



JENNIFER KENT  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

November 12, 2015

Molina Healthcare of California Partner Plan Inc.  
Mr. Richard Chambers  
200 Oceangate, Suite 100  
Long Beach, CA 90802

NOTICE OF IMPOSITION OF SANCTIONS

Dear Mr. Chambers:

The Department of Health Care Services (DHCS) is writing to inform Molina Healthcare of California (Molina), a Medi-Cal managed care health plan (MCP), of the imposition of sanctions for not meeting requirements set forth in Welfare and Institutions (W&I) Code § 14199.1(c)(1).

W&I §14199.1(c)(1) requires Molina to assign at least 75 percent of default members to primary care providers (PCPs) within the county public health system until the county health system meets its enrollment target. Molina is required to comply with this assignment requirement.

DHCS has determined that Molina failed to assign at least 75 percent of New Adult Expansion Default Members in San Bernardino County (in the M1 and 7U eligibility aid codes) to PCPs within the county public hospital health system during the January to June 2015 time period.

When a MCP fails to comply with the assignment requirements, W&I Code §14199.1(f)(2) mandates DHCS to reduce by 25 percent the default assignment into the MCP with respect to all Medi-Cal beneficiaries. Therefore, Molina's auto-assignment rate for San Bernardino County will be reduced by 25 percent for the January to June 2016 time period.

W&I Code §14304(b) provides DHCS with the authority to impose administrative and financial sanctions on MCPs that violate applicable California Medi-Cal and federal laws.

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W&I Code §14304(e) affords Molina the right to request a hearing in connection with any sanctions applied pursuant under §14304(b) within 15 working days after receipt of this notice. Any such hearing request shall be conducted in accordance with Health & Safety code §100171 and shall be limited solely to the issue of whether Molina contests DHCS' finding that it failed to comply with the 75 percent threshold for default enrollment as required by W&I Code §14119.1(c)(1).

If Molina requests a hearing, please send the hearing requests within 15 working days after receipt of this letter to:

The Honorable Sharon Stevenson  
Chief Administrative Law Judge  
Office of Administrative Hearings and Appeals  
Department of Health Care Services  
1029 J Street, Suite 200  
Sacramento CA 95814

A copy of the hearing request shall also be sent to:

Nathan Nau, Chief  
Managed Care Quality and Monitoring Division  
Department of Health Care Services  
P.O. Box 997413, MS 4411  
Sacramento CA 95899-7413

Kara Read-Spangler  
Acting Deputy Director and Chief Counsel  
Department of Health Care Services  
Office of Legal Services  
P.O. Box 997413, MS 0010  
Sacramento CA 95899-7413

Should you have any questions, please contact Nathan Nau at (916) 552-9373.

Sincerely,

*Original signed by Jennifer Kent*

Jennifer Kent  
Director

cc: See next page

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cc: Mari Cantwell  
Chief Deputy Director of Health Care Programs  
Department of Health Care Services  
1501 Capitol Avenue, MS 0000  
Sacramento, CA 95814

Sarah Brooks  
Deputy Director of Health Care Delivery Systems  
Department of Health Care Services  
1501 Capitol Avenue, MS 4050  
Sacramento, CA 95814

Lindy Harrington  
Deputy Director of Health Care Financing  
Department of Health Care Services  
1501 Capitol Avenue, MS 4050  
Sacramento, CA 95814

Hannah Katch  
Assistant Deputy Director of Health Care Delivery Systems  
Department of Health Care Services  
1501 Capitol Avenue, MS 4050  
Sacramento, CA 95814

Nathan Nau  
Chief of Managed Care Quality and Monitoring Division  
Department of Health Care Services  
1501 Capitol Avenue, MS 4400  
Sacramento, CA 95814

Javier Portela  
Chief of Managed Care Operations Division  
Department of Health Care Services  
1501 Capitol Avenue, MS 4409  
Sacramento, CA 95814

John Mendoza  
Chief of Safety Net Financing Division  
Department of Health Care Services  
1501 Capitol Avenue, MS 4504  
Sacramento, CA 95814

Continued cc's on next page

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cc: Aaron Toyama  
Section Chief of Managed Care Quality and Monitoring Division  
Department of Health Care Services  
1501 Capitol Avenue, MS 4400  
Sacramento, CA 95814

Michel Huizar, Contract Manager  
Contract Manager of Managed Care Operations Division  
Department of Health Care Services  
1501 Capitol Avenue, MS 4409  
Sacramento, CA 95814