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Medi-Cal Network Provider and Subcontractor Terminations Frequently Asked Questions (FAQs)

The following responses to FAQs provide additional guidance and clarification to Medi-Cal managed care health plans (MCPs) regarding All Plan Letter (APL) 21-003: Medi-Cal Network Provider and Subcontractor Terminations. APL 21-003 clarifies the obligations of MCPs when terminating or initiating terminations of contractual relationships between MCPs, Network Providers, and Subcontractors.¹

Member Impact

1. What are MCPs' responsibilities for determining which members are impacted by the contract termination?

“Impacted” members are those who are assigned to the terminating Network Provider or Subcontractor and must be reassigned to another Network Provider or Subcontractor. MCPs must have awareness of their members who are assigned to Network Providers or Subcontractors that are Primary Care Providers (PCPs), medical groups, or Independent Physician Associations (IPAs), and Mandatory Provider Types, which include Federally Qualified Health Centers, Rural Health Clinics, Freestanding Birth Centers, Certified Nurse Midwives, Licensed Midwives, and Indian Health Facilities.^{2,3}

For terminating Network Providers or Subcontractors that are specialists or ancillary providers and do not have assigned members, the MCP must make best efforts to identify impacted members, which may include working with the terminating Network Provider or Subcontractor to:

- Analyze claims data to assess which members has received services from the terminating Network Provider or Subcontractor in the last six months;
- Identify members that are scheduled to receive services within the six months following the termination date; or
- Assess the following that occurred within the six months prior to the termination date:

¹ APLs and their attachments are available at:

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

² PCPs can include primary care physicians as well as non-physician medical practitioners.

³ Mandatory Provider Types are listed in APL 21-006: Network Certification Requirements, or any superseding APL.

- Referrals to specialists; and/or
- Prior authorizations.

MCPs must ensure that members who are scheduled to receive services are properly notified of the termination, including their continuity of care rights, as applicable.

2. Who is responsible for mailing member notices to impacted members?

MCPs are required to mail member notices to members who are impacted by the termination. The Department of Health Care Services (DHCS) allows the MCP's terminating Network Provider or Subcontractor to mail member notices to members who are impacted by the termination. However, it is ultimately the MCP's responsibility to ensure that member notices are mailed within the timeframes outlined in APL 21-003.

3. Are members responsible for the costs of the services provided by the terminated or decertified facility if they refuse to transition to a new facility?

Yes, the member would be responsible for the costs. MCPs must include in their notice to members that they may be responsible for the costs of the services provided by the terminated or decertified facility.

Applicability

4. Does APL 21-003 apply to individual providers that are leaving a practice, medical group, or IPA?

Yes, APL 21-003 applies to Network Providers and Subcontractors (as defined in APL 19-001) including individual providers who are leaving a practice, medical group, or IPA. If the termination of the individual Network Provider or Subcontractor meets the requirements of a "significant" termination, the MCP must notify DHCS within the timeframe outlined in APL 21-003. All terminations, including those not deemed as significant, must be reported to DHCS quarterly through the Network Provider Template.

Reporting Requirements

5. Are the Quarterly Network Report Template and Network Provider Template the same?

Yes, the Network Provider Template referenced on page one of the APL is the same as the Quarterly Network Report Template referenced on page 12 of the APL. The template will be referred to as the Quarterly Network Report Template throughout the FAQ.

6. Are MCPs required to submit a Quarterly Network Report Template as outlined in APL 21-003 in addition to the Provider Network Report as outlined in Exhibit A, Attachment 6 of the MCP Contract?

No, the Quarterly Network Report Template referenced in APL 21-003 satisfies the requirement outlined in Exhibit A, Attachment 6 of the MCP Contract.⁴ MCPs must use the Quarterly Network Report Template developed by DHCS through the Quarterly Monitoring process. To request a copy of the Quarterly Network Report Template, email DHCS-PMU@dhcs.ca.gov.

7. Must MCPs use a DHCS template when submitting the Transition Plan?

Yes, to standardize the submissions, MCPs are required to use the Transition Plan Template included in this FAQ. The template can also be found on the SharePoint site created by DHCS. To request access to the SharePoint site, email MCQMDNAU@dhcs.ca.gov.

8. What is the written notice of the termination?

The MCP must submit a written notice of the termination to DHCS by emailing its Managed Care Operations Division Contract Manager. The written notice must be accompanied by all required documentation within the timeframes outlined in the APL 21-003.

MCP Network

9. Is an MCP required to seek DHCS' approval if it terminates its contract with a large provider group that impacts the MCP's entire network?

If an MCP terminates a contract (whether voluntary or involuntary) with a large provider group that significantly changes its network, requiring the MCP to enroll into its network new providers to be able to adequately provide services to its members and meet all Annual Network Certification components, it must notify DHCS immediately upon the decision to terminate, or upon receiving the termination notice from its Network Provider or Subcontractor. If necessary, DHCS may postpone the termination date to ensure that the MCP's members can be safely transitioned to a new Network Provider or Subcontractor.

DHCS will collaborate with the MCP to ensure a smooth transition of members to new providers and may require additional information from the MCP outlining its plan to acquire new providers to build its network.

⁴ MCP boilerplate contracts are available at:
<https://www.dhcs.ca.gov/provgovpart/Pages/MMCDBoilerplateContracts.aspx>.

Provider Exclusionary Status and MCP Action

10. Are MCPs required to terminate a contract with a Network Provider or Subcontractor that is listed under a Payment Suspension in the Restricted Provider Database?

No, MCPs are **not** required to terminate a contract with a Network Provider or Subcontractor that is under a payment suspension. However, if an MCP continues its contractual relationship with the Network Provider or Subcontractor that is under a payment suspension, the MCP may not use payments made by DHCS to the MCP for Medi-Cal members to pay the provider as long as the payment suspension is in place.

If an MCP chooses to terminate its contract with a Network Provider or Subcontractor that is placed under a payment suspension, the MCP must follow the requirements set forth in APL 21-003.

11. Are MCPs required to terminate a contract with a Network Provider or Subcontractor that is listed under a Temporary Suspension in the Restricted Provider Database?

Yes, MCPs **must** terminate a contract with a Network Provider or Subcontractor that is under a temporary suspension and follow the requirements set forth in APL 21-003.

Transition Plan Template

MCPs must submit the Transition Plan Template below to DHCS in accordance with APL 21-003. MCPs must provide a response for **each** item listed in the template. If the item is not applicable, MCPs must indicate “N/A” in their response.

For more information on the Transition plan, please see APL 21-003, subsection titled “Transition Plan”.

MCP Name: _____

Transition Plan	MCP Response
<i>General Information</i>	
Provider Name	
Effective Date of Termination	
Reason for Termination	
Member Notice Mail-out Date	
Description of Administrative Actions	
<i>Member Impact</i>	
Number of members impacted by the terminating/terminated Network Provider/Subcontractor.	
A “crosswalk” showing the number of members and the names of the new Network Providers/Subcontractors to which the members will be reassigned within time or distance standards.	
The number of members who must be reassigned to new Network Providers/Subcontractors and continue to have access to another Network Provider/Subcontractor within time or distance standards, or N/A if the provider type does not have time or distance standards.	
The number of members who will be reassigned to a Network Provider/Subcontractor that is outside of time or distance standards and cannot retain access through another Network Provider/Subcontractor within time or distance standards, or N/A if the provider	

type does not have time or distance standards.	
<i>Hospital and Facility Information (if applicable)</i>	
A list of specialty services available at the terminating hospital that are not available at other hospitals within time or distance standards.	
A list of contracted hospitals that the MCP could contract with or is contracted with within time or distance standards.	
The number of members who will need to change PCPs due to the terminating hospital having a primary care clinic, or having a PCP with admitting privileges only at the terminating hospital.	
The number of members who will need to change specialists due to the terminating hospital having a specialty care clinic or group, or having specialists with admitting privileges only at the terminating hospital.	