

December 12, 2025

THIS LETTER SENT VIA EMAIL

Ms. Christy Bosse
Senior Vice President & CA Compliance Officer
Health Net of California, Inc.
21281 Burbank Blvd
Woodland Hills, CA 91367

NOTICE OF DEFICIENCY WITH CONTRACTUAL REQUIREMENTS AND DEMAND FOR CORRECTIVE ACTION PLAN (CAP): PROVIDER SCREENING, ENROLLMENT AND CREDENTIALING, AND INTEROPERABILITY REQUIREMENTS, WITH IMPACTS TO PROVIDER DIRECTORY

Dear Ms. Bosse,

The Department of Health Care Services (DHCS) is hereby providing Health Net of California (HN) this Notice of Deficiency (NOD) due to Non-Compliance with Contractual Requirements regarding Provider Screening, Enrollment, and Credentialing, and Interoperability requirements, with impacts to the Provider Directory pursuant to Dental Managed Care (MC) Boilerplate Contract Exhibit A8 Section 9¹, Dental MC Boilerplate Contract Exhibit A14.4 Subsection 5.d², All Plan Letter (APL) 18-004³, APL 22-013⁴ hereby requires a Corrective Action Plan (CAP) within thirty (30) days from the date of the electronic mail postmark of this letter. This CAP must include a remediation plan to make all affected members whole.

Please note, if HN is unable to correct the noted efficiencies and/or complete their CAP within six (6) months of the date of this notice, DHCS may exercise its right to pursue additional sanctions pursuant to APL 22-009⁵.

I. Background

HN became an operational Dental MC plan effective July 1, 2025. During the Implementation period leading up to July 1, 2025, HN submitted policies and procedures regarding Provider Screening, Enrollment, and Credentialing. HN also

¹ [Medi-Cal Dental Managed Care Plans Boilerplate Contract](#)

² [Medi-Cal Dental Managed Care Plans Boilerplate Contract](#)

³ [APL 18-004: Provider Screening / Enrollment and Credentialing / Recredentialing](#)

⁴ [APL 22-013: Interoperability and Patient Access Final Rule](#)

⁵ [APL 22-009: Enforcement Actions: Administrative and Monetary Sanctions: Supersedes All Plan Letter 13-004](#)



submitted Interoperability deliverables, validating that their requirements met the contractual requirements.

On October 17, 2025, DHCS released and published APL 25-010⁶ Medi-Cal Dental Managed Care Plan Provider Directory Updates. While monitoring and enforcement was delayed 90 days until after the release of this APL, HN is out of compliance with pre-existing Provider Directory contractual requirements. Due to the timing of this CAP, DHCS would like HN to demonstrate that they meet the Provider Directory requirements of APL 25-010.

II. Summary of Non-Performance

On August 20, 2025, HN submitted their August 2025 monthly Provider Directory deliverable.

On November 4, 2025, DHCS followed up on submission requesting confirmation if the provider directory information was being reported accurately, due to many providers in their provider directory reporting “No” for handicap accessibility. DHCS also requested justification as to why there are in-network providers who are not ADA-compliant if the information was accurate.

On November 7, 2025, HN responded with the information that if a provider does not provide a response to the accessibility question, the system automatically defaults to “No” within the provider directory and consequently the current data may not accurately represent the true accessibility status of the network. HN’s provider engagement team identified 165 occurrences also estimated it would take up to 6 weeks to complete outreach to providers to validate the information.

On November 25, 2025, DHCS followed and asked HN to confirm if their online provider directory platform is currently in compliance with the Interoperability requirements outlined in APL 22-013 and to confirm three questions.

On December 2, 2025, HN provided responses to the questions below in italics:

- Is ADA office accessibility status included as a required data element in the Provider Directory API?
 - *ADA office accessibility status is not currently provided in our Provider Directory API, our technology team has committed to having this data present in the API no later than December 31st.*
- When a provider does not respond to the accessibility question and the value defaults to “No,” is this default value being transmitted through the API?

⁶ [APL 25-010 Provider Directory](#)

- *As disclosed in the response above we are not currently populating this information in the API. On December 31, the data will be populated and when a provider does not provide an answer to this question the API will leave the field as a blank unless DHCS feels that a “No” would be more appropriate. Please advise.*
- How does Health Net ensure that the ADA accessibility data published via the API reflects the most accurate and up-to-date information available?
 - *The Plan accomplish this in a variety of methods*
 - *Credentialling and Recredentialling process*
 - *Onsite Audits*
 - *Directory Validation*
 - *Periodic Secret Shopper*

Information collected from this activity is used to update provider records.

On December 4, 2025, DHCS responded, “When a provider does not provide an answer to a question on their enrollment application, DHCS expects that HN will review provider enrollment applications for accuracy and completeness as part of their process. Pursuant to APL 18-004 Provider Screening/Enrollment and Credentialing/Recredentialing, ‘DMC plans must ensure that every network provider application they process is reviewed for both accuracy and completeness.’

HN’s P&P for Credentialing and Credentialing states the following:

‘E. Notifying Providers of Application Discrepancies.

“In the event information obtained in the credentialing review process, including primary source verification, varies substantially from the information included on the Application, the Applicant is contacted and afforded the opportunity to clarify the discrepancy and provide updated information (emphasis added). Should the information supplied by the Applicant require further clarification, the Company may offer the Applicant the opportunity to provide additional documentation, to the extent that the Company, in its sole discretion, determines that supplemental documentation is warranted.

Any additional, clarifying, or supplemental documentation requested by the Company must be submitted in writing, within the requested turnaround time outlined in the request. If changes are made to an already submitted document, the change must be initialed and dated by the provider. Once the documentation is received, it is reviewed for accuracy, date and initialed by the Company’s credentialing employee.’

Please note that DHCS reserves the right to issue a Notice of Deficiency regarding contractual noncompliance.”

III. Applicable Contractual Authority

Dental MC plan Boilerplate Contract, Exhibit A8, Section 9, Plan Provider Network states as follows:

“Contractor must comply with the Provider Screening/Enrollment requirements contained in CMS Final Rule 2390-F, dated May 6, 2016 (<https://www.gpo.gov/fdsys/pkg/FR-2016-05-06/pdf/2016-09581.pdf>) and Credentialing/Recredentialing requirements contained in 42 CFR 438.214 and 438.602 (https://www.ecfr.gov/cgi-bin/textidx?SID=755076fcbadf6e6a02197ec96e0f7e16&mc=true&node=pt42.4.438&rgn=div5#se42.4.438_1214) and DHCS policy requirements as described in APL 18-004.” (emphasis added).

APL 18-004 states as follows:

“DMC plans are not required to use the Department’s provider enrollment forms. However, DMC plans must ensure that they collect all the appropriate information, data elements, and supporting documentation required for each provider type. In addition, DMC plans must ensure that every network provider application they process is reviewed for both accuracy and completeness. (emphasis added).”

Dental MC plan Boilerplate Contract, Exhibit A14.4 Subsection 5.d states as follows:

“d. Compliance with the following may be met through distribution of a provider directory in accordance with 42 CFR 438.10(h) and Health and Safety Code Section 1367.27⁷...

7. Contractor must maintain a publicly accessible standards-based provider directory (API) as described in 42 CFR section 431.70, which must include the information in this section d. Provider Directory. The provider directory APIs must meet the technical standards finalized in the federal Department of Health and Human Services, Office of the National Coordinator (ONC) 21st Century Cures Act final rule in 45 CFR section 170.215” (emphasis added).

DHCS Dental APL 22-013 states as follows:

“DMC Plans must implement and maintain a publicly accessible standards-based Provider Directory API as described in 42 CFR 431.70, and meet the same technical standards of the Patient Access API, excluding the security protocols related to user authentication and authorization and any other protocols that restrict the availability of provider directory information to particular persons or organizations. DMC Plans are required to update the provider directory on a

⁷ [Health and Safety Code Section 1367.27](#)

weekly basis after the DMC Plan receives the provider information, or is notified of a change.

If a DMC Plan is currently maintaining an electronic provider directory on their website as required by 42 CFR 438.10(h), Health and Safety Code (HSC) 1367.27, and the DMC contract, and is meeting the required provider directory data elements above, then the DMC Plan may copy the information to the Provider Directory API. However, if any of the required data elements are missing from the electronic provider directory, the DMC Plan must take the appropriate steps to ensure the Provider Directory API includes all required data elements” (emphasis added).

Reporting Requirements

DMC Plans must ensure that data received from its network providers and subcontractors is accurate and complete by verifying the accuracy and timeliness of reported data; screening the data for completeness, logic, and consistency; and collecting service information in standardized formats to the extent feasible and appropriate. DMC Plans must make all collected data available to DHCS and CMS, upon request. (emphasis added)

APL 22-009 states as follows:

“When a DMC plan fails to comply with applicable federal and state laws and regulations, or meet contractual obligations, there is good cause to require a CAP from the DMC plan. DHCS has the authority to require DMC plans to develop and submit a CAP to DHCS for review and approval, in order to correct cited deficiencies. DMC plans are required to complete CAPs within six (6) months of receiving notice of violation from DHCS. DMC plans are required to provide a monthly status update to DHCS utilizing the CAP Response Form (enclosed) and provide supporting CAP documentation until the CAP is completed. Monthly CAP updates must identify and contain the following:

- The specific deficiency
- Description of the corrective action,
- Supporting documentation (such as: documentation of problems in completing the corrective action, evidence of the corrections made, and proof of training),
- Responsible person(s), and
- Implementation date(s).

DHCS can require or impose a CAP on a DMC plan and/or impose other enforcement actions for the violations set forth in WIC section 14197.7(a) and outlined below. For example, sanctions can be imposed on a DMC plan together

with a CAP, in lieu of a CAP, or if the DMC plan fails to meet CAP requirements. 25 The factor(s) set forth in WIC section 14197.7(g) will be considered by DHCS when determining whether a preceding, concurrent, or subsequent CAP is appropriate when taking enforcement actions, including imposing a sanction.

IV. Resultant Action

DHCS is hereby providing this NOD with Contractual Requirements regarding Provider Screening, Provider Directory, and Interoperability requirements and hereby demands a CAP within thirty (30) days from the date of the electronic mail postmark of this letter regarding the measures HN will implement to ensure compliance with applicable contractual requirements to make all affected members Whole.

Please again note, if Contractor is unable to correct the noted deficiencies and/or complete their CAP, DHCS may exercise its right to enforce sanctions pursuant to APL 22-009.

Should you have any questions, please contact me regarding the aforementioned.

Sincerely,

Original signed by:

Dana Durham
Chief, Medi-Cal Dental Services Division
Department of Health Care Services

Enclosure: CAP Response Form