DATE: April 4, 2023

ALL PLAN LETTER 20-004 (REVISED)

TO: ALL MEDI-CAL MANAGED CARE HEALTH PLANS

SUBJECT: EMERGENCY GUIDANCE FOR MEDI-CAL 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 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:
In light of both the federal Health and Human Services Secretary’s January 31, 2020, public health emergency (PHE) declaration, which was renewed on February 9, 2023, and previously renewed on April 21, 2020, July 23, 2020, October 2, 2020, January 7, 2021, April 15, 2021, July 19, 2021, October 15, 2021, January 14, 2022, April 12, 2022, July 15, 2022, October 13, 2022, and January 11, 2023, 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 requirements and submitted various requests to waive or modify a number of federal requirements under Section 1135 of the Social Security Act (Title 42 of the United States Code section 1320b-5) to the Centers for Medicare and Medicaid Services (CMS). DHCS’ Section 1135 Waiver submissions requested various flexibilities related to COVID-19. CMS issued several approval letters 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, CMS has provided guidance for specified health care providers regarding blanket waivers on a variety of topics, including, but not limited to, Rural Health Clinics (RHCs) and Federally

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1 The Section 1135 Waiver requests and CMS approval letters can be found on the DHCS COVID-19 Response webpage under Waiver Requests & Approvals – 1135 Waiver Requests & Approvals at the following link: https://www.dhcs.ca.gov/Pages/DHCS-COVID%E2%80%9119-Response.aspx
Qualified Health Centers (FQHCs); Long Term Care (LTC) Facilities and Skilled Nursing Facilities and/or Nursing Facilities; Durable Medical Equipment, Prosthetics, Orthotics and Supplies; and Provider Enrollment.

DHCS will provide updates to this guidance to reflect any additional Section 1135 Waiver approvals, as appropriate.

On March 6, 2020, DHCS issued a Memorandum (Memo) to MCPs to remind them of existing contractual and legal requirements to ensure access to medically necessary services in a timely manner, in particular as related to COVID-19. DHCS subsequently updated the Memo on March 16, 2020, to include additional guidance. This APL incorporates the guidance provided in that Memo.

CMS issued letters approving DHCS’ proposed amendments to add section 7.4 Medicaid Disaster Relief for the COVID-19 National Emergency to California’s Medicaid State Plan. State Plan Amendments (SPA) were requested to implement temporary policies, different from those otherwise applied under California’s Medicaid state plan, during the period of the Presidential and Secretarial emergency declarations related to the COVID-19 outbreak. DHCS released guidance on various temporary policies included in the SPAs, which are posted on the DHCS COVID-19 Response webpage under Waiver Requests & Approvals – State Plan Requests & Approvals; relevant changes affecting the Medi-Cal managed care delivery system are also addressed in this APL.

POLICY:

Part 1 – Section 1135 Waiver Approvals
CMS’ responses to DHCS’ flexibility requests are applicable, in part, to the Medi-Cal managed care delivery system, including the following:

State Fair Hearings
The PHE is planned to expire at the end of the day on May 11, 2023. Effective May 12, 2023, the flexibilities and guidance regarding extended timeframes for MCP members to

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3 SPA requests and approvals can be found on the DHCS COVID-19 Response webpage under Waiver Requests & Approvals – State Plan Amendments Requests & Approvals.

4 The Letter to U.S. Governors from Health & Human Services Secretary Xavier Becerra on renewing COVID-19 Public Health Emergency (PHE) is available at:
request a state fair hearing (SFH) (as outlined below and in the Supplement to APL 21-011) and continuation of benefits (as outlined below) are rescinded, and the timeframes and requirements contained in APL 21-011 and associated attachments will apply.

DHCS received CMS approval to extend the timeframe for MCP members to request a state fair hearing (SFH). For details, refer to the March 23, 2020 CMS approval letter and the Supplement to APL 21-011, titled “Emergency State Fair Hearing Timeframe Change – Managed Care.”

In addition, on December 31, 2020, DHCS received approval from CMS to modify the timeframe under Title 42 of the Code of Federal Regulations (CFR) section 438.420(a)(i) related to the continuation of benefits (i.e.; Aid Paid Pending (APP)). This APL modifies the guidance in APL 17-006 for the duration of the PHE.

Through the duration of the PHE, when a member’s appeal involves the termination, suspension, or reduction of previously authorized services, MCPs must provide APP when the member timely files an appeal within the current timeframes (i.e.; on or before the later of the following: within 10 calendar days of the Notice of Action (NOA), or prior to the MCP’s intended date of the proposed action), or reinstate APP when the member files an appeal between 11 and 30 days of the NOA, if the MCP has not made a final decision on the appeal. In addition, if the MCP provided APP for the member pending the outcome of an appeal, the MCP must provide APP pending the outcome of a SFH, if the member requests a SFH within the current 10 calendar day timeframe, or reinstate APP when the member requests a SFH between 11 and 30 days of the Notice of Appeal Resolution, if there is not a final decision on the SFH.

MCPs must provide APP regardless of whether the member makes a separate request for APP, when the member timely files an appeal and SFH regarding an MCP’s decision to terminate, suspend, or reduce services. The MCP is prohibited from seeking reimbursement or payment for the additional days of services furnished during this period.

**Provider Enrollment/Screening**
CMS approved certain temporary flexibilities for provider screening and enrollment and on March 23, 2020, DHCS issued a regulatory provider bulletin titled “Requirements and Procedures for Emergency Medi-Cal Provider Enrollment” that established requirements and procedures for providers seeking enrollment in order to promptly assist Medi-Cal beneficiaries...

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5 APLs, along with any Supplements, can be found at: [https://www.dhcs.ca.gov/formsandpubs/Pages/AllPlanLetters.aspx](https://www.dhcs.ca.gov/formsandpubs/Pages/AllPlanLetters.aspx)
beneficiaries during the COVID-19 PHE. This guidance is listed as “Guidance for Emergency Medi-Cal Provider Enrollment” on the DHCS COVID-19 Response webpage under Providers & Partners – Guidance for Multiple Provider Types and on the DHCS Medi-Cal Providers webpage in the Provider Enrollment section under Provider Bulletins.

In accordance with Welfare & Institutions Code (WIC) section 14043.75(b) and as authorized by the Section 1135 Waiver granted by CMS, DHCS established amended enrollment requirements and procedures for providers to temporarily and provisionally enroll in the Medi-Cal program during the COVID-19 PHE. These requirements implement and make specific WIC sections 14043.26 and 14043.15, and as such have the full force and effect of law. MCPs that conduct provider enrollment through their own process were informed that they must implement a similar process to that contained in this guidance.

Effective March 29, 2023, DHCS is ending the above provider enrollment flexibilities authorized by the Section 1135 Waiver.6 Providers who are temporarily and provisionally enrolled under the amended enrollment requirements and who wish to remain enrolled in Fee-For-Service (FFS) Medi-Cal are required to submit a complete application for their provider type and meet all program requirements if they have not already done so. Providers have 90 days from the March 29, 2023 effective date to submit an application for enrollment via the Provider Application and Validation for Enrollment (PAVE) portal.7 Providers who do not submit an application within this timeframe will have their temporary enrollment deactivated effective June 28, 2023 (i.e., 91 days after the March 29, 2023, effective date). No action is required for providers who do not wish to remain enrolled following the discontinuation of the provider enrollment flexibilities.8

MCPs that conduct provider enrollment through their own process must implement a similar process to that above being applied to FFS providers.

6 The Medi-Cal Provider Bulletin “Discontinuation of COVID-19 Emergency Fee-For-Service Medi-Cal Enrollment” can be found here.
7 The PAVE portal can be found at the following link: https://pave.dhcs.ca.gov/sso/login.do?
8 Please note: Providers temporarily and provisionally enrolled in Medi-Cal must submit a new application for enrollment AND email DHCS’ Provider Enrollment Division (PED) at PEDEmergencyEnrollments@dhcs.ca.gov with their PAVE Application ID for prompt processing and assistance.
Prior Authorization
While the Section 1135 Waiver approvals relating to prior authorization focus on Medi-Cal FFS, CMS, in its COVID-19 Frequently Asked Questions for State Medicaid and Children’s Health Insurance Program (CHIP) Agencies, indicated that states may modify prior authorization requirements for Medicaid managed care. MCPs are strongly encouraged to implement expedited authorization procedures for other services during the COVID-19 PHE. For details, refer to the “FFS Prior Authorization – Section 1135 Waiver Flexibilities” guidance, including any subsequently released updates to this guidance, which is available on the DHCS COVID-19 Response webpage under Providers & Partners – Guidance for Multiple Provider Types.

Provision of Care in Alternative Settings, Hospital Capacity, and Blanket Section 1135 Waiver Flexibilities for Medicare and Medicaid Enrolled Providers Relative to COVID-19
The PHE is planned to expire at the end of the day on May 11, 2023. Effective May 12, 2023, the flexibilities and guidance regarding provision of care in alternative settings, hospital capacity, and blanket waivers (as outlined below) are rescinded.

Based on the guidance issued by CMS, DHCS issued the “Provision of Care in Alternative Settings, Hospital Capacity, State Plan and Blanket Section 1135 Waiver Flexibilities for Medicare and Medicaid Enrolled Providers Relative to COVID-19” guidance document, which will remain in effect through the end of the COVID-19 PHE. This guidance is applicable to MCPs, including any subsequently released updates to this guidance. The link to Providing Care in Alternate Settings, Hospital Capacity, Transportation, Blanket 1135 Flexibilities can be found on the DHCS COVID-19 Response webpage under Providers & Partners – Guidance for Multiple Provider Types.

Pharmacy
On April 7, 2021, DHCS issued a Medi-Cal NewsFlash notifying providers that the temporary flexibilities outlined in the June 18, 2020 “Off-label and/or Investigational Drugs Used to Treat COVID-19 and/or Related Conditions” guidance document were expiring April 20, 2021. The DHCS issued “Information Regarding the Use of Subcutaneous Depot Medroxyprogesterone Acetate (DMPA-SQ) During the 2019 Novel Coronavirus Public Health Emergency” guidance document, which allows for pharmacy dispensing of DMPA-SQ directly to a recipient for self-administration at home remains in effect. The link to the Direct-to-Patient Dispensing of Subcutaneous Depot Medroxyprogesterone Acetate – COVID-19 Emergency guidance can be found on the

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9 The Medi-Cal NewsFlash “COVID-19 Drug Flexibilities Expiring” can be found at the following link: https://files.medi-cal.ca.gov/pubsdoco/newsroom/newsroom_30717_82.aspx
DHCS COVID-19 Response webpage under Providers & Partners – Family Planning, FPACT and EWC.

**Part 2 – Additional Guidance to MCPs**

As the State of California responds to the COVID-19 pandemic, DHCS is regularly updating and distributing guidance to MCPs, counties, and providers. Please refer to the DHCS COVID-19 Response webpage for the most up-to-date information available. MCPs should send questions, concerns, and reports of member access issues to their DHCS Managed Care Operations Division (MCOD) Contract Manager.

DHCS reminds MCPs that they must adhere to existing contractual requirements and state and federal laws requiring MCPs to ensure their members have access to medically necessary services in a timely manner.\(^\text{10}\) MCPs must:

- Cover all medically necessary emergency care without prior authorization, whether that care is provided by an in-network or out-of-network provider.
- Comply with utilization review timeframes for approving requests for urgent and non-urgent covered services. MCPs are required to waive prior authorization requests for services, including screening and testing, related to COVID-19.
- Ensure their provider networks are adequate to handle an increase in the need for services, including offering access to out-of-network services where appropriate and required, as more COVID-19 cases emerge in California.
- Ensure members are not liable for balance bills from providers, including balance billing related to COVID-19 testing.
- Provide members with 24-hour access to an MCP representative with the authority to authorize services, and ensure that DHCS has contact information for that person. This contact information must be provided to the MCP’s MCOD Contract Manager upon request by DHCS.

MCPs must proactively ensure members can access all medically necessary screening and testing of COVID-19. To this end, the sections below provide further guidance on specific topics.

**COVID-19 Testing and Treatment**

*MCPs must cover COVID-19 diagnostic, screening, and post exposure or response testing and health care services approved or granted Emergency Use Authorization by the FDA for COVID-19, regardless of whether the services are provided by an in-network or out-of-network provider. MCPs are prohibited from imposing prior authorization or any other utilization management requirements on COVID-19*

\(^{10}\) Similar provisions are outlined in the Department of Managed Health Care (DMHC) APL 20-006, which applies to MCPs licensed by DMHC.
diagnostic and screening testing. In addition, MCPs must reimburse out-of-network providers at a reasonable rate for these services, and DHCS encourages MCPs to reimburse providers for COVID-19 testing at the Medicare fee schedule rates. For more information regarding these, and other requirements related to COVID-19 testing, treatment, and prevention, please see APL 22-009, or subsequent updates to this APL.

**Suicide Prevention Practices for Providers**
As the COVID-19 PHE continues, many Californians are experiencing secondary impacts on their mental health. The directors of DHCS and the California Department of Public Health collaborated with the California Surgeon General to write a letter to all California medical and behavioral health providers encouraging them to ask their patients the four “Ask Suicide-Screening Questions” developed by the National Institute of Mental Health.\(^{11}\) DHCS encourages MCPs to share this information with their Network Providers and Subcontractors, as appropriate.

**Telehealth**
While Medi-Cal had an existing expansive telehealth policy in response to the COVID-19 PHE, DHCS implemented additional broad flexibilities relative to telehealth modalities via blanket waivers and Disaster Relief SPAs. This enabled Medi-Cal’s health care delivery systems to meet the health care needs of its beneficiaries in an environment where in-person encounters were not recommended and, at times, not available. DHCS is continuing many of the PHE polices, including payment parity, that allow Medi-Cal covered benefits and services to be provided via telehealth across delivery systems, when clinically appropriate. Please see the Medi-Cal Provider Manual, Medicine: Telehealth, for more information on DHCS’ overall telehealth policy.\(^{12}\)

**Well-Child Visits**
Well-child visits or regular checkups are an important way to monitor children’s growth and development and ensure that children are up-to-date with their vaccinations. Under the Early and Periodic Screening, Diagnostic, and Treatment benefit, MCPs must cover recommended vaccines, preventive care, and screening for infants and children as recommended by the American Academy of Pediatrics (AAP)/Bright Futures, and in accordance with the AAP Periodicity Schedule. DHCS recently released a newly

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\(^{11}\) The Suicide Prevention Practices for Providers letter is available on the COVID-19 Response webpage under Providers & Partners – Behavioral Health.

developed Medi-Cal for Kids & Teens Outreach & Education Toolkit. The Toolkit is part of Medi-Cal’s Strategy to Support Health and Opportunity for Children and Families. These documents are available on DHCS’ redesigned Medi-Cal for Kids & Teens webpage.

In light of COVID-19, the AAP has developed guidance (last updated on October 31, 2022) on providing pediatric well-care during COVID-19. Please see the AAP website for more information, including any updates to this guidance.

**Transportation**

MCPs must continue to approve transportation requests in a timely manner if a member, who may be infected with COVID-19, needs to see a provider in person or requires pharmacy services and requests transportation. MCPs are responsible for determining the appropriate mode of transportation required to meet the members’ medical needs, paying special attention to those with urgent needs such as dialysis or chemotherapy treatments. Please refer to DHCS’ COVID-19 Guidance for Non-Emergency Medical Transportation (NEMT) and Non-Medical Transportation (NMT) Providers (“Information about Novel Coronavirus (COVID-19) for Medi-Cal Transportation Providers”) for recommendations on safety procedures and protocols to help prevent the spread of COVID-19. MCPs must continue to follow the aforementioned guidance to ensure that their members receive timely and safe transportation from their contracted transportation providers.

MCPs are not exempt from arranging transportation services for members to access Medi-Cal covered services in accordance with APL 22-008, Non-Emergency Medical and Non-Medical Transportation Services and Related Travel Expenses.

**Member Eligibility**

DHCS has delayed Medi-Cal redetermination processing in order to comply with the Families First Coronavirus Response Act’s continuous coverage requirement and to ensure members continue to have access to services. Members with upcoming

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14 The Medi-Cal for Kids & Teens webpage is available at: [https://www.dhcs.ca.gov/services/Medi-Cal-For-Kids-and-Teens/Pages/home.aspx](https://www.dhcs.ca.gov/services/Medi-Cal-For-Kids-and-Teens/Pages/home.aspx)


16 The Guidance for NEMT and NMT Providers link is available on the DHCS COVID-19 Response webpage under Providers & Partners – Guidance for Multiple Provider Types.
redetermination dates will not need to complete a redetermination of eligibility while the continuous coverage requirement is in effect. Members' redetermination dates will remain the same, and existing managed care members will continue to be enrolled in their MCP.

With the implementation of the Consolidated Appropriations Act of 2023, the continuous coverage requirement will end March 31, 2023, and Medi-Cal redetermination processes will begin April 1, 2023. For more information about these changes, please refer to the “Medi-Cal COVID-19 Public Health Emergency and Continuous Coverage Operational Unwinding Plan.” Additionally, please see the Medi-Cal Eligibility Division Information Letters on the DHCS COVID-19 Response webpage under Providers & Partners – Eligibility and APL 22-004, Strategic Approaches for Use By Managed Care Plans to Maximize Continuity of Coverage as Normal Eligibility and Enrollment Operations Resume, including subsequent updates to this APL.

Medi-Cal beneficiaries who have active eligibility, but are in an MCP HOLD status of 59 in the Medi-Cal Eligibility Data System are not without coverage; these individuals would access services through Medi-Cal FFS providers.

**Encounter Data**

In March and August 2020, DHCS informed MCPs that Encounter Data Validation (EDV) activities for the 2019-2020 and 2020-2021 State Fiscal Year (SFY) EDV studies, including medical record procurement requirements, were suspended to minimize non-critical burdens on MCP provider networks during the COVID-19 PHE.

In lieu of these EDV studies, DHCS and its contracted External Quality Review Organization (EQRO), Health Services Advisory Group (HSAG), developed the SFY 2020-2021 Encounter Data Administrative Profile study, which is an administrative data analysis using encounter, provider, and eligibility data to measure encounter data quality for dates of service in Calendar Years 2018 and 2019. This study is currently in progress and will coincide with the resumption of the SFY 2021-2022 EDV activities.

Regular EDV activities resumed beginning in SFY 2021–2022, including medical record procurement requirements. DHCS' EQRO hosted a webinar in November 2021 to go over EDV medical record procurement requirements and provide general updates for the project.

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DHCS reminds MCPs that they must submit complete and timely encounter data utilizing all applicable medical coding in a manner consistent with federal guidance, including codes for COVID-19. MCPs should direct specific questions regarding encounter data reporting requirements to MMCDEncounterData@dhcs.ca.gov.

**Quality Monitoring, Programs & Initiatives**

1. **Quarterly Monitoring:**

   Effective October 1, 2021, MCPs were required to resume Quarterly Monitoring Response Template (QMRT) activities and respond to all QMRT components.

   MCPs should direct questions regarding quarterly monitoring to DHCS-PMU@dhcs.ca.gov.

2. **Timely Access Survey:**

   In order to alleviate the burden on provider offices so that they could focus on their response to the COVID-19 PHE, DHCS temporarily ceased the timely access survey calls. However, DHCS resumed the timely access survey calls in January 2022.

3. **Managed Care Program Data Improvement Project**

   In order to ease administrative demands on MCPs during the COVID-19 response, DHCS extended the compliance deadline for the Managed Care Program Data Improvement Project (MCPDIP) from July 1, 2020, to July 1, 2021. MCPs that were able to continue MCPDIP activities, complete the necessary testing protocols, and receive approval from DHCS were able to begin to submit production data for July 2020 as early as August 1, 2020, consistent with the original project schedule. DHCS continues to support MCPDIP and make technical assistance available to each MCP consistent with the original project schedule.

**File and Use**

DHCS has approved for MCPs to submit certain documents, including proposed telephone outreach scripts, related to COVID-19 as file and use. File and use means that once an MCP submits the documents or scripts to DHCS, the MCP can immediately begin using those documents or scripts with its members, subject to further DHCS directive. All information communicated to members must be information related...
to COVID-19 that directly came from DHCS, the California Department of Public Health, or the CDC. In addition, pursuant to HIPAA, the documents or scripts must not contain any Protected Health Information or Personal Information of a member. If there are any edits or changes that need to be made to those documents or scripts after DHCS completes its review, the MCP must make those edits and changes within a specified number of days, as directed by DHCS.

The following documents and scripts have been approved for file and use:

- Robo-calls
- Call campaigns
- Printed mailer communications
- E-mail communications (MCPs choosing to do e-mail communication must also utilize another method of communication because not all members will have an e-mail address on file)
- Texting campaigns (MCPs can only do file and use if they have one or more texting campaigns that have been approved as of June 18, 2019, forward)

**Part 3 – SPA 20-0024 Policies**

**Temporary Addition of Provider Types at FQHCs and RHCs**

Pursuant to SPA 20-0024, DHCS issued guidance on May 20, 2020, temporarily adding the services of Associate Clinical Social Workers (ACSWs) and Associate Marriage and Family Therapists (AMFTs) at FQHCs and RHCs as billable visits. The California Board of Behavioral Sciences (BBS) does not consider ACSWs or AMFTs to be licensed practitioners. Therefore, licensed behavioral health practitioners must supervise and assume the professional liability of services furnished by the unlicensed ACSW and AMFT practitioners. The licensed practitioner must also comply with supervision requirements established by the BBS. FQHCs or RHCs can be reimbursed in accordance with the terms of the MCP’s contract with the State related to FQHCs and RHCs for a visit between an FQHC or RHC patient and an ACSW or AMFT. The visit may be conducted as a face to face encounter or meet the requirements of a visit provided via telehealth. **DHCS is seeking federal approval via SPA 22-0014 to make these provisions permanent.**

**Long Term Care Reimbursement**

Approval of SPA 20-0024 enables DHCS to temporarily provide an additional 10 percent reimbursement for LTC per diem rates, effective March 1, 2020. Unless otherwise

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18 See “Rural Health Clinics/FQHCs – Associate Clinical Social Worker/Associate Marriage and Family Therapist Services” on the DHCS COVID-19 Response webpage under Providers & Partners – Hospitals, Pharmacies, Clinics and Other Facilities.

19 Additional information can be found on the following LTC webpages:
agreed to between the MCP and the LTC provider, DHCS encourages MCPs to reimburse LTC providers at these LTC per diem rates.

**Part 4 – SPA 20-0025 Policies**
On August 20, 2020, CMS approved SPA 20-0025. The SPA is in accordance with the CMS Interim Final Rule for 42 CFR section 440.30(d) to allow coverage of laboratory tests and x-ray services during the COVID-19 PHE and any future PHE, if the service is to diagnose or detect COVID or the communicable disease named in the PHE. As stated above, MCPs must adhere to the COVID-19 testing requirements outlined in APL 22-009, and any subsequent updates to this APL.

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.

If you have any questions regarding this APL, please contact your MCOD Contract Manager.

Sincerely,

Original signed by **Dana Durham**

*Dana Durham, Chief*
*Managed Care Quality and Monitoring Division*

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LTC Reimbursement: [https://www.dhcs.ca.gov/services/medi-cal/Pages/LTCRU.aspx](https://www.dhcs.ca.gov/services/medi-cal/Pages/LTCRU.aspx) and LTC Reimbursement AB 1629: [https://www.dhcs.ca.gov/services/medi-cal/Pages/AB1629/LTCAB1629.aspx](https://www.dhcs.ca.gov/services/medi-cal/Pages/AB1629/LTCAB1629.aspx)

20 For more information on Subcontractors and Network Providers, including the definition and applicable requirements, see APL 19-001, and any subsequent APLs on this topic.