

ALL PLAN LETTER 23-006 ATTACHMENT A
Subcontractor Network Certification Instruction Manual

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OVERVIEW

Purpose

The Subcontractor Network Certification (SNC) Instruction Manual (herein referred to as “Manual”) details the specific submission requirements that Medi-Cal managed care health plans (MCPs) must submit to the Department of Health Care Services (DHCS) for SNC to demonstrate their Subcontractor Networks are compliant with Network adequacy and access standards (herein referred to as “Network standards”) set forth in APL 23-001, or any later iterations of that APL.

Resources

DHCS has created a SharePoint site to provide resources for MCPs for the Annual Network Certification (ANC) and the SNC. The site includes such resources as the 274 Provider Directory Companion Guide, ANC and SNC APL attachments, the Network Standards and Delegation Crosswalk included in this Manual, and other tools to assist MCPs in submitting complete and accurate information and data for the ANC and SNC.

274 Provider Data

MCPs must provide data via the 274 data file exactly as instructed in the 274 Provider Directory Companion Guide so that Subcontractor Networks can be properly accounted for in MCPs’ SNC submissions. DHCS uses 274 data to determine compliance with SNC Exemption Requests, as well as to verify the information provided in the Network Adequacy and Access Assurances Report (NAAAR). Detailed instructions on data entry for the 274 data file can be found in the 274 Provider Directory Companion Guide.

Submission Requirements

For the annual SNC, MCPs may prepare and submit the required attachments and documents for their Subcontractor Networks earlier than the annual submission date, but MCPs must have all annual SNC exhibits submitted **no later than 45 days** (or the next Working Day) following the Reporting Year (RY).

- 1) MCPs must use their Provider Network File subfolder on DHCS’ Secure File Transfer Protocol (SFTP) site for their SNC submissions.
- 2) To ensure a timely submission, MCPs with staffing changes since the last annual SNC submission should determine whether they may need to request access to the SFTP site before the annual SNC submission date. Staff who have previously been granted access do not need to re-request SFTP access.
- 3) MCPs must provide only one submission for Exhibits 1 and 2 per county. MCPs must submit these SNC exhibits together in a ZIP file via the SFTP site using the following file naming convention: SNC [HEALTH PLAN NAME] EX.1AND2 [COUNTY]. For file naming conventions within the Exhibit 1 and 2 ZIP file, please use:

- a. For Exhibit 1: [HEALTH PLAN NAME] EX.1 [COUNTY]
- b. For Exhibit 2: [HEALTH PLAN NAME] EX.2 [COUNTY]
- c. For Exhibit 2 Supplemental File (if applicable): [HEALTH PLAN NAME] EX.2_supplement [COUNTY]

For further information regarding the applicability and submission of an Exhibit 2 Supplemental File, please refer to **Section C: Items C.2.c and C.2.f Supplemental Files** under **EXHIBIT 2** section of this Manual.

- 4) For Exhibit 3, depending on the combined file size of the verification documentation of all sampled Subcontractor Networks per county, MCPs may either:
 - a. Submit one ZIP file per county containing folders labeled by Subcontractor for each required Subcontractor Network with the following file naming convention: SNC [HEALTH PLAN NAME] EX.3 [COUNTY]; or
 - b. Submit one ZIP file per county for each required Subcontractor Network with the following file naming convention: SNC [HEALTH PLAN NAME] EX.3 [COUNTY] [SUBCONTRACTOR NAME]; or
 - c. Submit a combination of the above, reserving the submission of one ZIP file per county per Subcontractor Network for larger Subcontractor Networks and counties.

In total, all ZIP files related to Exhibit 3 must contain all the required Subcontractor Networks being sampled per county for that RY.

- 5) MCPs must use the specified file naming convention above for any supplemental documentation submitted after their initial submission.
- 6) MCP must confirm the date on which all required SNC exhibits are submitted by sending an email to MCQMD@dhcs.ca.gov and the MCO Contract Manager with the subject title: [HEALTH PLAN NAME] SNC SUBMISSION

EXHIBIT 1: SUBCONTRACTOR NETWORK EXEMPTIONS REQUEST

DHCS will begin verifying that MCPs provide information for all Subcontractor Networks in the NAAAR by comparing the submission against MCPs' 274 Provider data file. For DHCS to accurately compare the NAAAR and 274 file, MCPs must submit a Subcontractor Network Exemptions Request (Attachment B) per county for any Subcontractor Networks reported via the 274 file that meets any of the exemption criteria defined in the APL. MCPs need only submit one Subcontractor Network

Exemptions Request per county for all Subcontractor Networks that meet exemption criteria, as Attachment B allows MCPs to list as many Subcontractor Networks as needed.

There are two parts to the Subcontractor Network Exemptions Request:

For Part I, MCPs must choose from the dropdown list in column B the exemption criteria from the APL (see below) that the MCP is using to request exemptions for each Subcontractor Network listed. MCPs will not have to substantiate the Subcontractor Networks that meet exemption criteria #1 in the APL, as DHCS can verify those exemptions requested by reviewing the MCP's 274 file. As for Subcontractor Networks that the MCP is requesting exemptions for under criteria #2, and #3 of the APL, the MCP must provide a copy of the Subcontractor Agreement for each of the Subcontractor Network so DHCS can verify the claims of exemption made in the Request.

Subcontractor Network Exemption Criteria are as follows:

- 1) MCP only contracts with one Subcontractor Network in the Service Area, and no Providers directly contract with the MCP;
- 2) The Subcontractor Network only provides specialty or ancillary services; or
- 3) The Subcontractor Network only provides care through single case agreements and is not available to all the MCP's Members upon enrollment.

For Part II of the Subcontractor Network Exemptions Request (Attachment B), MCPs can request exemptions from the standard definition of a "Service Area" for Subcontractor Networks that serve only a portion of the MCPs' DHCS contractually defined Service Area within a county. In column B, MCPs will inform DHCS of the ZIP codes within the Service Area that their Subcontractor Networks do not serve and therefore should be exempt from Network standards. Like the requirement in Part I of the Request, MCPs must provide copies of the Subcontractor Agreements as part of the submission for this exhibit for each of the Subcontractor Networks listed so DHCS can verify the claims of exemption being made.

EXHIBIT 2: NETWORK ADEQUACY & ACCESS ASSURANCES REPORT (NAAAR)

The guidance herein should be considered a supplement to the existing instructions and directions provided within the NAAAR template. For any conflict between the instructions and directions provided in the NAAAR template and the guidance provided here in the SNC Instruction Manual, the instructions in the NAAAR template will supersede.

General Guidance

Every MCP must submit one NAAAR file per county documenting the MCP's monitoring efforts for all non-exempt Subcontractor Networks, except for MCPs with more than 40 Subcontractor Networks. MCPs with more than 40 Subcontractor Networks in a county must submit an additional NAAAR file for every 40 Subcontractor Networks thereafter. All information requested in the template must be included in the template aside from the exceptions provided in the guidance for Section C below. Examples are provided in the template to assist MCPs in consolidating the narratives required.

Section A: Network Adequacy and Access Standards

As stated in the APL, Section A of the template is prepopulated with DHCS' Network standards. MCPs do not have to modify, add or fill-in any aspect of Section A. Please note that how the DHCS' Network standards are reported in Section A and C.1, specifically the designated core specialists not being broken out into the 16 specific types, has no impact on how MCPs must report on the Network standards related to specialty care in Section C.2 of the NAAAR template.

Section B: Analyses Used to Monitor Subcontractor Network Compliance

The MCP must complete Section B by reporting on the analyses the MCP uses to assess Subcontractor Network compliance with DHCS' Title 42 Code of Federal Regulations (CFR) Section 438.68 and 42 CFR 438.206 standards, which are all Network standards outlined in APL 23-001, or any iteration of the APL published thereafter. The seven analyses MCPs must report on are in the header row of the Section B table in columns F-L. For each method of analysis in columns F-L, MCPs are required to provide (B.1) the frequency in which the MCP conducts the analysis for compliance purposes, (B.2) the standards and Subcontractors (e.g., all, some, or none) assessed using the analysis method, (B.3) and if indicated in item B.2 that the MCP uses an analysis method for some but not all Subcontractors, the MCP must specify the names of the Subcontractors for which the method is used.

DHCS understands MCPs may not use every method of analysis listed in columns F-L to monitor their Subcontractor Networks' Network standards compliance, but MCPs are required to fill out every cell in the Section B table, indicating not applicable, "N/A," where appropriate. If the MCP monitors Subcontractor Networks using the same method but at different frequencies (e.g., due to risk level, Subcontractor A is monitored bi-monthly while Subcontractor B is only monitored monthly), repeat the type of analysis by using a separate column in order to specify a separate frequency for certain Subcontractors. If the MCP uses another type of analysis to monitor their Subcontractor Networks other than the seven prepopulated in the template, enter that information in column M, adding additional entries in adjacent columns as needed.

Section C: Subcontractor-level Network Compliance Data

Section C consists of three parts: (C.1) information about the Subcontractor Network, (C.2) the Subcontractor Network's compliance with Network standards relating to 42

CFR section 438.68, and (C.3) the assurance of the Subcontractor Network’s compliance with Network standards relating to 42 CFR section 438.206.

For item C.1.a, MCPs must only provide one Subcontractor Network name per column. Do not combine or report on more than one Subcontractor Network per column. After indicating the delegation relationship in item C.1.c, MCPs must fill-out items C.1.d through C.1.q for all Subcontractors who are partially delegated functions and obligations of under the MCP’s Contract. For fully delegated Subcontractors, MCPs are only required to fill out items C.1.o through C.1.q. Per the APL, “Subcontractor Networks are only required to meet the Network adequacy and access standards for the Members assigned to the Subcontractor Network, and for the Covered Services the Subcontractor is contracted to provide on behalf of the MCP.” DHCS determines the Network standards an MCP should be holding a Subcontractor Network accountable for using the information provided in this part of C.1.

To assist MCPs in making this determination for their own monitoring purposes, please refer to Table 1 below. Not all combinations of partial delegation are included in Table 1, but MCPs should be able to infer all other scenarios from the main examples of delegation provided.

Table 1. Network Standards and Delegation Crosswalk

Network Standard	Full Delegation	Primary Care	Pediatric Primary & Specialty Care
TIME OR DISTANCE			
Adult Primary Care	X	X	
Pediatric Primary Care	X	X	X
Adult Specialty Care	X		
Pediatric Specialty Care	X		X
Adult NSMH	X		
Pediatric NSMH	X		
OB/GYN Specialty Care	X	X	X
Hospitals	X		
Dental Care	X ¹		
TIMELY ACCESS			
Primary Care - Urgent, no PA	X	X	X
Primary Care - Urgent, requiring PA	X	X	X
Primary Care - Non-urgent	X	X	X
Specialty Care - Non-urgent	X		X
NSMH Providers - Non-urgent	X		

NSMH Providers - Non-urgent follow-up	X		
Ancillary - Non-urgent	X		
Dental Providers - Urgent	X ¹		
Dental Providers - Non-urgent	X ¹		
Dental Providers - Preventive	X ¹		
LTSS - SNF	X ²		
LTSS - ICF	X ²		
Member Services Line	X	X ³	X ³
24/7 Nurse Triage Line	X	X ³	X ³
Provider Interpretation Services	X	X	X
PROVIDER CAPACITY RATIOS			
Primary Care Physician to Members	X	X	
Physician to Members	X	X	X
Non-Physician to Members	X	X	X
Adult NSMH Provider to Members	X		
Pediatric NSMH Provider to Members	X		
Physician to Non-Physicians	X	X	X
MANDATORY PROVIDERS - All	X		

¹ If carved into the MCP contract

² COHS & CCI only; RY 2023 forward - all counties

³ If delegated per Subcontractor Agreement

For parts C.2 and C.3, to determine which DHCS' Network standards fall under 42 CFR 438.68 (and therefore must be reported in part C.2) versus those standards that fall under 42 CFR 438.206 (and therefore must be reported in part C.3), MCPs should refer to the following table.

Table 2. DHCS Network Standards Crosswalk to Federal Regulations

42 CFR 438.68	42 CFR 438.206
Time or Distance	Timely Access
	Provider to Member Ratios
	Mandatory Provider Types

For DHCS' Network standards that fall under 42 CFR 438.68 (and therefore must be reported in part C.2), MCP's may monitor their Subcontractor Networks compliance using the same telehealth guidance allowed for the ANC as specified in APL 23-001, and any subsequent APLs.

Section C: Items C.2.c and C.2.f Supplemental File

Due to the potential lengthy submissions by MCPs for items C.2.c and C.2.f, DHCS is allowing MCPs to submit one supplemental file addition to the NAAAR template for items C.2.c and C.2.f only, on a per county basis. DHCS will not accept supplemental files for any other items on the NAAAR template. If submitting a NAAAR supplemental file for items C.2.c and C.2.f, then within the NAAAR template for items C.2.c and C.2.f, MCPs must indicate "see supplemental file [FILE NAME]."

The NAAAR supplemental file that is allowed to be submitted per county must be a single Excel workbook file. Information for both items C.2.c and C.2.f must be submitted on one worksheet per Subcontractor. MCPs must only submit the following information per Subcontractor worksheet:

1. ZIP code
2. Provider Type
3. Population Served
4. AAS Granted

The labels of the worksheets within the workbook must indicate the Subcontractor's name that information pertains to, in the order the Subcontractors appear within the NAAAR template.

For the file naming conventions to submit a NAAAR supplemental file per county for items C.2.c and C.2.f, please refer to the **Submission Requirements** within the **OVERVIEW** section at the beginning of this Manual.

EXHIBIT 3: VERIFICATION DOCUMENTS

MCPs must submit documents for DHCS' review to verify the compliance results and findings reported on the NAAAR. Due to the size of California and the number of Subcontractor Networks, DHCS is only reviewing documents for a set number of an MCP's Subcontractor Networks. DHCS will notify MCPs of the Subcontractor Networks to be sampled, at a minimum, at least 30 days in advance of the annual SNC submission date of 45 days after the end of the RY, or the next Working Day if the date falls on a weekend.

The verification documents MCPs must submit for DHCS to assess the accuracy and completeness of the information provided on the NAAAR for sampled Subcontractor Networks is listed below in the order in which the information is presented in the NAAAR. MCPs must provide verification of:

- 1) The delegation arrangement,
- 2) The analyses conducted to assess Subcontractor Network compliance and the findings,
- 3) The steps taken to address Subcontractor Network deficiencies through corrective action, and
- 4) The alternative access standard (AAS) approval process and approvals granted.

MCPs are only required to send verification documents for Subcontractor Networks that DHCS notifies MCPs of that are to be sampled per Services Area/county for the specified RY.

Exhibit 3.1 Delegation Arrangements

The only verification document DHCS will accept to validate the delegation arrangements for the sampled Subcontractor Networks (whether full or partial) is a copy of the Subcontractor Agreements between the MCP and Subcontractors. DHCS requests that when MCPs submit Subcontractor Agreements that they either (1) only provide the scope of services pages and signature pages, or (2) if supplying a copy of the entire agreement, the scope of services is highlighted within the agreement for ease of review. DHCS will not accept documents for this requirement unless they are submitted in one of the two ways described above.

Exhibit 3.2 Analyses and Findings

For this exhibit, MCPs must submit all the analyses reported in the NAAAR for each of the Subcontractor Networks DHCS is sampling for the RY. Specifically, MCPs must provide the analyses referenced in the narratives of items C.2.b, C.2.c, C.3.b, and C.3.c. Due to the variation in monitoring methods between MCPs for different Network standards, DHCS is not dictating the specific types of analyses that MCPs must use to monitor and therefore submit per Network standards under 42 CFR 438.68 or 42 CFR 438.206. Although, for the annual SNC submission preliminary check, DHCS will verify MCPs have submitted all the analyses of the sampled Subcontractor Networks against the analyses reported on MCPs' NAAARs.

MCPs are allowed to submit additional documents related to the analyses that the MCPs deem relevant or believe may assist in DHCS' review.

Exhibit 3.3 Corrective Actions (when applicable)

On the NAAAR, MCPs are required to report Network deficiencies identified through monitoring in the Subcontractor Deficiencies (Part 1) items C.2.c and C.3.c and Subcontractor Deficiencies (Part 2) items C.2.d and C.3.d. Specifically for Part 2 of Subcontractor Deficiencies, MCPs must, "describe what the Subcontractor will do to achieve compliance and how the MCP will monitor the Subcontractor's progress." Per APL 23-001, or any iterations of the APL thereafter, such noncompliance from Subcontractors requires that MCPs must impose corrective action and/or financial sanctions. DHCS expects the MCP's imposition of corrective action and/or sanctioning due to a Subcontractor's noncompliance with Network standards will include what the Subcontractor must do to achieve compliance and how the MCP will monitor the Subcontractor's progress. As such, MCPs must submit for this exhibit the documentation verifying the required corrective action and/or sanctions placed on Subcontractors as a result of the Network deficiencies reported for items C.2.d and C.3.d of the NAAAR for the sampled Subcontractor Networks.

Exhibit 3.4 AAS Process and Approvals

DHCS alternative access standard (AAS) approvals do not apply to MCPs' Subcontractor Networks. MCPs must have their own AAS approval process for their Subcontractors. To verify MCPs have processes in place, the first document MCPs must submit for this exhibit is the policies and procedures (P&Ps) that their Subcontractors must follow to obtain AAS approval from the MCP. MCPs must submit this P&P even if no AAS approvals were granted for the sampled Subcontractor Networks. If the MCP's P&Ps were approved during a prior SNC and have not changed, the MCP may submit an attestation on the MCP's letterhead stating the P&Ps remains unchanged and include a copy of the P&Ps' prior DHCS approval.¹

The other verification documents MCPs must submit for this exhibit are the AAS approvals that were granted to the Subcontractor Networks sampled and reported on the NAAAR via item C.2.f, as well as the supporting documentation that justifies each AAS approval.

SNC SUBMISSION CHECKLIST

As a requirement of SNC, MCPs must complete and submit the checklist below along with the accompanying SNC exhibits. This checklist should reflect the MCP's submission per county.

Exhibit 1: Subcontractor Network Exemptions Request

To be submitted when applicable.

- Attachment B: Subcontractor Network Exemptions Request
- Subcontractor Agreements (per Subcontractor Network exemption requested)

Exhibit 2: Network Adequacy and Access Assurances Report (NAAAR)

- Attachment C: NAAAR
- Attachment C: NAAAR items C.2.c and C.2.f supplemental files (if applicable)

Exhibit 3: Verification Documents for Sample Subcontractor Networks

The following must be submitted for each of the Subcontractor Networks DHCS is sampling for the RY.

- Exhibit 3.1: Subcontractor Agreements (scope of services and signature pages OR entire agreement with scope of services highlighted)
- Exhibit 3.2: Analyses and Findings (reported on NAAAR)
- Exhibit 3.3: Corrective Actions and/or Sanctions Documentation (when applicable)

¹ This is not an option for the initial SNC submission for RY 2022.

Exhibit 3.4: AAS Process and Approvals

- AAS Process P&Ps OR Attestation and copy of P&P Approval
- AAS Approvals granted
- AAS Approvals supporting documentation