



Managed Care Final Rule: Network Adequacy and Network Certification Implementation

California Department of Health Care Services

Stakeholder Advisory Committee Meeting
February 8, 2018



Presentation Outline

1. Background/Overview/Requirements

2. AB 205

3. Network Adequacy Standards

4. Alternative Access

5. DHCS Implementation Approach

6. Program Implementation Progress

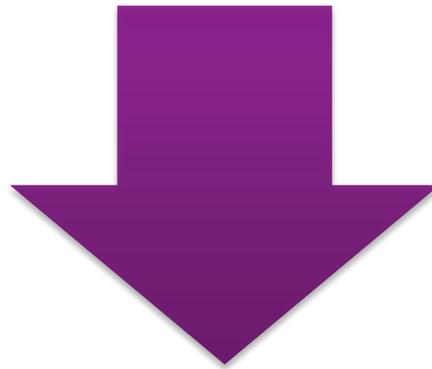
7. Questions and Open Discussion



Network Adequacy Background and Overview



Background & Overview



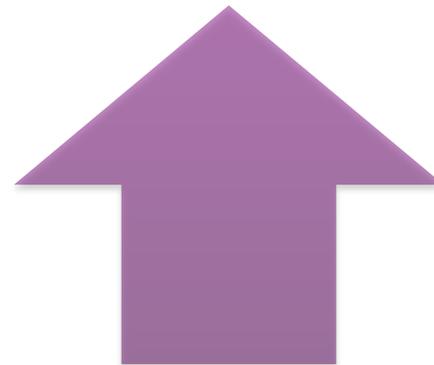
Federal rules¹

- Network adequacy standards established in the Final Rule



State flexibility

- State flexibility to implement network adequacy standards under the broad requirements of the Final Rule



¹ Managed Care Final Rule, Federal Register, Vol. 81, No. 88, §438.68 Network adequacy standards; §438.206 Availability of services; §438.207 Assurances of adequate capacity and services: <https://www.gpo.gov/fdsys/pkg/FR-2016-05-06/pdf/2016-09581.pdf>



Background & Overview

▪ **Applicability**

- Medi-Cal managed care health plans
- County mental health plans (MHPs)
- Drug Medi-Cal Organized Delivery System (DMC-ODS) health plans
- Dental managed care plans

▪ **Implementation Date**

- July 1, 2018 contract year



Network Adequacy Requirements

Network Adequacy Standards

Primary care*

Specialty care*

Behavioral health*

OB/GYN

Hospitals

Pharmacy

Pediatric dental

LTSS (timely access)

Reporting & Transparency

Annual Program Assessment Report

Website posting of network adequacy standards and alternative access requests/approvals

Annual Network Certification

Conduct network certification review

Submit assurance of compliance to CMS

* Adult and pediatric



AB 205

- **Implemented** specific provisions of the Final Rule, including the network adequacy standards
- **Changed** county categorization to be based on population density rather than population size
- **Authorized** alternative access standards process to be permitted and use of telehealth to meet standards
- **Established** a 90-day timeline for reviewing alternative access standard requests
- **Requires** annual demonstration of network adequacy compliance
- **Sunsets** the network adequacy provision in 2022, allowing for reevaluation of the standards



Network Adequacy Standards



Network Adequacy Standards

**County
Categories by
Population
Density**

- **Rural:** <50 people per sq. mi.
- **Small:** 51 to 200 people per sq. mi.
- **Medium:** 201 to 600 people per sq. mi.
- **Dense:** \geq 600 people per sq. mi.

**DHCS Core
Specialists**

- Cardiology
- Dermatology
- Endocrinology
- Gastroenterology
- General surgery
- Hematology
- HIV/AIDS specialists/Infectious diseases
- Nephrology
- Neurology
- Oncology
- Ophthalmology
- Orthopedic surgery
- Otolaryngology
- Physical medicine and rehabilitation
- Psychiatry
- Pulmonology



Network Adequacy Standards

Provider	Time and Distance	Timely Access
Primary Care	10 mi/30 min	10 business days
Hospital	15 mi/30 min	N/A
OB/GYN	10 mi/30 min	10 business days
Pediatric Dental	10 mi/30 min	Routine: 4 weeks Specialist: 30 calendar days
Specialists	Dense: 15 mi/30 min Medium: 30 mi/60 min Small: 45 mi/75 min Rural: 60 mi/90 min	15 business days
Pharmacy	10 mi/30 min	Prior auth: 24 hours Emergency supply: 72 hours



Network Adequacy Standards

Provider	Time and Distance	Timely Access
Outpatient Mental Health	Dense: 15 mi/30 min Medium: 30 mi/60 min Small: 45 mi/75 min Rural: 60 mi/90 min	10 business days
Outpatient DMC-ODS Substance Use Disorder (SUD) Services	Dense: 15 mi/30 min Medium: 30 mi/60 min Small: 60 mi/90 min Rural: 60 mi/90 min	10 business days
DMC-ODS Opioid Treatment Programs	Dense: 15 mi/30 min Medium: 30 mi/60 min Small: 45 mi/75 min Rural: 60 mi/90 min	3 business days



Network Adequacy Standards

Provider	Time and Distance	Timely Access
Skilled Nursing Facility	N/A	Dense: 5 business days Medium: 7 business days Small: 14 business days Rural: 14 business days
Intermediate Care Facility	N/A	Dense: 5 business days Medium: 7 business days Small: 14 business days Rural: 14 business days



Alternative Access



Alternative Access

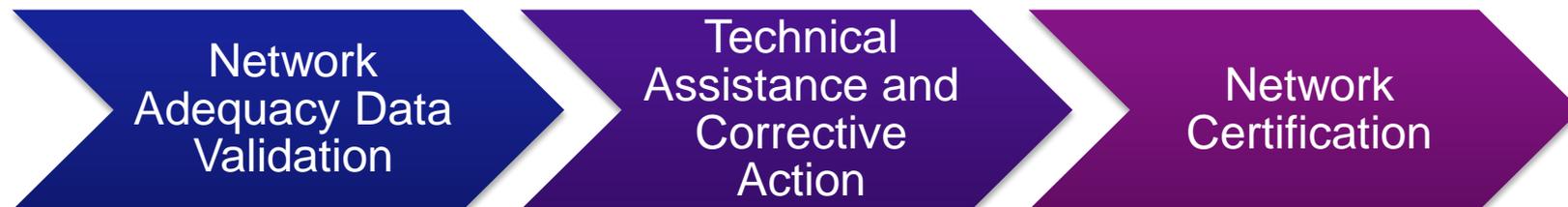
- **Alternative access requests may be allowed for time and distance standards if either:**
 - The Plan has exhausted all other reasonable options to obtain providers to meet the time and distance standards; or
 - DHCS determines that the Plan has demonstrated that its delivery structure is capable of delivering the appropriate level of care and access.
- **Telehealth** may be used as a means of determining alternative access standards.
- **Submission Process**
 - DHCS is developing a formal review and document submission process.
 - The Plans will have to submit supporting documentation that contracting efforts were unsuccessful.



Statewide Implementation Approach



Statewide Implementation Approach



- DHCS will leverage various tools and systems to analyze encounters, utilization, and network composition.
- DHCS will perform data validation.
- DHCS will also require deliverables submissions.

- DHCS will provide technical assistance to Plans regarding requirements to demonstrate network readiness and enforce any corrective action needed as needed.

- DHCS will submit Network Adequacy Certifications to CMS annually as required by the Final Rule.



Program Implementation Progress



Medi-Cal Managed Care Plan Data Validation Progress

▪ Data Validation Approach

- Provider data systems and quality improvement processes such as:
 - Post Adjudication Claims and Encounter System (PACES)
 - New Provider and Encounter Data Files
 - Data Quality Team
 - Encounter Data Quality Measures – 25 metrics
 - Percent of rejected encounters
 - Amount of time between date of service and submission date to DHCS
 - Utilization trends – Actual visits to adjusted expected visits
 - Comparison of medical records to encounter data sent to DHCS
- Telephone Verification
 - DHCS staff
 - External Quality Review Organization (EQRO) Validation Study



Medi-Cal Managed Care Plan Network Certification Example

- **Network Certification Components**
 - Physician and Primary Care Provider Ratios
 - Core Specialists
 - Behavioral Health Treatment Provider
 - Mandatory Provider Types
 - Time and Distance Standards
- **Internal Operations Analysis**
 - Review of annual medical audit findings
 - Policy and Procedure
 - Validation Study Results
 - Linguistic Services
 - Provider Directory Reviews – Physical Accessibility
- **All Plan Letter**
 - DHCS released the draft Network Certification APL for public comment in January 2018.



Medi-Cal Managed Care Plan Network Certification Example

▪ Core Specialist Calculation

- Enrollment Trended using Two Years of Data
- Utilization calculated using Encounter Data
- Unique Provider Counts Identified

▪ Specialty Calculation Example

- Specialty Requirement Calculated using 40%* of County Eligible Beneficiaries:

County	Provider Type	1 Year Unique Provider Count	1 Year Average Members Per Provider	Required Providers to Service 40% of County Eligibles	Unique MCP Providers
Sacramento	OB/GYN	119	4,496	40	101

* Or percent of share of beneficiaries, whichever is higher



Dental Managed Care Progress

- **Federal Regulations and AB 205**
 - Include pediatric dental network adequacy requirements:

Provider	Time and Distance	Timely Access
Pediatric Dental	10 mi/30 min	Routine: 4 weeks Specialist: 30 calendar days
Adult Dental	10 mi/30 min	Routine: 4 weeks Specialist: 30 business days



Dental Managed Care Progress (cont'd)

▪ Dental Managed Care Contracts

- Dental Managed Care contracts updated to include both adult and pediatric dental network adequacy requirements and require 1 Primary Care Dentist to every 2,000 beneficiaries and total network dentists of 1 dentist to every 1,200 beneficiaries.

▪ All Plan Letters

- Dental APLs published regarding network adequacy:
 - **APL 17-008, Time and Distance**, to require DMC plans to provide Geomaps for DHCS review (November 2017)
 - **APL 18-003, Timely Access**, to update quarterly reporting template for DMC plans, to measure compliance with routine and specialty appointment times, and provider-to-beneficiary ratios (January 2018)

▪ Alternative Access

- Dental Managed Care operates in Sacramento and Los Angeles Counties, so no alternative access standard requests are anticipated.



Mental Health/Substance Use Disorder Services (MH/SUDS) System Progress

▪ Data Validation Approach

- Network provider data reported at the organization, site and rendering provider level.
- As part of the network validation, DHCS will request and review the additional supporting documentation.

▪ Supporting Documentation Requirements

- An alternative access request, if applicable
- Geographic access maps and accessibility analyses
- Analysis of the expected utilization of services
- Analysis of the language line utilization
- Analysis of the availability of community-based services (i.e., where the provider travels to the beneficiary to deliver services)



Mental Health/Substance Use Disorder Services (MH/SUDS) System Progress

▪ Supporting Documentation Requirements (cont'd)

- Evidence of compliance with Title 42 CFR §438.14(b)(1) demonstrating sufficient access to American Indian Health Facilities
- Grievances and appeal logs related to availability of services and/or challenges in obtaining services in a timely fashion, as well as the resolutions of such grievances and appeals
- Provider agreements with network providers and subcontractors, including contracts for interpretation, language line, and telehealth services



Mental Health/Substance Use Disorder Services (MH/SUDS) System Progress

- **Supporting Documentation Requirements (cont'd)**
 - Plan's provider directory/directories
 - Results of beneficiary and provider satisfaction surveys related to network adequacy or timely access
 - Policies and procedures, including:
 - Network adequacy monitoring
 - Timely access
 - Service availability
 - Physical accessibility
 - 24/7 language assistance



Mental Health/Substance Use Disorder Services (MH/SUDS) System Progress

▪ Network Certification Components

- DHCS will include the following components in the MH/SUDS network certification:
 - Expected Enrollment and Utilization
 - Network Composition and Capacity
 - EQRO Validation

▪ Alternative Access

- DHCS will consider Alternative Access Standards for Time and Distance and Timely Access.

▪ County Information Notice

- DHCS released a draft Network Adequacy Standards Information Notice for public comment in January 2018.



Drug Medi-Cal Organized Delivery System (DMC-ODS) Progress

■ Certification Process Approach

- DHCS will utilize a Pre-Implementation Network Adequacy (NA) Certification Process to evaluate network adequacy in DMC-ODS.
- This process is required prior to CMS approval of an Intergovernmental Agreement.

■ Pre-Implementation Certification Components

- Projected Utilization based on estimates from historic utilization and prevalence data from the DMC-ODS County implementation plans.
- Determine the number of providers needed to serve the projected utilization, also from the DMC-ODS County implementation plans.
- Develop time and distance mapping based on both actual DMC enrollment and Medi-Cal enrollment for the DMC-ODS County using current provider lists made available at the time of the readiness review.



Drug Medi-Cal Organized Delivery System (DMC-ODS) Progress

- **Pre-Implementation Certification Components (cont'd)**
 - State must verify the county is compliant for the additional elements of NA based on the DMC-ODS implementation plan and completion of the readiness review.
 - Once the DMC-ODS plans are in operation for a year, they will be certified using the annual certification process consistent with method that has been presented for MHSUD NA certification in the previous slides.



Questions and Open Discussion