

DATE: June 23, 2023

ALL PLAN LETTER 23-018

TO: ALL MEDI-CAL MANAGED CARE HEALTH PLANS

SUBJECT: MANAGED CARE HEALTH PLAN TRANSITION POLICY GUIDE

PURPOSE:

The purpose of this All Plan Letter (APL) is to provide guidance to all Medi-Cal managed care health plans (MCPs) regarding the 2024 MCP Transition effective January 1, 2024. The 2024 Managed Care Plan Transition Policy Guide (Policy Guide) establishes and details the requirements for the implementation of the 2024 MCP Transition.

BACKGROUND:

The Department of Health Care Services (DHCS) contracts with MCPs to provide Medi-Cal services to its Members. Effective January 1, 2024, DHCS is embarking on new relationships with MCPs to redefine how care is delivered across the state. DHCS' top priority is ensuring managed care Members have access to MCPs that provide timely and high-quality care, and that MCPs are focused on delivering on the state's health system transformation goals. Those goals are the focus of the California Advancing and Innovating Medi-Cal (CalAIM) initiative, namely, to drive quality of care improvements, streamline and reduce complexity, and build on equity-focused, data-driven, and whole person care approaches. MCPs will be held to new standards of care and greater accountability, helping to ensure Members have the care and support they need to live healthier, more fulfilling lives.

The Policy Guide governs MCP-to-MCP Member transitions prompted by county-driven MCP model changes, changes to commercial MCP contracting, and a new direct contract with Kaiser Permanente. These three changes will drive Member transitions from MCPs exiting a given county service area to other MCPs that will continue to operate in the county service area, or to MCPs newly entering the county service area. The Policy Guide outlines policies and contains DHCS' operational requirements and guidelines for MCPs in facilitating the transition of those Members leading up to and during the January 2024 MCP Transition.

DHCS' guiding principles for the planning, implementation, and oversight of the 2024 MCP Transition include:

- Plan for smooth and effective transition;

- Minimize service interruptions for all Members, especially for vulnerable groups most at risk for harm, from interruptions in care;
- Provide outreach, education, and clear communications to Members, Providers, MCPs, and other stakeholders; and
- Proactively measure and ensure accountability of MCPs' transition.

DHCS will confirm MCP readiness before the transition to assure achievement of these goals. Furthermore, as outlined in the Policy Guide, MCPs will be required to engage in specific **continuity of care and Member support activities** for incoming Members, and other activities as assigned by DHCS and described in the Policy Guide, in advance of the transition and January 1, 2024, enrollment effective date.

POLICY:

This APL establishes the Policy Guide as the DHCS authority, along with applicable Contracts and any APLs or guidance documents incorporated in the Policy Guide by reference, regarding the 2024 MCP transition. The Policy Guide outlines policies and contains DHCS operational requirements and guidelines specific to Member transitions resulting only from the three changes described above. The Policy Guide does not govern Member transitions that result from a Member opting to change MCPs outside of the context of the changes in MCP availability as outlined above.

The Policy Guide, initially published in May 2023, will continue to be updated throughout 2023. All updates will be specifically identified in a dedicated section in the Policy Guide and will outline updates from prior versions in order to manage version history. The Policy Guide is available on the DHCS 2024 MCP Transition webpage.¹ Please note that the Policy Guide will denote effective dates and end dates, if applicable, to the specific policies contained therein.

If the requirements contained in this APL or the Policy Guide, including any updates or revisions to this APL or the Policy Guide, necessitate a change in an MCP's contractually required policies and procedures (P&Ps), the MCP must submit its updated P&Ps to its Managed Care Operations Division (MCP) Contract Manager. If an MCP determines that no changes to its P&Ps are necessary, the MCP must submit an email confirmation to its MCP Contract Manager, stating that the MCP's P&Ps have been reviewed and no changes are necessary. Further submission instructions and deadlines for updated P&Ps and email confirmations are included in the Policy Guide.

¹ The DHCS 2024 MCP Transition webpage is available at:
<https://www.dhcs.ca.gov/Pages/MCP-Transition.aspx>.

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 but not limited to APLs, Policy Letters, and the Policy Guide.² These requirements must be communicated by each MCP to all Subcontractors and Network Providers. DHCS may impose Corrective Action Plans (CAP), as well as administrative and/or monetary sanctions for non-compliance. For additional information regarding administrative and monetary sanctions, see APL 23-012, and any subsequent iterations on this topic. Any failure to meet the requirements of this APL may result in a CAP and subsequent sanctions.

If you have any questions regarding this APL, please contact your MCO Contract Manager and the DHCS 2024 MCP Transition mailbox at MCPTransitionPolicyGuide@dhcs.ca.gov.

Sincerely,

Original Signed by Dana Durham

Dana Durham, Chief
Managed Care Quality and Monitoring Division

² 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. APLs are available at: <https://www.dhcs.ca.gov/formsandpubs/Pages/AllPlanLetters.aspx>.