

## **Attachment A: Behavioral Health Network Adequacy Enforcement Actions**

Annually, the Department of Health Care Services (DHCS) assesses the network of county Mental Health Plans (MHP) and Drug Medi-Cal Organized Delivery System (DMC-ODS) Plans (collectively referred to as “Behavioral Health Plans” or “BHPs”) using the Annual Network Certification (ANC) process<sup>1</sup>. BHPs must meet all network adequacy standards, which includes capacity and composition ratios, time or distance, and mandatory provider standards. BHPs must maintain networks that meet all network adequacy standards and are required to submit documentation to DHCS to demonstrate compliance with network adequacy requirements through the ANC process. BHPs may be found non-compliant with network adequacy requirements by DHCS through activities beyond the ANC process including, but not limited to, audits, external quality reviews, and grievance and appeals monitoring.

BHPs are required to comply with follow-up compliance activities including, but not limited to, submitting timely and complete responses to questions and concerns identified during the ANC process. DHCS may impose Corrective Action Plans (CAPs), temporary withholds, monetary sanctions, or any combination of these actions for non-compliance with network adequacy compliance standards as established by federal or state law, regulation, DHCS policy, contract, or the state plan<sup>2</sup>. Failure to resolve a CAP as reviewed and approved by DHCS, may result in additional CAPs, enhanced monitoring, or the imposition of temporary withholds or monetary sanctions.<sup>3</sup>

BHPs are required to meet the network adequacy requirements as outlined in Behavioral Health Information Notice (BHIN) 24-020 or its superseding guidance.

For BHPs found out of compliance with any of the Network Adequacy requirements, DHCS will reference Table 1: Enforcement Tiers when determining enforcement actions for violation of these requirements. DHCS will enforce network standards, and apply enforcement tiers, separately for SMHS and DMC-ODS services.

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<sup>1</sup> For additional information regarding the ANC process and its standards, please refer to BHIN 24-020 or subsequent guidance issued by DHCS on this topic.

<sup>2</sup> Welf. & Inst. Code, § 14197.7, subds. (e)(1), (e)(2), (e)(3), (e)(6), (o)(1)(A).

<sup>3</sup> Welf. & Inst. Code, § 14197.7, subd. (e)(7); BHIN 23-006.

**Table 1: Enforcement Tiers**

<b>Tier</b>	<b>Violation</b>	<b>Enforcement Actions</b>
<b>1</b>	<b>A.</b> Failure to meet network adequacy requirements in one of the following categories: Capacity and Composition, Time or Distance Standards, and Mandatory Providers, <b>or</b> <b>B.</b> Failure to submit required 274 data or useable data via the 274.	May include but are not limited to a CAP. Repeat violations of the same categories may be subject to the next higher tier of enforcement actions, as described at left.
<b>2</b>	<b>A.</b> Failure to meet CAP requirements, <b>or</b> <b>B.</b> Failure to meet network adequacy requirements in two of the following network adequacy categories*: Capacity and Composition, Time or Distance Standards, and Mandatory Providers, <b>or</b> <b>C.</b> Failure to meet the same compliance standards in category A of Tier 1 for two consecutive ANC periods, <b>or</b> <b>D.</b> Continued failure to submit 274 data or useable data via the 274.	May include, but are not limited to, a CAP, temporary withholding of funds, monetary sanctions, or any combination of these actions. Repeat violations of the same categories may be subject to the next higher tier of enforcement actions, as described at left, and/or increased withhold or monetary sanction amounts.
<b>3</b>	<b>A.</b> Failure to meet CAP requirements, <b>or</b> <b>B.</b> Failure to meet network adequacy requirements in three of the following network adequacy categories*: Capacity and Composition, Time or Distance Standards, and Mandatory Providers, <b>or</b> <b>C.</b> Failure to meet the same compliance standards in category B of Tier 2 for two or more consecutive ANC periods, <b>or</b> <b>D.</b> Continued failure to submit 274 data or useable data via the 274.	May include, but are not limited to, the enforcement actions of Tier 2, administrative sanctions, or any combination of these actions. Repeat violations of the same categories may be subject to increased enforcement activities, including increased withholds and/or monetary sanction amounts.

\*Network adequacy categories are defined in BHIN 24-020 or its superseding guidance.