Methodologies for Compliance Oversight

Methods for administration of the State Plan in accordance with 1902(a)(68) of the Social Security Act are:

1. The Department of Health Care Services (DHCS) will ensure entities who reach the $5,000,000 threshold, as defined in 4.42(a)(1)(A) of the State Plan, comply with the above mentioned Act by:
   a) Making current state policy and procedures, covering 1902(a)(68), available to all entities.

   A Provider Bulletin notifying all Medi-Cal providers of the new federal requirements was issued on December 4, 2006, and sent to all providers in the December 2006 Medi-Cal Update. This bulletin is posted on the Medi-Cal website.

   Additionally, an “All Plan Letter” was sent to all Medi-Cal Managed Care Health Plans on March 9, 2007, and compliance language was added to managed care contracts.

   b) Providing initial written notice to each covered entity, informing them of their obligation to comply with the above mentioned Act as a condition of their continued participation in the Medi-Cal program. The initial notifications will be sent in June 2908.

   c) Requiring each entity to submit, within 90 days of receipt of the notice, a certification declaring the entity, and any contractor or agent of the entity, understands the law, is in compliance for the 2006 calendar year, and will continue to be in compliance each calendar year thereafter as long as the provisions are applicable. If an entity continuously meets the threshold, they will not be required to re-certify.

   Medi-Cal Managed Care Health Plans and providers under the Selective Provider Contracting Program, including their contracted providers and entities, are subject to the false claims education requirements in their contracts, which are renewed annually. Therefore, they are not required to submit a certification.

   d) Conducting compliance reviews, as part of routine protocol, to validate that the entities are in compliance.

   e) Identifying, after the conclusion of each federal fiscal year, entities who have reached the $5,000,000 threshold in the previous federal fiscal year, and providing them written notice of their obligation to comply with the regulations for the following calendar year and any calendar year thereafter, if the threshold is met. These notifications will be sent in December of each year and will be due within 90 days of receipt of the notice.
2. DHCS may take administrative action for non-compliance through non-renewal of provider enrollment or contract, or suspension or termination of provider status.