



**To:** Medi-Cal Providers  
**From:** IEHP – Contracts Team  
**Date:** July 01, 2019  
**Subject:** **California Department of Health Care Services (DHCS) All Plan Letter (“APL”) 19-001**

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California Department of Health Care Services(DHCS) has released APL 19-001, which requires network provider agreements to be in compliance with the requirements set forth therein by **July 1, 2019**.

The purpose of this notice is to inform and assist our Providers in meeting the new DHCS contractual requirements. Attached are the sample Attachments to help the Providers incorporate the new requirements into their Agreements. Its purpose is to set forth the regulatory requirements contained in APL 19-001.

At a later date, IEHP will be issuing Unilateral Letters and the Attachments to all our contracted Providers in order to align our contracts with regulatory requirements. If you have any questions regarding this notification, please contact your assigned Contracts Manager.

Enclosure: Medi-Cal Program  
Enclosure: DMHC Requirements

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## ATTACHMENT TO AGREEMENT

### MEDI-CAL PROGRAM

This Attachment sets forth the Medi-Cal requirements pursuant to applicable laws, regulations, regulatory directives and the contract between IEHP HEALTH PLAN and the California Department of Health Care Services (the “Medi-Cal Agreement”). PROVIDER understands that the following requirements are applicable to PROVIDER as a subcontractor of IEHP HEALTH PLAN. In the event of any conflict between the terms and conditions of the Agreement, including those by amendment or attachment, and those contained in this Attachment, the terms and conditions of this Attachment shall control.

1. **Specification of Services.** PROVIDER shall provide the services specified in Attachment [INSERT].
2. **Legal and Regulatory Requirements.** PROVIDER agrees to comply with all applicable state and federal Medicaid laws and regulations, including contractual requirements set forth under the Medi-Cal Agreement and the applicable requirements of the Medi-Cal Managed Care Program. PROVIDER further understands and agrees that this Agreement is governed by and construed in accordance with all laws and applicable regulations governing the Medi-Cal Agreement between IEHP HEALTH PLAN and DHCS.
3. **Approval by DHCS.** PROVIDER understands that the Agreement is effective upon written approval by DHCS, or by operation of law where DHCS has acknowledged receipt and has failed to approve or disapprove the Agreement within 60 days of receipt. Amendments shall be submitted to DHCS for prior approval, at least 30 days before the effective date of any proposed changes governing compensation, services, or terms. Proposed changes, which are neither approved nor disapproved by DHCS, shall become effective by operation of law 30 days after DHCS has acknowledged receipt, or upon the date specified in the amendment, whichever is later.
4. **Term of Agreement.** The term of the Agreement shall be as set forth in [INSERT Section #] of the underlying Agreement, with termination provisions as further described in [INSERT Article/Section #].
5. **Emergency Services.** In the event that PROVIDER is delegated risk for non-contracting emergency services, PROVIDER shall provide the services in compliance with applicable State and Federal law as well as applicable sections of the Medi-Cal Agreement (including but not limited to, 22 CCR § 53855 and Exhibit A, Attachment 8, Provision 13 of the Medi-Cal Agreement).
6. **Reports.** PROVIDER agrees to submit any reports required by IEHP HEALTH PLAN, in a form acceptable to IEHP HEALTH PLAN.
7. **Monitoring Rights.** PROVIDER shall comply with all monitoring provisions of the Medi-Cal Agreement and any monitoring requests by DHCS.
8. **Audit and Inspection.** PROVIDER agrees to make all of its premises, facilities, equipment, books, records, contracts, computer and other electronic systems pertaining to the goods and services furnished under the terms of the Agreement, available for the purpose of an audit, inspection, evaluation, examination or copying, including but not limited to Access Requirements and State’s Right to Monitor, as set forth in Exhibit E, Attachment 2, Provision 20 of the Medi-Cal Agreement:
  - a) By DHCS, CMS, Department of Health and Human Services (DHHS) Inspector General, the Comptroller General, Department of Justice (DOJ), DMHC, or their designees.
  - b) At all reasonable times at PROVIDER's place of business or at such other mutually agreeable location in California.

- c) In a form maintained in accordance with the general standards applicable to such book or record keeping.
  - d) For a term of at least 10 years from the final date of the Agreement period or from the date of completion of any audit, whichever is later.
  - e) Including all Encounter Data, as applicable, for a period of at least 10 years.
  - f) If DHCS, CMS, or the DHHS Inspector General determines there is a reasonable possibility of fraud or similar risk, DHCS, CMS, or the DHHS Inspector General may inspect, evaluate, and audit PROVIDER at any time.
  - g) Upon resolution of a full investigation of fraud, DHCS reserves the right to suspend or terminate PROVIDER from participation in the Medi-Cal program; seek recovery of payments made to PROVIDER; impose other sanctions provided under the State Plan, and direct IEHP HEALTH PLAN to terminate the Agreement due to fraud.
9. **Compensation.** The method and amount of compensation to be received by PROVIDER is set forth in Attachment [INSERT #].
10. **PROVIDER Subcontracts.** PROVIDER agrees to maintain and make available to DHCS, upon request, copies of all subcontracts and to ensure that all subcontracts are in writing and require that the subcontractor:
- a) Make all premises, facilities, equipment, applicable books, records, contracts, computer, or other electronic systems related to the Agreement, available at all reasonable times for audit, inspection, examination, or copying by DHCS, CMS, or the DHHS Inspector General, the Comptroller General, DOJ, and DMHC, or their designees.
  - b) Retain all records and documents for a minimum of 10 years from the final date of the Agreement period or from the date of completion of any audit, whichever is later.
11. **Transfer of Care.** In the event the Medi-Cal Agreement between IEHP HEALTH PLAN and DHCS is terminated, PROVIDER shall assist IEHP HEALTH PLAN in the orderly transfer of Members and medical care, as required by the Medi-Cal Agreement; including but not limited to, making available to DHCS copies of medical records, patient files, and any other pertinent information, necessary for efficient case management of Members. PROVIDER further agrees to assist IEHP HEALTH PLAN in the orderly transfer of care in the event the contract between PROVIDER and a subcontractor is terminated.
12. **Notice to DHCS.** PROVIDER agrees to notify DHCS in the event this Agreement is amended or terminated. Notice is considered given when properly addressed and deposited in the U.S. Postal Service as first-class registered mail, postage attached. The parties agree to comply with timeframes for notification as required by DHCS, and other applicable requirements, even if such requirements may delay amendment or termination of the Agreement.
13. **Assignment and Delegation.** PROVIDER agrees that assignment or delegation of this Agreement is void unless prior written approval is obtained from DHCS in those instances where prior approval by DHCS is required.
14. **Hold Harmless.** PROVIDER agrees to hold harmless both the State and Members in the event IEHP HEALTH PLAN cannot or will not pay for services performed by PROVIDER pursuant to this Agreement. PROVIDER shall further ensure that any subcontracts contain this requirement.

15. **Records Related to Litigation.** PROVIDER agrees to timely gather, preserve, and provide to IEHP HEALTH PLAN and/or DHCS, any records in PROVIDER's possession, in the form and manner specified by DHCS, any information specified by DHCS, subject to any lawful privileges, in PROVIDER's possession relating to threatened or pending litigation by or against DHCS. PROVIDER agrees to use all reasonable efforts to immediately notify IEHP HEALTH PLAN and DHCS of any subpoenas, document production requests, or requests for records, received by PROVIDER related to this Agreement. PROVIDER shall further ensure that any subcontracts contain this requirement.
16. **Interpreter Services.** PROVIDER agrees to arrange for the provision of interpreter services for Members at all provider sites.
17. **Provider Grievances.** PROVIDER understands that it has a right to submit a grievance to IEHP HEALTH PLAN, which includes any complaint, dispute, request for consideration, or appeal, in accordance with IEHP HEALTH PLAN's process to resolve provider grievances.
18. **Quality Improvement System.** PROVIDER agrees to participate and cooperate in IEHP HEALTH PLAN's Quality Improvement System. If IEHP HEALTH PLAN has delegated Quality Improvement activities to PROVIDER, the Agreement shall include those provisions required under the Medi-Cal Agreement (Exhibit A, Attachment 4, Provision 6, Delegation of Quality Improvement Activities). The Agreement shall include, at minimum:
  - a. Quality improvement responsibilities, and specific delegated functions and activities of the IEHP HEALTH PLAN and PROVIDER.
  - b. IEHP HEALTH PLAN's oversight, monitoring, and evaluation processes and PROVIDER's agreement to such processes.
  - c. IEHP HEALTH PLAN's reporting requirements and approval processes, and PROVIDER's responsibility to report findings and actions taken as a result of the quality improvement activities at least quarterly.
  - d. IEHP HEALTH PLAN's actions/remedies if PROVIDER's obligations are not met.
19. **Revocation of Delegated Activities.** PROVIDER agrees to allow revocation of delegated activities or obligations (as applicable), or specify other remedies in instances where DHCS or IEHP HEALTH PLAN determine that the PROVIDER has not performed satisfactorily.
20. **Data Sharing for Coordination of Care.** If PROVIDER is responsible for Member care coordination, IEHP HEALTH PLAN agrees to share with PROVIDER any utilization data that DHCS has provided to IEHP HEALTH PLAN, and PROVIDER agrees to receive the utilization data provided and use it as PROVIDER is able for the purpose of Member care coordination.
21. **Changes to DHCS Contract.** IEHP HEALTH PLAN agrees to inform PROVIDER of prospective requirements added by DHCS to the Medi-Cal Agreement before the requirement would be effective, and PROVIDER agrees to comply with the new requirements within thirty (30) days of the effective date, unless otherwise instructed by DHCS and to the extent possible.
22. **Provider Data.** If applicable, PROVIDER shall submit to IEHP HEALTH PLAN complete, accurate, reasonable, and timely provider data needed (and requested) by IEHP HEALTH PLAN in order to meet its provider data reporting requirements to DHCS. Such provider data may include, but not be limited to, claims and payment data, health care services delivery Encounter Data, and network information as may be required by the Medi-Cal Agreement (Exhibit A, Attachment 3, Provision 1; APL 16-019).
23. **Encounter Data.** If applicable, PROVIDER shall submit to IEHP HEALTH PLAN complete, accurate, reasonable, and timely Encounter Data needed by IEHP HEALTH PLAN in order for IEHP HEALTH PLAN to meet its encounter data reporting requirements to DHCS.

24. **Prohibition of Balance Billing.** PROVIDER shall not collect reimbursement or balance bill a Medi-Cal member for the provision of covered services.
25. **Provider Training.** IEHP HEALTH PLAN shall provide, and PROVIDER shall participate in, cultural competency, sensitivity, and diversity training.
26. **Policies and Procedures.** PROVIDER shall implement and maintain policies and procedures that are designed to detect and prevent fraud, waste, and abuse.
27. **Protected Health Information (PHI).** As a condition of obtaining access to PHI of IEHP HEALTH PLAN relating to Medi-Cal Members, PROVIDER acknowledges receipt of a copy of Exhibit G of the Medi-Cal Agreement, and agrees to the restrictions and conditions therein with respect to such PHI.

## **ATTACHMENT TO AGREEMENT**

### **DMHC REQUIREMENTS**

PROVIDER understands that IEHP HEALTH PLAN is subject to requirements applicable to health plans set forth under the Knox-Keene Act and related regulations of the California Code of Regulations (“CCR”) promulgated by the Department of Managed Health Care (“DMHC”). The following provisions are required by state and federal statutes and regulations applicable to health plans. As a subcontractor of IEHP HEALTH PLAN, PROVIDER is subject to the requirements below. In the event of any conflict between the terms and conditions of the Agreement, including those by amendment or attachment, and those contained in this Attachment G, the terms and conditions of Attachment G shall control.

#### **DMHC Provisions**

- 1) In the event that IEHP HEALTH PLAN fails to pay PROVIDER for covered health care services, the Member or subscriber shall not be liable to PROVIDER for any sums owed by IEHP HEALTH PLAN. PROVIDER shall not collect or attempt to collect from a Member or subscriber any sums owed to PROVIDER by the IEHP HEALTH PLAN. PROVIDER, or agent, trustee or assignee thereof, may not and will not maintain any action at law against a Member or subscriber to collect sums owed to the PROVIDER by IEHP HEALTH PLAN. (Health and Safety Code Section 1379)
- 2) To the extent that any of IEHP HEALTH PLAN’s quality of care review functions or systems are administered by PROVIDER, PROVIDER shall deliver to IEHP HEALTH PLAN any information requested in order to monitor or require compliance with IEHP HEALTH PLAN’s quality of care review system. (28 CCR § 1300.51, J-5)
- 3) PROVIDER’s primary care physicians are responsible for coordinating the provision of health care services to Members who select PROVIDER’s providers for primary care physician services. (28 CCR § 1300.67.1(a))
- 4) PROVIDER shall maintain Member medical records in a readily available manner that permits sharing within IEHP HEALTH PLAN of all pertinent information relating to the health care of Members. (28 CCR § 1300.67.1(c))
- 5) PROVIDER shall maintain reasonable hours of operation and make reasonable provisions for after-hour services. (28 CCR § 1300.67.2(b))
- 6) To the extent PROVIDER has any role in rendering emergency health care services, PROVIDER shall make such emergency health care services available and accessible twenty-four (24) hours a day, seven days a week. (28 CCR § 1300.67.2(c))
- 7) PROVIDER shall participate in IEHP HEALTH PLAN’s system for monitoring and evaluating accessibility of care including but not limited to waiting times and appointment availability, and addressing problems that may develop. PROVIDER shall timely notify IEHP HEALTH PLAN of any changes to address or inability to maintain IEHP HEALTH PLAN’s access standards. (28 CCR § 1300.67.2(f))
- 8) IEHP HEALTH PLAN is subject to the requirements of the Knox-Keene Health Care Service Plan Act of 1975, as amended (Chapter 2.2 of Division 2 of the Health and Safety Code), and the regulations promulgated hereunder (Chapter 2 of Division 1 of Title 28 of the California Code of Regulations). Any provision of the aforementioned statutes or regulations that are required to be in this Agreement shall bind the IEHP HEALTH PLAN and PROVIDER (as applicable) whether or not expressly set forth in this Agreement. (28 CCR § 1300.67.4(a)(9))

- 9) Upon the termination of this Agreement, IEHP HEALTH PLAN shall be liable for covered health care services rendered by PROVIDER (other than for copayments) to a subscriber or Member who retains eligibility under the applicable plan contract or by operation of law under the care of PROVIDER at the time of termination of the Agreement until the services being rendered to the subscriber or Member by PROVIDER are completed, unless the IEHP HEALTH PLAN makes reasonable and medically appropriate provision for the assumption of services by a contracting provider. (Health and Safety Code Section 1373.96) (28 CCR § 1300.67.4(a)(10))
- 10) Any written communications to Members that concern a termination of this agreement shall comply with the notification requirements set forth in Health and Safety Code Section 1373.65(f).
- 11) The written contract between IEHP HEALTH PLAN and PROVIDER shall be prepared or arranged in a manner which permits confidential treatment by the Director of payment rendered or to be rendered to the provider without concealment or misunderstanding of other terms and provisions of the Agreement. (28 CCR § 1300.67.8(a))
- 12) PROVIDER shall maintain all records and provide all information to the IEHP HEALTH PLAN or the DMHC as may be necessary for compliance by the IEHP HEALTH PLAN with the provisions of the Knox-Keene Health Care Service Plan Act of 1975, as amended and any regulations promulgated thereunder. To the extent feasible, all such records shall be located in this state. (Health and Safety Code Section 1381) (28 CCR § 1300.67.8(b))
- 13) PROVIDER shall afford IEHP HEALTH PLAN and the DMHC access at reasonable times upon demand to the books, records and papers of PROVIDER relating to health services provided to Members and subscribers, to the cost thereof, to payments received by PROVIDER from Members and subscribers of the IEHP HEALTH PLAN (or from others on their behalf), and, unless PROVIDER is compensated on a fee-for-services basis, to the financial condition of PROVIDER. PROVIDER shall promptly deliver to IEHP HEALTH PLAN, any financial information requested by IEHP HEALTH PLAN for the purpose of determining PROVIDER's ability to bear capitation or other applicable forms of risk sharing compensation. (28 CCR § 1300.67.8(c))
- 14) PROVIDER shall not and is hereby prohibited from demanding surcharges from Members for covered health care services. Should IEHP HEALTH PLAN receive notice of any such surcharges by PROVIDER, IEHP HEALTH PLAN may take any action it deems appropriate including but not limited to demanding repayment by PROVIDER to Members of any surcharges, terminating this Agreement, repaying surcharges to Members and offsetting the cost against any amounts otherwise owing to PROVIDER. (28 CCR § 1300.67.8(d))
- 15) Upon IEHP HEALTH PLAN's request, provider shall report all co-payments paid by Members to provider. (Health and Safety Code Section 1385)
- 16) To the extent that any of IEHP HEALTH PLAN's quality assurance functions are delegated to PROVIDER, PROVIDER shall promptly deliver to IEHP HEALTH PLAN all information requested for the purpose of monitoring and evaluating PROVIDER's performance of those quality assurance functions. (28 CCR § 1300.70)
- 17) PROVIDER may utilize IEHP HEALTH PLAN's Provider Dispute Resolution process by phoning or writing the Claims Department (P.O. Box 4319, Rancho Cucamonga, CA 91729-4319, Attention IEHP Claims Resolution Unit; Telephone # (909) 890-2054 or (866) 223-4347). Please see the Provider Manual for more information regarding the dispute resolution process. (Health and Safety Code Section 1367(h).) (28 CCR § 1300.71.38)
- 18) For any material revision to the Agreement or to the sub-delegation of duties by the parties, the parties shall receive prior authorization from the DMHC. (28 CCR § 1300.52.4)
- 19) A description of the grievance procedure shall be readily available at each PROVIDER facility. PROVIDER shall provide grievance forms and assist Members in filing grievances. PROVIDER shall cooperate with IEHP HEALTH PLAN in responding to Member grievances and requests for independent medical reviews. (28 CCR § 1300.68(b))

- 20) Any pursuit and recovery of a third party lien shall comply with all applicable laws and regulations, including without limitation, California Civil Code Section 3040. PROVIDER shall cooperate with IEHP HEALTH PLAN in identifying such third party liability claims and providing any required information.
- 21) PROVIDER shall comply with language assistance standards developed pursuant to Health & Safety Code Section 1367.04, as applicable.
- 22) PROVIDER is entitled to all protections afforded under the Health Care Providers' Bill of Rights. (Health & Safety Code Section 1375.7)