



May 2025 Equity and Practice Transformation (EPT) Payment Update

Population Health Learning Center

EPT Technical Assistance

1. Why was payment for the November 2024 EPT deliverables delayed?

EPT is a CMS-approved “directed payment program,” which is a special payment approach that allows state Medicaid programs to direct additional payments to participating providers through managed care plans (see 42 CFR 438.6). Because this is a federally regulated process, the California Department of Health Care Services (DHCS) must submit the EPT program to the Centers for Medicare & Medicaid Services (CMS) for review and receive formal approval before payments can be made.

In March 2025, DHCS received updated guidance on the payment methodology used in EPT from the Centers for Medicare and Medicaid. This delayed EPT payments for the 2024 deliverables while DHCS determined a CMS-approvable approach to EPT payments.

2. What is the new EPT payment methodology? What EPT milestones does it apply to?

Under this new approach for the EPT program, total potential practice payments will be based on the number of assigned Medi-Cal members reported by each managed care plan as of November 2024. Members dually enrolled in Medicare and Medi-Cal are excluded, since Medicare is the primary payer.

Total potential practice payments will be calculated by multiplying the number of managed care plan reported assigned Medi-Cal lives as of November 2024 by a per member per year (PMPY) multiplier. This potential practice payment is then divided by the number of milestones (23 or 25) to calculate the per milestone payment amount.

This payment approach will apply to payments for all EPT milestones, including the 2024 milestones. If your practice has been paid for the 2024 milestones, your sponsor MCP will reconcile the difference between the original and new payment amount.

3. What is my new potential practice payment?

DHCS emailed all EPT practices with a notification of their updated practice payment amount, please refer to this email or email DHCS EPT team at EPT@dhcs.ca.gov if your EPT practice has not received this.

Some practices may notice larger differences in payment amounts compared to the potential payments that were previously shared. These differences are primarily due to variation between the Medi-Cal member counts reported by practices and those reported by managed care plans, as well as the required exclusion of dual eligible members. DHCS carefully



reviewed and adjusted the payment methodology where possible to minimize disruption and keep payments as closely aligned as possible with the initial estimates across the EPT cohort.

4. Can my EPT practice appeal our revised potential payment amount?

Practices facing a potential payment reduction of 9% or more may file an appeal with the Learning Center. We are processing the appeals on behalf of DHCS. The goal of the appeals process is to confirm or update the managed care plan reported Medi-Cal assigned lives as of November 2024 to inform the practices' total potential payment calculations. After all appeals are received, DHCS will determine if a change in payment is possible based on the budgetary impact.

The appeals process is as follows:

- The practice completes a survey to let the Learning Center know that they would like to file an appeal. All appeals must be received by **June 11th**. The Learning Center has distributed the survey link to the practices eligible to place an appeal.
- The Learning Center forwards the appeal to the managed care plan(s), who will have two weeks to respond to confirm or update the reported Medi-Cal assigned lives.
- The Learning Center will work with DHCS to determine if a change in payment is possible. The Learning Center will communicate back to the practice when the determination is made.

5. What is the regular timeline for EPT payments? When can I expect to be paid for the May 2025 deliverables?

There is no anticipated impact for the 2025 and 2026 deliverables, which should be paid out according to the EPT payment timeline included below. Payment for EPT deliverables will come from each EPT practice's sponsor managed care plan.

Payment Cycle	Practice Submits Deliverables	Learning Center Completes Review	DHCS operationalizes Payments	MCPs Receive Payments	Estimated MCP Payments to Practices
Fall	May 1	May 31	June - August	September	October
Spring	November 1	November 30	December – February*	March*	April*

* Of the following year.

6. Will the EPT payments change again?

DHCS does not expect that CMS will require additional changes in 2026; however, this program is subject to annual approval by CMS.

7. Who can I speak to about the revised practice payments?



Any questions about payment should be directed to the DHCS EPT team at EPT@dhcs.ca.gov.

8. My practice would like to withdraw from the EPT program. How can we do so?

Practices may withdraw from EPT program at any point. To do so, please complete this short form - <https://form.jotform.com/241997129860065>.