

**PARTNERSHIP HEALTHPLAN OF CALIFORNIA
POLICY/ PROCEDURE**

Policy/Procedure Number: MPPR209		Lead Department: Provider Relations		
Policy/Procedure Title: Provider Network/Subcontractor Contract Terminations and Facility De-certifications and Suspensions		<input checked="" type="checkbox"/> External Policy <input type="checkbox"/> Internal Policy		
Original Date: 09/07/2021		Next Review Date: 09/11/2024 Last Review Date: 09/12/2023		
Applies to:	<input checked="" type="checkbox"/> Medi-Cal	<input type="checkbox"/> Employees		
Reviewing Entities:	<input checked="" type="checkbox"/> IQI	<input type="checkbox"/> P & T	<input type="checkbox"/> QUAC	
	<input type="checkbox"/> OPERATIONS	<input type="checkbox"/> EXECUTIVE	<input type="checkbox"/> COMPLIANCE	<input type="checkbox"/> DEPARTMENT
Approving Entities:	<input type="checkbox"/> BOARD		<input type="checkbox"/> COMPLIANCE	<input type="checkbox"/> FINANCE
	<input checked="" type="checkbox"/> CEO	<input type="checkbox"/> COO	<input type="checkbox"/> CREDENTIALING	<input type="checkbox"/> DEPT. DIRECTOR/OFFICER
Approval Signature: <i>Sonja Bjork, JD, CEO</i>				Approval Date: 09/12/2024

I. RELATED POLICIES:

- A. MCPP2014: Continuity of Care (Medi-Cal)
- B. MP300: Member Notification of Provider Termination or Change in Location

II. IMPACTED DEPTS:

- A. Provider Relations
- B. Member Services
- C. Health Services
- D. Compliance

III. DEFINITIONS:

- A. N/A

IV. ATTACHMENTS:

- A. N/A

V. PURPOSE:

To ensure compliance with Medi-Cal Network Provider and Subcontractor Terminations APL 21-003 and provide guidance for contract terminations deemed significant as well as California Department of Public Health (CDPH) initiated facility de-certifications and suspensions, and monitoring oversight.

VI. POLICY / PROCEDURE:

Partnership Healthplan of California (PHC) must meet the notification and reporting requirements for terminations as outlined in APL 21-003 by determining the overall member impact due to the termination. The California Department of Health Care Services (DHCS) defines significant terminations as:

- Terminations that impact 2,000 or more members from the terminating Network Provider/Subcontractor OR,
- Terminations that result in PHC’s non-compliance with any of the Annual Network Certification (ANC) components regardless of the number of members impacted
- Contract terminations deemed significant by DHCS require additional DHCS reporting requirements.

PHC does not need DHCS approval to voluntarily terminate contracts that meet the criteria. However, DHCS reserves the right to accept or request additional information to be included in the Transition Plan in connection with the contract termination, as well as require to put in place member protections to ensure continued access to care for their members.

All other terminations that fall outside of the criteria above must be reported quarterly through the Network Provider Template through the Quarterly Monitoring process.

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CDPH is responsible for decertifying or suspending licensed Long-Term Care (LTC) facilities. CDPH is responsible for the transition of members residing in the LTC facility in cases of immediate de-certifications; however, PHC must work with the facility to ensure that members continue to receive medically necessary covered services.

- A. Network Provider and Subcontractor Contract Terminations
 1. Whether voluntary or as a result of exclusionary status, PHC is responsible for ensuring that impacted members do not experience disruption in access to care upon Network Provider or Subcontractor contract termination.
 2. Network Provider/Subcontractor Voluntary Contract Terminations
 - a. At least 60-days prior to the effective date of a voluntary contract termination, or immediately upon learning of the termination from the Network Provider/Subcontractor, provide DHCS with written notice of the termination, a Transition Plan, Network Review Documents (access analysis and AAS requests), and a copy of the Member Notice as described in APL 21-003.
 - b. Provide notice to all impacted members as described in the “Member Notice” section of APL 21-003.
 - c. Notify all affected directly contracted providers of the contract termination, as applicable; and
 - d. Coordinate care for impacted members as required by federal and state law, and PHC’s contract with DHCS.
 3. Contract Terminations Resulting from Exclusion from Medi-Cal Participation
 - a. PHC shall review state and federal exclusionary databases, no less frequently than monthly, to determine network provider status. PHC shall take appropriate action if a network provider is determined to be excluded.
 - b. Immediately, or within 10 calendar days of learning of a Network Provider/Subcontractor’s exclusionary status, provide DHCS with written notice of the termination, submit a Transition Plan, and Network Review Documents as described in APL 21-003.
 - c. Immediately, or within 10 calendar days of learning of a Network Provider/Subcontractor’s exclusionary status, suspend payment to the excluded Network Provider/Subcontractor for all Medi-Cal services provided after the effective date of the exclusion
 - d. Immediately, or within 10 calendar days of learning of a Network Provider/Subcontractor’s exclusionary status, notify all affected directly contracted providers, as applicable.
 - e. Provide notice to all impacted members as described in the “Member Notice” section of APL 21-003.
 - f. Coordinate care for impacted members as required by federal and state law, and PHC’s contract with DHCS.
 - g. Report to DHCS program integrity information related to fraud, waste and abuse allegations, including any contract terminations, as described in the “Monitoring, Oversight, and Reporting” section of APL 21-003, PHC contract with DHCS, and as further required by DHCS.
 4. Member Notices
 - a. Regardless of the number of members impacted, PHC is required to provide written notice to all impacted members informing them of the contract termination either 30 calendar days prior to the effective date of the contract termination or 15 calendar days after receipt or issuance of the termination notice, whichever is later, unless directed by DHCS.
 - b. If PHC is notified of a contract termination less than 30 days prior to the effective date of the termination, PHC must immediately notify all impacted members of the termination.
 - c. If a contract is successfully renegotiated with a Network Provider/Subcontractor before the effective date of the contract termination, and member notices were already mailed out, PHC must mail another notice to inform members that the contract is not being terminated.
 - d. PHC may use a DHCS-approved member notice template regardless of the number of members impacted by the termination or renegotiated contract.

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- e. Adjustments to previously approved member notice templates must be submitted to DHCS for approval prior to sending the notice to members. If PHC does not have prior DHCS approval on a member notice template, PHC must submit the notice for DHCS review and approval no later than 60 days prior to the effective date of the termination or contract renegotiation.
 5. Transition Plan
 - a. PHC must submit to DHCS a Transition Plan addressing how it intends to continue to provide covered services to impacted members. Required components are outlined in APL 21-0003
 - b. In the event of continued contract negotiations, PHC must submit an updated Transition Plan each time PHC notifies DHCS of the contract extension.
 - c. PHC may also choose to submit a narrative in lieu of an updated Transition Plan to provide an update of the negotiation.
 6. Monitoring, Oversight, and Reporting
 - a. PHC must submit a Quarterly Network Provider Report to DHCS that details all provider contract terminations and contract additions.
 - 1) PHC must determine if the addition or deletion of a provider contract creates a change in the time or distance access to members and include a request to adjust the approved AAS to reflect the change.
 - b. PHC may be required to provide updates and reports on contract termination statuses as frequently as needed, including but not limited to information on continuity of care (COG) and out-of-network access when terminations occur.
 - 1) This additional reporting does not relieve PHC of its obligations to comply with all reporting requirements set forth in the MCP contract, including the Quarterly Network Report.
- B. California Department of Public Health Initiated Facility De-certifications and Suspensions**
- While DHCS does not approve or deny PHC's contract termination with an LTC facility, PHC must seek and receive DHCS approval for member notifications for impacted members resulting from a facility de-certification.
- Upon discovery of an LTC facility decertification or suspension, PHC must terminate its contract with the facility, and take the following steps outlined below:
1. Immediately notify DHCS of the contract termination with the LTC facility due to decertification or suspension.
 2. Within five business days of receiving a final notification of an LTC facility decertification, submit a Transition Plan and Network Review Documents as described in APL 21-003. Components of the transition plan to include at a minimum:
 - a. A timeline for prompt transition of impacted members no sooner than 30 days after notification of the decertification, unless the member wishes to move sooner.
 - b. A timeline for the MCP case manager to contact and speak with all impacted members.
 - c. A process to consult with the LTC Ombudsman and other related entities, as appropriate.
 - d. A process to work with impacted members, guardians, conservators, or personal representatives, as applicable, regarding the transition and the member's options or choices.
 - e. A process for the review of all impacted members' medical records, including a process for communication with members' providers as appropriate.
 - f. A plan of action to ensure that members' personal belongings are transitioned to the members' new providers in a timely manner.
 3. Immediately suspend payment to the decertified or suspended LTC facility for all Medi-Cal services provided after the effective date of the exclusion.
 4. Immediately notify all affected directly contracted providers of the decertified or suspended LTC facility.

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5. Provide notice to all impacted members using the template provided as Attachment B in APL 21-003 unless otherwise approved by DHCS. PHC must provide notice to members within five days of receiving notification of the closure or effective date of the termination and at a minimum must include the following information:
 - a. The effective date of the contract termination;
 - b. The name of the LTC facility;
 - c. The reason for the decertification;
 - d. A description of how the decertification will impact the member's access to covered services;
 - e. All language required by Health & Safety Code (HSC);
 - f. Language providing the member with the MCP's Member Services telephone number and the toll-free telephone number of DHCS' Office of the Ombudsman for questions or concerns;
 - g. A description of how the MCP will maintain the ability to provide covered services to impacted members; and
 - h. The date the member notice will be mailed.
6. Coordinate care for impacted members as required by federal and state law, and PHC's contract with DHCS. PHC is responsible for tracking the transition of impacted members and coordinating care as needed.
7. If the facility is residential and remains open, members must have at least 30 days post-notice to transition to a new facility, with the following exceptions:
 - a. The safety of a member in a facility (e.g., skilled nursing facility or SNF) is endangered;
 - b. The health of a member in a facility is endangered;
 - c. A member's health improves sufficiently so that the member no longer requires the services provided by the facility;
 - d. A member's urgent medical needs require an immediate transfer or discharge;
 - e. A member has not resided in a facility for 30 days or more;
 - f. A member, their guardian, conservator, or personal representative has requested a transition to another facility; or
 - g. A facility closes or is no longer operational.
8. Members may choose to not transition to a new facility; however, they may be responsible for the costs of the services provided by the terminated or decertified facility, and must be informed of this if they choose not to transition.
9. In the case of an immediate closure of a provider by CDPH, CDPH is responsible for the transition of all affected members residing in the facility. PHC is responsible for tracking the transition of impacted members and coordination care as needed.
10. Continuity of Care (COC)
 - a. PHC is responsible for authorizing COC to network providers/subcontractors whose contracts have been terminated.
 - b. PHC is exempt from authorizing COC if the provider was terminated for exclusionary reasons related to a medical disciplinary action, fraud, abuse, or other conduct that prohibits the provider from participation in the Medi-Cal program.
11. Out-of-Network Access
 - a. PHC is responsible for ensuring the safe transition of members to new network providers/subcontractors when a contract termination occurs.
 - b. When a network provider agreement or subcontractor agreement is terminated effective immediately and there are no in-network providers available for the members to be re-assigned, PHC must allow Out-Of-Network access and/or make PHC's entire network available to impacted members to ensure the members do not experience a disruption in care.
12. Payments and Rates

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- a. If PHC pays a suspended or decertified provider for services provide after the provider exclusion date, it will not include those payments in PHC’s rate development template.
- b. PHC may include contract provisions stating that services provided to Medi-Cal members after the provider has been decertified, suspended, or excluded from the Medi-Cal program are not eligible to receive state or federal reimbursement and may not be collected from the member.
- c. Network providers/subcontractors placed on payment suspension are eligible to remain contracted with PHC; however, PHC will not reimburse the provider for services provided to members until the payment suspension has been lifted and the provider is not seeking payments from members.

VII. REFERENCES:

- A. Medi-Cal Provider Manual
- B. [DHCS All Plan Letter \(APL\) 21-003 Medi-Cal Network Provider and Subcontractor Terminations \(03/03/2021\)](#)

VIII. DISTRIBUTION:

PHC Provider Manual

IX. POSITION RESPONSIBLE FOR IMPLEMENTING PROCEDURE:

Senior Director, Provider Relations; Director of Provider Contracts

X. REVISION DATES:

09/13/2022, 09/12/2023

PREVIOUSLY APPLIED TO:

N/A