



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



EDMUND G. BROWN JR.
GOVERNOR

DATE: April 24, 2018

MHSUDS INFORMATION NOTICE NO.: 18-019

TO: COUNTY BEHAVIORAL HEALTH DIRECTORS
COUNTY DRUG & ALCOHOL ADMINISTRATORS
COUNTY BEHAVIORAL HEALTH DIRECTORS ASSOCIATION OF CALIFORNIA
CALIFORNIA COUNCIL OF COMMUNITY BEHAVIORAL HEALTH AGENCIES
COALITION OF ALCOHOL AND DRUG ASSOCIATIONS
CALIFORNIA ASSOCIATION OF ALCOHOL & DRUG PROGRAM EXECUTIVES, INC.
CALIFORNIA ALLIANCE OF CHILD AND FAMILY SERVICES
CALIFORNIA OPIOID MAINTENANCE PROVIDERS

SUBJECT: PROVIDER CREDENTIALING AND RE-CREDENTIALING FOR MENTAL HEALTH PLANS (MHPs) AND DRUG MEDI-CAL ORGANIZED DELIVERY SYSTEM (DMC-ODS) PILOT COUNTIES

PURPOSE

The purpose of this Mental Health and Substance Use Disorders Services Information Notice (IN) is to inform county Mental Health Plans (MHPs) and Drug Medi-Cal Organized Delivery Systems (DMC-ODS) pilot counties, herein referred to as Plans unless otherwise specified, of the Department of Health Care Services' (DHCS) statewide uniform provider credentialing and re-credentialing requirements, established pursuant to Title 42 of the Code of Federal Regulations, Part 438.214.

BACKGROUND

On May 6, 2016, the Centers for Medicare and Medicaid Services (CMS) published the Medicaid and Children's Health Insurance Program Managed Care Final Rule (Managed Care Final Rule), which aimed to align Medicaid managed care regulations with requirements of other major sources of coverage. County MHPs and DMC-ODS pilot counties are considered Prepaid Inpatient Health Plans, and must therefore comply with federal managed care requirements (with some exceptions).

This IN also includes policy changes DHCS has made for compliance with the Parity in Mental Health and Substance Use Disorder Services Final Rule (Parity Rule).

On March 30, 2016, CMS issued the Parity Rule in the Federal Register (81.Fed.Reg. 18390) to strengthen access to mental health and substance use disorder services for Medicaid beneficiaries. The Parity Rule aligned certain protections required of commercial health plans under the Mental Health Parity and Addiction Equity Act of 2008 to the Medicaid program.

The Managed Care Final Rule¹ requires the State to establish a uniform credentialing and re-credentialing policy that addresses behavioral health and substance use disorder services providers.

The credentialing process is one component of the comprehensive quality improvement system included in all Plan contracts. The credentialing process may include registration, certification, licensure, and/or professional association membership. Credentialing ensures that providers are licensed, registered, waived, and/or certified as required by state and federal law.

REQUIREMENTS

Plans must ensure that each of its network providers is qualified in accordance with current legal, professional, and technical standards, and is appropriately licensed, registered, waived, and/or certified.² These providers must be in good standing with the Medicaid/Medi-Cal programs. Any provider excluded from participation in Federal health care programs, including Medicare or Medicaid/Medi-Cal, may not participate in any Plan's provider network. For the purposes of this IN, network providers include county-owned and operated providers (i.e., MHP employees) and contracted organizational providers, provider groups, and individual practitioners.

The uniform credentialing and re-credentialing requirements in this IN apply to all licensed, waived, or registered mental health providers and licensed substance use disorder services providers³ employed by or contracting with the Plan to deliver Medi-Cal covered services. Effective immediately, Plans must implement and maintain written policies and procedures for the initial credentialing and re-credentialing of their providers in accordance with the policy outlined in this IN.

¹ 42 C.F.R. §438.214

² State Plan, Section 3, Supplement 3 to Attachment 3.1-A,

³ Applicable provider types include licensed, registered, or waived mental health providers, licensed practitioners of healing arts, and registered or certified Alcohol or Other Drug counselors.

CREDENTIALING POLICY

For all licensed, waived, registered and/or certified providers⁴, the Plan must verify and document the following items through a primary source,⁵ as applicable. The listed requirements are not applicable to all provider types. When applicable to the provider type, the information must be verified by the Plan unless the Plan can demonstrate the required information has been previously verified by the applicable licensing, certification and/or registration board.

1. The appropriate license and/or board certification or registration, as required for the particular provider type;
2. Evidence of graduation or completion of any required education, as required for the particular provider type;
3. Proof of completion of any relevant medical residency and/or specialty training, as required for the particular provider type; and
4. Satisfaction of any applicable continuing education requirements, as required for the particular provider type.

In addition, Plans must verify and document the following information from each network provider, as applicable, but need not verify this information through a primary source:

1. Work history;
2. Hospital and clinic privileges in good standing;
3. History of any suspension or curtailment of hospital and clinic privileges;
4. Current Drug Enforcement Administration identification number;
5. National Provider Identifier number;
6. Current malpractice insurance in an adequate amount, as required for the particular provider type;
7. History of liability claims against the provider;
8. Provider information, if any, entered in the National Practitioner Data Bank, when applicable. See <https://www.npdb.hrsa.gov/>;
9. History of sanctions from participating in Medicare and/or Medicaid/Medi-Cal: providers terminated from either Medicare or Medi-Cal, or on the Suspended and Ineligible Provider List, may not participate in the Plan's provider network. This list is available at: <http://files.medi-cal.ca.gov/pubsdoco/SandILanding.asp>; and
10. History of sanctions or limitations on the provider's license issued by any state's agencies or licensing boards.

⁴ For SUD, providers delivering covered services are defined in Title 22 of the California Code of Regulations, Section 51051.

⁵ "Primary source" refers to an entity, such as a state licensing agency, with legal responsibility for originating a document and ensuring the accuracy of the document's information.

Attestation

For all network providers who deliver covered services, each provider's application to contract with the Plan must include a signed and dated statement attesting to the following:

1. Any limitations or inabilities that affect the provider's ability to perform any of the position's essential functions, with or without accommodation⁶;
2. A history of loss of license or felony conviction;⁷
3. A history of loss or limitation of privileges or disciplinary activity;
4. A lack of present illegal drug use; and
5. The application's accuracy and completeness.

Provider Re-credentialing

DHCS requires each Plan to verify and document at a minimum every three years that each network provider that delivers covered services continues to possess valid credentials, including verification of each of the credentialing requirements listed above. The Plan must require each provider to submit any updated information needed to complete the re-credentialing process, as well as a new signed attestation. In addition to the initial credentialing requirements, re-credentialing should include documentation that the Plan has considered information from other sources pertinent to the credentialing process, such as quality improvement activities, beneficiary grievances, and medical record reviews.

Provider Credentialing and Re-credentialing Procedures

A Plan may delegate its authority to perform credentialing reviews to a professional credentialing verification organization; nonetheless, the Plan remains contractually responsible for the completeness and accuracy of these activities. If the Plan delegates credential verification activities to a subcontractor, it shall establish a formal and detailed agreement with the entity performing those activities. To ensure accountability for these activities, the Plan must establish a system that:

- Evaluates the subcontractor's ability to perform these activities and includes an initial review to assure that the subcontractor has the administrative capacity, task experience, and budgetary resources to fulfill its responsibilities;
- Ensures that the subcontractor meets the Plan's and DHCS' standards; and

⁶ These attestation requirements comply with requirements of the Americans with Disabilities Act, 42 U.S.C. §§ 12101 *et seq.*

⁷ A felony conviction does not automatically exclude a provider from participation in the Plan's network. However, in accordance with 42 C.F.R. §§ 438.214(d), 438.610(a) and (b), and 438.808(b), Plans may not employ or contract with individuals excluded from participation in Federal health care programs under either Section 1128 or Section 1128A of the Social Security Act.

- Continuously monitors, evaluates, and approves the delegated functions.

Plans are responsible for ensuring that their delegates comply with all applicable state and federal law and regulations and other contract requirements as well as DHCS guidance, including applicable INs.

Each Plan must maintain a system for reporting serious quality deficiencies that result in suspension or termination of a provider to DHCS, and other authorities as appropriate. Each Plan must maintain policies and procedures for disciplinary actions, including reducing, suspending, or terminating a provider's privileges. Plans must implement and maintain a process by which providers may appeal credentialing decisions, including decisions to deny a provider's credentialing application, or suspend or terminate a provider's previously approved credentialing approval.

If you have any questions regarding this IN, please contact the Mental Health Services Division at (916) 322-7445 or MHSDFinalRule@dhcs.ca.gov or the Substance Use Disorder Program, Policy and Fiscal Division at (916) 327-8608 or DMCODSWaiver@dhcs.ca.gov.

Sincerely,

Original signed by

Brenda Grealish, Acting Deputy Director
Mental Health & Substance Use Disorder Services