



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



BRADLEY P. GILBERT, MD, MPP
DIRECTOR

GAVIN NEWSOM
GOVERNOR

DATE: March 27, 2020

ALL PLAN LETTER 20-004

TO: ALL MEDI-CAL MANAGED CARE HEALTH PLANS

SUBJECT: EMERGENCY GUIDANCE FOR MEDI-CAL MANAGED CARE
MANAGED CARE HEALTH PLANS IN RESPONSE TO COVID-19

PURPOSE:

The purpose of this All Plan Letter (APL) is to provide information to Medi-Cal managed care health plans (MCPs) on temporary changes to federal requirements as a result of the ongoing global pandemic. As the Department of Health Care Services (DHCS) continues to respond to concerns and changing circumstances resulting from the Novel Coronavirus Disease (COVID-19), DHCS will provide updated guidance to MCPs.

BACKGROUND:

In light of both the federal Health and Human Services (HHS) Secretary's January 31, 2020, public health emergency declaration, as well as the President's March 13, 2020, national emergency declaration, DHCS began exploring options to temporarily waive and/or modify certain Medicaid and Children's Health Insurance Program (CHIP) requirements. On March 16, 2020, and March 19, 2020, DHCS submitted requests to waive or modify a number of federal requirements under Section 1135 of the Social Security Act (Title 42 United States Code section 1320b-5) to the Centers for Medicare and Medicaid Services (CMS). DHCS' 1135 waiver submissions requested various flexibilities related to COVID-19. On March 23, 2020, CMS issued its approval letter to DHCS authorizing specific Section 1135 flexibilities.¹

To streamline the section 1135 waiver request and approval process, CMS issued a number of blanket waivers for many Medicare provisions that do not require individualized approval. While not all of these waivers apply to Medicaid, these include guidance for blanket waivers on these topics:²

- Skilled Nursing Facilities
- Critical Access Hospitals
- Housing Acute Care Patients in Excluded Distinct Part Units

¹ The Section 1135 Waiver Requests and CMS approval letter can be found on the DHCS COVID-19 Response webpage at the following link:

<https://www.dhcs.ca.gov/Pages/DHCS-COVID%E2%80%91Response.aspx>

² The current CMS blanket waiver can be found at: <https://www.cms.gov/files/document/covid19-emergency-declaration-health-care-providers-fact-sheet.pdf>

- Durable Medical Equipment
- Care for Excluded Inpatient Psychiatric Unit Patients in the Acute Care Unit of a Hospital
- Care for Excluded Inpatient Rehabilitation Unit Patients in the Acute Care Unit of a Hospital
- Supporting Care for Patients in Long-term Care Acute Hospitals
- Home Health Agencies
- Provider Locations
- Provider Enrollment
- Medicare appeals in Fee for Service, MA and Part D.

DHCS anticipates further CMS responses for 1135 waiver requests not reflected in the March 23rd approval letter.

POLICY:

CMS's March 23, 2020 response to DHCS's March 16 and 19, 2020 flexibility requests are applicable, in part, to the Medi-Cal managed care delivery system, including the following:

State Fair Hearings

DHCS has received CMS approval to extend the timeframe for members to request a state fair hearing. For details, refer to the March 23rd CMS approval letter and the Supplement to APL 17-006, titled "Emergency State Fair Hearing Timeframe Change – Managed Care".³

Provider Enrollment/Screening

In the March 23, 2020 response, CMS approved certain temporary flexibilities for provider screening and enrollment. DHCS has issued guidance regarding these flexibilities for provider enrollment that applies to both Medi-Cal Fee-for Service (FFS) and managed care provider screening and enrollment. This guidance is listed as "Guidance for Emergency Medi-Cal Provider Enrollment" under the 1135 Waiver Guidance heading on the DHCS COVID-19 Response webpage⁴ and allows for an emergency provider enrollment process. MCPs that conduct provider enrollment through their own process must implement a similar process to that contained in this guidance.

³ APLs, along with any Supplements, can be found at

<https://www.dhcs.ca.gov/formsandpubs/Pages/AllPlanLetters.aspx>

⁴ See Requirements and Procedures for Emergency Medi-Cal Provider Enrollment at:

<https://www.dhcs.ca.gov/Documents/COVID-19/PED-Emergency-Waiver-Bulletin.pdf>

MCPs that rely on DHCS' Provider Enrollment Division (PED) must direct potential new providers to the process outlined in the DHCS guidance referenced above. Immediately upon successful completion of the emergency enrollment application process through PED, providers will receive an approval email message, and an approval letter in DHCS' Provider Application and Validation for Enrollment (PAVE) portal, stating that they have been granted enrollment for 60 days, with the possibility of extension in 60-day increments. MCPs must require these providers to submit a copy of their approval letter as proof of the approved temporary enrollment.

Prior Authorization

While the March 23rd Section 1135 Waiver approvals relating to prior authorization focus on Medi-Cal FFS, CMS, in its Frequently Asked Questions published March 12, 2020, acknowledged that States may modify prior authorization requirements for MCPs. For details, refer to the DHCS prior authorization guidance on the DHCS COVID-19 Response webpage at <https://www.dhcs.ca.gov/Pages/DHCS-COVID%E2%80%99119-Response.aspx>

Reimbursement for COVID-19 Testing

DHCS reimburses FFS providers of COVID-19 testing at \$35.91 for Healthcare Common Procedure Coding System (HCPCS) code U0001 (the CDC test) and \$51.31 for U0002 (the non-CDC test), which is the same as the Medicare fee schedule. MCPs are encouraged to reimburse providers of COVID-19 testing at these FFS rates unless otherwise agreed to between the MCP and the provider.

Provision of Care in Alternative Settings, Hospital Capacity, and Blanket Section 1135 Waiver Flexibilities

Based on the March 23, 2020 approval and CMS blanket waiver guidance, DHCS has issued guidance relative to the provision of care in alternative settings, hospital capacity, and blanket waiver flexibility, which will remain in effect through the end of the COVID-19 public health emergency. This guidance is applicable to MCPs, and is available on the DHCS COVID-19 Response webpage at <https://www.dhcs.ca.gov/Documents/COVID-19/Section1135-Waiver-Flexibilities-Alternative-Settings-Hospital-Blanket.pdf>.

MCPs are responsible for ensuring that their subcontractors and network providers comply with all applicable state and federal laws and regulations, contract requirements, and other DHCS guidance, including APLs and Policy Letters. MCPs must promptly communicate the substance of this APL to their subcontractors and network providers.

ALL PLAN LETTER 20-004
Page 4

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