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State of California—Health and Human Services Agency  
Department of Health Care Services



EDMUND G. BROWN JR.  
GOVERNOR

**DATE:** October 27, 2017

ALL PLAN LETTER 17-017  
SUPERSEDES ALL PLAN LETTER 03-003

**TO:** ALL MEDI-CAL MANAGED CARE HEALTH PLANS

**SUBJECT:** LONG TERM CARE COORDINATION AND DISENROLLMENT

**PURPOSE:**

The purpose of this All Plan Letter (APL) is to clarify the requirement that all Medi-Cal managed care health plans (MCPs) coordinate the care and placement of beneficiaries requiring long term care (LTC) and to clarify the requirement that MCPs initiate disenrollment for beneficiaries requiring LTC when the provision of LTC is no longer a contractual obligation for the MCP. MCPs operating in County Organized Health System (COHS) counties or as part of the Coordinated Care Initiative (CCI) are exempt from the disenrollment process for beneficiaries ages 21 years and over because LTC is a contractual obligation for MCPs operating within those counties regardless of the length of stay in a facility. This APL supersedes APL 03-003.

**BACKGROUND:**

An LTC facility provides rehabilitative, restorative, and/or ongoing skilled nursing care to patients or residents in need of assistance with activities of daily living. Long-term care facilities include skilled nursing facilities, subacute facilities, pediatric subacute facilities, and intermediate care facilities.

MCPs operating in non-COHS counties are contractually responsible for medically necessary LTC services provided from the time of admission into an LTC facility and up to one month after the month of admission for LTC.<sup>1</sup> MCPs operating in COHS counties or as part of CCI are contractually responsible for all medically necessary LTC services regardless of the length of stay in a facility. Hospice care is not LTC, regardless of the length of stay in a facility.

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<sup>1</sup> Boilerplate contracts are available at:  
<http://www.dhcs.ca.gov/provgovpart/Pages/MMCDBoilerplateContracts.aspx>

### **CARE COORDINATION:**

All MCPs are required to coordinate the care and ensure beneficiaries in need of LTC are placed in a health care facility that provides the level of care most appropriate to their medical needs. These health care facilities include, but are not limited to, skilled nursing facilities, subacute facilities, pediatric subacute facilities, and intermediate care facilities. The determination of the appropriate level of care must be based on the definitions set forth in Title 22, California Code of Regulations (CCR) Sections 51118, 51120, 51120.5, 51121, 51124, 51124.5, and 51124.6 and the criteria for admission set forth in Title 22 CCR Sections 51335, 51335.5, 51335.6, and 51334 and related sections of the Manual of Criteria for Medi-Cal Authorization referenced in Title 22 CCR Section 51003(e).

### **DISENROLLMENT:**

MCPs operating in non-COHS counties are required to submit a disenrollment request to DHCS for beneficiaries who require LTC in a facility for longer than the month of admission plus one month. MCPs are required to provide all medically necessary covered services to the beneficiary until the disenrollment is approved by DHCS. If submitted in the required timeframe, an approved disenrollment request will become effective the first day of the second month following the month of the beneficiary's admission to the facility. Disenrollment will occur if the MCP submitted the disenrollment request at least 30 calendar days prior to that date. If the MCP submitted the disenrollment request less than 30 calendar days prior to that date, disenrollment will be effective the first day of the month that begins at least 30 calendar days after submission of the disenrollment request.

Upon the effective date of disenrollment, the MCP is required to coordinate the beneficiary's transfer to the Medi-Cal Fee-For-Service (FFS) program, including notifying the beneficiary and his or her family or guardian of the disenrollment; assuring the appropriate transfer of medical records from the MCP to the Medi-Cal FFS provider; assuring that continuity of care is not interrupted; and completion of all administrative work necessary to assure a smooth transfer of responsibility for the health care of the beneficiary.

### **POLICY:**

All MCPs are required to provide coordination of care to beneficiaries who meet medical necessity criteria for LTC, including coordinating placement in an LTC facility that provides the level of care most appropriate to the beneficiary's medical needs for LTC. Coordinating placement in an LTC facility includes coordinating the transfer of the

beneficiary to the LTC facility; notifying the beneficiary and his or her family or guardian of the transfer to the LTC facility; assuring the appropriate transfer of medical records to the LTC facility; assuring that continuity of care is not interrupted; and continued provision of all medical necessary covered services to the beneficiary while the beneficiary is enrolled in the MCP. The responsibility to coordinate the placement of a beneficiary in an LTC facility is not contingent on the beneficiary's expected length of stay at the LTC facility.

MCPs operating in COHS counties or as part of the CCI are exempt from the disenrollment process for beneficiaries ages 21 years and over because LTC is a contractual requirement within those counties regardless of the length of stay in a facility. MCPs operating in non-COHS counties must submit a disenrollment request to DHCS for approval for beneficiaries who require LTC in the LTC facility for longer than the month of admission plus one month. The disenrollment request does not relieve the MCP of responsibility to coordinate care, including coordinating placement in the LTC facility.

The disenrollment request cannot be submitted prior to the beneficiary's placement in the LTC facility. The MCP should notify the LTC facility that the disenrollment request has been submitted to DHCS. MCPs are required to provide all medically necessary covered services to the beneficiary until the disenrollment is effective.

Persons who become eligible for Medi-Cal at the time they are in an LTC facility are not eligible to enroll in a MCP. However, there will be cases where a beneficiary in an LTC facility is erroneously enrolled in a MCP. In these instances, the MCP shall notify their respective contract manager to request immediate disenrollment retroactive to the date of enrollment. Should the plan not discover this enrollment until several months have elapsed and have provided services beyond the LTC, they may either:

1. Notify their contract manager and request retroactive disenrollment to the date of enrollment and advise providers to bill FFS and reimburse the MCP for any claims previously paid.
2. Accept responsibility for all contracted services for the first two months and request disenrollment to occur in the third month.

MCPs are responsible for ensuring that their delegates comply with all applicable state and federal laws and regulations, contract requirements, and other DHCS guidance, including APLs and Dual Plan Letters. These requirements must be communicated by each MCP to all delegated entities and subcontractors.

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If you have any questions regarding this APL, please contact your Managed Care Operations Division contract manager.

Sincerely,

Original signed by Nathan Nau

Nathan Nau, Chief  
Managed Care Quality and Monitoring Division  
Department of Health Care Services