

DATE: September 16, 2026

ALL PLAN LETTER 26-017

TO: ALL MEDI-CAL MANAGED CARE PLANS

SUBJECT: PROVIDER DISPUTE RESOLUTION MECHANISM AND REPORTING REQUIREMENTS

PURPOSE:

The purpose of this All Plan Letter (APL) is to provide Medi-Cal managed care plans (MCPs) with guidance on the Provider Dispute Resolution Mechanism, minimum performance levels, Provider training requirements, and Provider Dispute Resolution Reporting requirements.

BACKGROUND:

In accordance with the MCP Contract, Health and Safety Code (H&S) section 1367(h)(1) and (h)(2), and California Code of Regulations (CCR) Title 28, section 1300.71.38, MCPs must have a fast, fair, and cost-effective Provider Dispute Resolution Mechanism in place that provides a formal procedure to accept, acknowledge, and resolve disputes submitted by Network Providers and out-of-Network (OON) Providers (herein referred to as "Providers") of Medi-Cal Covered Services.¹ This APL includes requirements for Provider Dispute Resolution reporting as required in the MCP Contract.²

POLICY:

An MCP's Provider Dispute Resolution Mechanism must identify and acknowledge the receipt of each Provider dispute within the following timeframes:³

- For an electronic Provider dispute, the acknowledgement must be provided within two Working Days of the date of receipt of the electronic Provider dispute by the office designated to receive Provider disputes.

¹ State law is searchable at: <https://leginfo.legislature.ca.gov/>.

² The boilerplate MCP Contract is available at:
<https://www.dhcs.ca.gov/provgovpart/Pages/MMCDBoilerplateContracts.aspx>.

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



- For a paper Provider dispute, the acknowledgement must be provided within 15 Working Days of the date of receipt of the paper Provider dispute by the office designated to receive Provider disputes.

The MCP may return any Provider dispute lacking the information specified in 28 CCR section 1300.71.38. A Provider may submit an amended Provider dispute within 30 Working Days of the date of receipt of a returned Provider dispute setting forth the missing information. The MCP must resolve each Provider dispute and issue a written determination stating the pertinent facts and explaining the reasons for its determination within 45 Working Days after the date of receipt of the Provider dispute or of any additional missing information requested by the MCP.⁴

MCPs must allow any Provider of Medi-Cal managed care services, including contracted and non-contracted Providers, to submit a dispute by paper or electronically for disputes pertaining to the following:

- The authorization or denial of a service;
- The processing of a payment or non-payment of a claim by MCPs;
- The processing of retroactive rate or payment adjustments pursuant to the terms of a State Directed Payment (SDP) or other payment policy that is contractually required; or
- The timeliness of the reimbursement on an uncontested Clean Claim and any interest MCP is required to pay on claims reimbursement.

Providers have 365 days to submit a dispute to an MCP. For disputes related to claims, the 365-day timeframe starts from the date of the last action taken on the claim by either the MCP or Provider. For disputes related to retroactive rate or payment adjustments, the 365-day timeframe starts from the date the MCP was required to make the retroactive rate or payment adjustment under the terms of the SDP or other contractual requirement.⁵

⁴ Disputes relating to MCP data or rate production, and/or cases where the MCP is not working with the Provider in a meaningful way to resolve data concerns or discrepancies, are allowed 90 calendar days to be processed instead of 45 Working Days. This exception is described in APL 25-015.

⁵ In accordance with APL 23-020 (Revised), MCPs must, as applicable, adhere to all timely payment requirements for amounts owed to Providers related to SDP, and automatically

The MCP's Provider Dispute Resolution Mechanism must be set forth in all Network Provider Agreements, and a provision requiring the Provider Dispute Resolution Mechanism must be set forth in all Subcontractor Agreements and Downstream Subcontractor Agreements. MCPs must inform all Providers, Subcontractors, and Downstream Subcontractors of their Provider Dispute Resolution Mechanisms, regardless of the Provider's contracting status. The MCP's Provider Dispute Resolution Mechanism must be accessible on their public website. MCPs must remind Providers of the process by a bulletin or similar mechanism at least annually. MCPs must have a process in place to assess and monitor the Provider Dispute Resolution Mechanisms for their Subcontractors and Downstream Subcontractors.

MCP PROVIDER TRAINING REQUIREMENTS:

MCPs must ensure that all Network Providers receive training on the MCP's Provider Dispute Resolution Mechanism as part of the MCP's contractually obligated Network Provider training. Additionally, MCPs are required to offer monthly office hours webinars—open to both Network Providers and OON Providers—to address any questions or concerns related to the Provider Dispute Resolution process. At least 30 calendar days before the office hours webinar, each MCP must post the date, time, and joining instructions on its public website, and notify DHCS and all applicable Network Providers of the scheduled office hours webinar.

REPORTING REQUIREMENTS:

Beginning January 1, 2027, MCPs must submit quarterly reports to DHCS on Provider Dispute Resolutions and timely payments through the MCP Submission Portal in accordance with the attached Provider Dispute Resolution Reporting Template. These reports must include a narrative summary of key themes, trends, and systemic issues identified through the MCP's review of provider disputes and timely payments. MCPs are expected to synthesize their internal data to highlight recurring concerns, root causes, and any resulting changes to their provider relations and timely payments processes. On the 4th quarter submission, MCPs must also describe their monitoring of Subcontractors and Downstream Subcontractors, including any corrective actions taken

reprocess claims with applicable interest, following retroactive rate or payment adjustments. MCPs are subject to timely payment requirements for SDPs effective 45 calendar days after the payment amount is directed by DHCS or such later time specified by DHCS in the direction of payment.

or planned and trends and systemic issues that were identified and addressed. The report is due 45 calendar days after quarter end and must be delineated by Network Providers and OON Providers, Provider Category (Professional, Facility, Other), and Provider Types as identified by DHCS. MCPs must submit the report to DHCS quarterly and include: the number of Providers who utilized the Provider Dispute Resolution Mechanism, the number of disputes related to claims payment and billing, a summary of the disposition of Provider disputes, timely payment compliance rates as described in APL 23-020, and the outcome of any process changes as a result of their Provider Dispute Resolutions mechanism and timely payments oversight. MCPs must also describe the outcome of their office hours, including the date and time held, attendees, and the nature of the discussion and any resulting action items.

MCP Responsibilities for Provider Engagement

MCPs should maintain proactive and collaborative relationships with their Network and OON Providers to prevent disputes and ensure timely access to care. In alignment with DHCS expectations for local resolution and Care Coordination, MCPs must have processes in place to identify, triage, and resolve Provider concerns that do not rise to the level of a formal provider dispute, which include but is not limited to: clear points of contact for Provider inquiries and concerns; timely and transparent communication with Providers regarding benefit coverage, authorization decisions, and Care Coordination responsibilities; and ongoing education for Providers on referral, authorization, and claims payment adjudication protocols to prevent service and payment delays.

MCP Responsibilities for Policies and Procedures, Subcontractors, and Enforcement Actions

The requirements contained in this APL necessitate a change in MCPs' contractually required policies and procedures (P&Ps). MCPs must submit their updated P&Ps to the Managed Care Operations Division (MCOD)-MCP Submission Portal⁶ within 90 days of the release of this APL.

MCPs are responsible for ensuring that their Subcontractors, Downstream Subcontractors, and Network Providers comply with all applicable state and federal laws and regulations, Contract requirements, and other DHCS guidance, including APLs and

⁶ The MCOD-MCP Submission Portal is located at: <https://cadhcs.sharepoint.com/sites/MCOD-MCPSubmissionPortal/SitePages/Contract%20Oversight.aspx>.

Policy Letters. These requirements must be communicated by each MCP to all Subcontractors, Downstream Subcontractors, and Network Providers. DHCS may impose Corrective Action Plans, as well as administrative and/or monetary sanctions for non-compliance. MCPs should review their Network Provider Agreements, Subcontractor Agreements, and Downstream Subcontractor Agreements to ensure compliance with this APL. For additional information regarding enforcement actions, see APL 25-007. Any failure to meet the requirements of this APL may result in enforcement actions.

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

Sincerely,

Original Signed by Dennis Hsieh

Dennis Hsieh, M.D., J.D.

Division Chief, Managed Care Quality and Monitoring Division