



August 12, 2009

TO: CONTRACTED AND NON-CONTRACTED MEDICAL SERVICE PROVIDERS

FROM: CALIFORNIA PRISON HEALTH CARE SERVICES MEDICAL CONTRACTS

RE: NOTIFICATION OF AMENDMENT TO PENAL CODE SECTION 5023.5
RELATING TO MEDICAL SERVICES REIMBURSEMENT RATES

The purpose of this letter is to inform you about recent changes to the law that affect contracts for medical services provided to California Department of Corrections and Rehabilitation (CDCR) patient-inmates. Under the new law, the maximum rate the California Prison Health Care Services (CPHCS) can pay for services provided under contract are as follows:

Hospital contracts	130% of Medicare Fee Schedule
Physician services contracts	110% of Medicare Fee Schedule
Ambulance services contracts	120% of Medicare Fee Schedule

You may review the legislation in either PDF or HTML format using the following links:

http://www.leginfo.ca.gov/pub/09-10/bill/sen/sb_0001-0050/sbx4_13_bill_20090728_chaptered.pdf
http://www.leginfo.ca.gov/pub/09-10/bill/sen/sb_0001-0050/sbx4_13_bill_20090728_chaptered.html

This change to the law will help the State contain and reduce the cost of medical care provided to California's patient-inmate population, while continuing to provide appropriate medical care. With this change to the law, CPHCS will be able to ensure that the cost of this medical care is comparable to the cost of care provided to the general public under the Medicare reimbursement system. In addition, this legislation provides the State with the option to contract with medical service providers through a future CPHCS-designated Health Care Network provider.

You may obtain further information on the legislation at the CPHCS internet site at www.cphcs.ca.gov. You are encouraged to visit the site regularly in order to receive the most up-to-date information available.

Additionally, CPHCS will be working with the medical associations to ensure implementation is a collaborative effort for both the medical community and the State.

If you have questions regarding this notification, you may contact the CPHCS Medical Contracts Help Desk at cphcshealthcarecontractshelpdesk@cdcr.ca.gov. To ensure your inquiry is identifiable as related to this legislation, please enter the bill number (SBX4 13) or the code section (Penal Code Section 5023.5) in the subject line.

Thank you.