to our next scheduled meeting. Once our internal committee makes a recommendation, the information that we collected and that was sent from the providers is sent to EACH county for review. Once the county decision is made, the contract is prepared and forwarded to the provider. The effective date of the rate change is based on the signature of the agency on the contract unless otherwise specified.

What does this mean for Magellan providers?

- The priority for rate increase decisions will be focused on implementing annual cost of living increases across full levels of care. These increases will occur, via amendments and/or fee

schedule changes during the fourth quarter of the year with effective date of January 1 of the upcoming year.

- **Provider-specific rate increase requests can be submitted at any time throughout the calendar year.** Providers are encouraged to submit requests early in the year as requests will be used to help inform level of care or services that may require more than a cost-of-living increase.
- Decisions for **strategic** rate increases will generally not be made until near the fourth quarter of the calendar year.
- Provider specific rate increase requests will be considered in the context of county priorities within a service and/or level of care and decisions will be communicated back to the provider upon discussion with the primary contractor(s). Decision to pend for review until fourth quarter or deny will be made within 60 days of the original request that must be submitted via: ProviderRateIncreaseRequestsPAHealthChoices@magellanhealth.com

Please note, while Magellan and our primary contractors in Bucks, Cambria, Lehigh, Montgomery, and Northampton Counties would like to be able to approve provider rate increases regularly or upon request, we must ensure judicious allocation of dollars while considering HealthChoices funding viability in the future.