

DATE: August 15, 2023

ALL PLAN LETTER 23-021
SUPERSEDES ALL PLAN LETTER 19-011

TO: ALL MEDI-CAL MANAGED CARE HEALTH PLANS

SUBJECT: POPULATION NEEDS ASSESSMENT AND POPULATION HEALTH
MANAGEMENT STRATEGY

PURPOSE:

The purpose of this All Plan Letter (APL) is to provide guidance on the modified Population Needs Assessment (PNA) and new Population Health Management (PHM) Strategy requirements for Medi-Cal Managed Care Plans (MCPs). Additional operational details on the PNA and PHM Strategy are located in the PHM Policy Guide. Any future updates will also be communicated via the PHM Policy Guide.

BACKGROUND:

The Department of Health Care Services (DHCS) has historically required MCPs to complete a Health Education and Cultural and Linguistic Needs Assessment to measure health disparities and identify high priority health and social needs for their Member population. Previous policy referred to this assessment requirement as a PNA or a General Needs Assessment (GNA). Per APL 19-011, MCPs were required to conduct an annual PNA and submit a PNA action plan to DHCS.¹

The PHM Program,² which launched on January 1, 2023, seeks to establish a cohesive, statewide framework of expectations for MCPs and their Subcontractors and/or Network Providers, to prioritize prevention and whole-person care, as well as respond to Members' medical and social needs and preferences across the continuum of care within the communities in which they live. Under the PHM Program, DHCS' vision is for the PNA process to evolve and encompass stronger engagement with Local Health Departments (LHD) and community stakeholders and foster a deeper understanding of the health and social needs of Members and the communities in which they live. Under the PHM Program, the PNA will be a multi-year process and MCPs will submit an annual PHM Strategy, which will be informed by the PNA process. Later in 2023, the PHM Policy Guide will be updated with details on the modified PNA and future submissions of the PHM Strategy deliverable (due in 2024 and beyond).

¹ APLs are searchable at: <https://www.dhcs.ca.gov/formsandpubs/Pages/AllPlanLetters.aspx>

² The PHM Policy Guide is available at: <https://www.dhcs.ca.gov/CalAIM/Documents/2023-PHM-Policy-Guide.pdf>

These program and policy changes related to the PNA, the PHM Strategy, and other PHM deliverables remain consistent with Title 22 of the California Code of Regulations (CCR), sections 53876, 53851(b)(2), 53851(e), 53853(d), and 53910.5(a)(2), Title 28 of the CCR, section 1300.67.04, and Title 42 of the Code of Federal Regulations (CFR), sections 438.206(c)(2), 438.330(b)(4) and 438.242(b)(2).^{3,4}

POLICY:

Effective January 1, 2023, MCPs are no longer required to submit an annual PNA and PNA Action Plan as previously required by APL 19-011. Specifically, the PNA process will be redesigned, as described above. Additionally, the annual PNA Action Plan deliverable to DHCS is to be replaced by the annual PHM Strategy, which is informed by the redesigned PNA process. The new annual PHM Strategy requires MCPs to demonstrate that they are meaningfully responding to community needs as well as provide other updates on the PHM Program to inform DHCS' monitoring efforts.

To accomplish meaningful community engagement, DHCS recognizes that MCPs and their community partners will need time to plan and implement a more collaborative PNA in line with DHCS' vision. MCPs' first modified PHM Strategy deliverable is due in October 2023 for MCPs that have received full National Committee for Quality Assurance (NCQA) accreditation, and in December 2023 for those without accreditation. Further requirements for this submission are detailed in the PHM Policy Guide. By the end of 2023, further updates will be made in the PHM Policy Guide concerning MCPs' modified PNA requirements and future PHM Strategy deliverables (2024 and beyond). All MCPs will be notified of these updates and other modifications via the PHM Policy Guide.

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 (e.g., APLs, Policy Letters, PHM Policy Guide, and the DHCS Comprehensive Quality Strategy⁵), including all relevant requirements regarding health education and cultural and linguistic needs.^{6,7} These requirements

³ The CCR is searchable at: <https://govt.westlaw.com/calregs/Search/Index>.

⁴ 42 CFR, Part 438 is available at: <https://www.ecfr.gov/current/title-42/chapter-IV/subchapter-C/part-438>

⁵ The DHCS Comprehensive Quality Strategy is available at: <https://www.dhcs.ca.gov/services/Pages/DHCS-Comprehensive-Quality-Strategy.aspx>

⁶ For more information on Subcontractors and Network Providers, including the definition and applicable requirements, see APL 19-001, Medi-Cal Managed Care Health Plan Guidance on Network Provider Status, and any subsequent updates.

⁷ APLs and PLs are available at: <https://www.dhcs.ca.gov/formsandpubs/Pages/MgdCarePlanPolicyLtrs.aspx>

must be communicated by each MCP to all Subcontractors and Network Providers. DHCS may impose Corrective Action Plans (CAPs), as well as administrative and/or monetary sanctions, for non-compliance. For additional information regarding administrative and monetary sanctions, see APL 23-012, Enforcement Actions: Administrative and Monetary Sanctions, and any subsequent updates. Any failure to meet the requirements of this APL may result in a CAP and subsequent sanctions.

The requirements contained in this APL necessitate a change in an MCP's contractually required policies and procedures (P&Ps), and the MCP must submit its updated P&Ps to its Managed Care Operations Division (MCPD) Contract Manager within 90 days of the release of this APL.

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

Sincerely,

Original Signed Dana Durham

Dana Durham, Chief
Managed Care Quality and Monitoring Division