



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



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DIRECTOR

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GOVERNOR

**DATE:** APRIL 24, 2020

ALL PLAN LETTER 20-011

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

**SUBJECT:** GOVERNOR'S EXECUTIVE ORDER N-55-20 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 requirements in state law as a result of the ongoing global *Novel Coronavirus Disease (COVID-19)* pandemic. As the Department of Health Care Services (DHCS) continues to respond to concerns and changing circumstances resulting from the pandemic, DHCS will provide updated guidance to MCPs.

**BACKGROUND:**

The Governor of the State of California, in accordance with the authority contained in the State Constitution and statutes of the State of California, and in particular, Government Code section 8567 and 8571, issued Executive Order N-55-20 on April 22, 2020.<sup>1</sup> This Executive Order provides for various flexibilities in relation to state statutes and regulations, thereby allowing DHCS to take appropriate actions to mitigate the effects of the COVID-19 pandemic.

**POLICY:**

MCP Site Reviews and Subcontractor Monitoring

DHCS is permitting MCPs to temporarily suspend the contractual requirement for in-person site reviews, medical audits of MCP subcontractors and network providers, and similar monitoring activities that would require in-person reviews.

DHCS encourages MCPs to explore alternatives to in-person site reviews, such as site reviews that are conducted virtually. However, DHCS may require MCPs to complete follow-up onsite site reviews as allowable under future guidance. MCPs are also encouraged to explore virtual alternatives to onsite verifications for provider Corrective Action Plans (CAPs). If alternatives to onsite verification are not feasible, MCPs may consider extensions on outstanding CAPs.

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<sup>1</sup> Executive Order N-55-20 can be found at the following link: <https://www.gov.ca.gov/wp-content/uploads/2020/04/EO-N-55-20.pdf>.

### Annual Medical Audits

DHCS' Audits and Investigations' annual medical audit is being suspended due to COVID-19; however, this does not preclude MCPs from complying with all currently imposed CAP requirements. MCPs must continue to meet CAP milestones as outlined in the CAP process. If MCPs need additional flexibility on submission deadlines, DHCS will review requests on a case-by-case basis and adjust timeframes accordingly.

### Health Risk Assessments

Pursuant to the Executive Order, DHCS is extending the timeframes specified in Welfare and Institutions Code (WIC) section 14182(c)(12)(A) and APL 17-013 for completing Health Risk Assessment (HRA) surveys for newly enrolled Seniors and Persons with Disabilities (SPDs) in an effort to ensure staff time and resources are directed to urgent care needs.<sup>2, 3</sup> For the duration of the public health emergency, MCPs must conduct an HRA survey to comprehensively assess each newly enrolled SPD member's current health risk as follows:

- Within 135 days of enrollment, for those identified as higher risk through the MCP's risk stratification process; or
- Within 195 days of enrollment, for those identified as lower risk.

There is no limitation on the performance of the HRA survey by phone or video conference.

MCPs are still required to conduct risk stratification using health care utilization data for all newly enrolled SPDs. MCPs must also continue to comply with Title 42, Code of Federal Regulations (CFR) section 438.208(b)(3)<sup>4</sup> through the use of the Health Information Form/Member Evaluation Tool within 90 days of enrollment for all newly enrolled members, as required in APL 17-013 and the MCP contract.<sup>5</sup> MCPs may update their risk stratification and HRA survey process to identify members most vulnerable due to COVID-19 and its related impacts, addressing needs where it is possible and safe to do so.

MCPs are responsible for ensuring that their subcontractors and network providers comply with all applicable state and federal laws and regulations, contract requirements,

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<sup>2</sup> WIC is searchable at: [http://leginfo.legislature.ca.gov/faces/codes\\_displaySection.xhtml](http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml)  
[http://leginfo.legislature.ca.gov/faces/codes\\_displaySection.xhtml?sectionNum=14182&lawCode=WIC](http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=14182&lawCode=WIC).

<sup>3</sup> APLs are searchable at: <https://www.dhcs.ca.gov/formsandpubs/Pages/AllPlanLetters.aspx>.

<sup>4</sup> 42 CFR Part 438 is available at: <https://www.ecfr.gov/cgi-bin/text-idx?SID=50d9ce4d672b4821fbca2beac61a96d2&mc=true&node=pt42.4.438&rgn=div5>.

<sup>5</sup> MCP contracts are available at: <https://www.dhcs.ca.gov/provgovpart/Pages/MMCDBoilerplateContracts.aspx>.

ALL PLAN LETTER 20-011  
Page 3

and other DHCS guidance, including APLs and Policy Letters. These requirements must be communicated by each MCP to all subcontractors and network providers.

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