



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



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DIRECTOR

GAVIN NEWSOM
GOVERNOR

DATE: June 12, 2020

ALL PLAN LETTER 20-011 (REVISED)

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. *Revised text is found in italics.*

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 (EO) N-55-20 on April 22, 2020.¹ This EO 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. *In addition, all requirements outlined in APL 20-006 are temporarily suspended through the duration of the COVID-19 public health emergency and for an additional six months following the end of the public health emergency.*²

¹ EO 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>.

² See APL 20-006. APLs are searchable at: <https://www.dhcs.ca.gov/formsandpubs/Pages/AllPlanLetters.aspx>.

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.

Annual Medical Audits

DHCS' Audits and Investigations' (A&I) annual medical audit is being suspended due to COVID-19; however, this does not *negate MCPs' responsibility to comply* 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.

Some MCPs have expressed a desire to proceed with their upcoming scheduled annual medical audits. While the EO remains in effect, A&I staff may reach out to MCPs regarding an upcoming scheduled annual medical audit, or an audit that began prior to the COVID-19 public health emergency but is still in progress. MCPs are encouraged to discuss with A&I the feasibility of proceeding with an upcoming annual medical audit, or continuing work on an audit that is already in progress. A&I understands that the impact that COVID-19 is having on MCP operations will be a deciding factor.

If a mutual decision is made to proceed with an audit, A&I is committed to completing the audit with minimal physical contact with the MCP and its personnel. Virtual alternatives to in-person contact will be used to the extent possible to communicate with the MCP and to obtain needed documentation. Alternatively, if the MCP would prefer to postpone the scheduled audit, or delay current efforts to complete an audit in progress due to COVID-19, A&I will reschedule the audit or delay current audit activity to a later time.

If MCPs have any questions regarding these A&I audit updates, they can contact the A&I Medical Review Branch via email at COVID-MCPauditquestions@dhcs.ca.gov.

Health Risk Assessments

Pursuant to the EO, 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.^{3, 4} 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)⁵ 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.⁶ 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, and other DHCS guidance, including APLs and Policy Letters. These requirements must be communicated by each MCP to all subcontractors and network providers.

³ WIC is searchable at: http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml.

⁴ See APL 17-013.

⁵ 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>.

⁶ MCP contracts are available at: <https://www.dhcs.ca.gov/provgovpart/Pages/MMCDBoilerplateContracts.aspx>.

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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