



JENNIFER KENT
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

June 9, 2016

Molina Healthcare of California Partner Plan Inc.
Attn: Richard Chambers
200 Oceangate, Ste 100
Long Beach, CA 90802

Dear Mr. Chambers:

NOTICE OF IMPOSITION OF SANCTIONS

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 July to December 2015 time period.

When an 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 July to December 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.

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

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DHCS' finding that it failed to comply with the 75 percent threshold for default enrollment as required by W&I Code §14199.1(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: Next page

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

Sarah Brooks
Deputy Director 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

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

Ryan Witz
Assistant Deputy Director of Health Care Financing
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

Continued cc's on next page

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cc: 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

Aaron Toyama
Acting Chief of Program Monitoring and Compliance Branch
Department of Health Care Services
Managed Care Quality and Monitoring Division
1501 Capitol Avenue, MS 4400
Sacramento, CA 95814

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