

THIS CA UPDATE HAS BEEN SENT TO THE FOLLOWING:
COUNTIES:

- ☒ Imperial
- ☒ Riverside/San Bernardino
- ☒ Los Angeles
- ☐ Orange
- ☒ Sacramento
- ☒ San Diego

LINES OF BUSINESS:

- ☒ Molina Medi-Cal Managed Care
- ☐ Molina Medicare Options Plus
- ☐ Molina Dual Options Cal MediConnect Plan (Medicare-Medicaid Plan)
- ☐ Molina Marketplace (Covered CA)

PROVIDER TYPES:

- ☒ **Medical Group/ IPA/MSO**
- ☐ **Primary Care**
- ☐ IPA/MSO
- ☐ Directs
- ☐ **Specialists**
- ☐ Directs
- ☐ IPA
- ☐ **Hospitals**
- ☐ **Ancillary**
- ☐ CBAS
- ☐ SNF/LTC
- ☐ DME
- ☐ Home Health
- ☐ Other

FOR QUESTIONS CALL
PROVIDER SERVICES:

(855) 322-4075, Extension:

Los Angeles/Orange Counties

122233	117079
120104	127657

Riverside/San Bernardino Counties

128010	127709
127684	

Sacramento County

126232	121360
121031	

San Diego County

120056	121588
120630	

Imperial County

125682	120153
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ADMINISTRATIVE AND FINANCIAL SANCTIONS (APL 18-003)

This is an advisory notification to our Molina Healthcare of California (MHC) network providers regarding existing law pertaining to the imposition of administrative and financial sanctions.

This notification is based on an All Plan Letter (APL) 18-003, which can be found in full on the Department of Health Care Services (DHCS) website at <http://www.dhcs.ca.gov/formsandpubs/Pages/AllPlanLetters.aspx>

BACKGROUND

MHC must ensure subcontractors and delegated entities comply with all contractual obligations and applicable state and federal laws and regulations. DHCS may impose administrative and financial sanctions on Managed Care Plans for non-compliance pursuant to, but not limited to, the following:

- Title 42 of the Code of Federal Regulations (CFR) Section 438.700 et sq.
 - Basis for imposition of sanctions
- California Welfare & Institutions Cod (WIC) Section 14304
 - Sanction or termination of contract for good cause
- Title 22 of the California Code of Regulations (CCR) Section 53352
 - Contract termination for noncompliance or failure to pay claims
- Title 28 of the CCR Section 1300.86
 - Determination of administrative penalties
- California Health & Safety Code (HSC) Section 100171
 - Adjudicative hearing for decision
- Title 42 of the United States Code (USC), Chapter 7, Subchapter 19, Section 1396 et. Seq.
 - Medicaid and CHIP Payment and Access Commission
- California Government Code (GOV) Sections 11505 and 11506
 - Administrative adjudication: formal hearing

REASONS FOR IMPOSING ADMINISTRATIVE AND FINANCIAL SANCTIONS

Successful administration of the Medi-Cal program depends on a collaborative partnership between DHCS, MHC, and MHC's subcontractors and delegated entities. Upon failure to meet contractual obligations or comply with applicable state and federal laws and regulations, there is good cause for DHCS to impose administrative and/or financial sanctions.

TYPES OF SANCTIONS FOR FAILURE TO COMPLY WITH APPLICABLE STATE AND FEDERAL LAWS AND REGULATIONS OR CONTRACTUAL OBLIGATIONS

DHCS may impose any one or a combination of the following sanctions:

- Temporary Suspension Orders
- Monetary Sanctions
- Contract Termination

MHC may exercise similar sanctions with its provider groups as a result of the DHCS issuance of a sanction to MHC caused by the provider group non-compliance with regulations or contractual obligations.

Please note that MHC is subject to State regulatory audits and is responsible for ensuring downstream compliance with State program initiatives and requirements. As such, PCPs and Independent Physician Associations (IPAs) must ensure that internal operations are consistent and compliant with these requirements. MHC may conduct periodic audits and request copies of applicable policies and procedures and/or documentation that demonstrates compliance within your organization. Failure to submit any requested documents may result in a Corrective Action Plan.

QUESTIONS

If you have any questions regarding the notification, please contact your Molina Provider Services Representative at (855) 322-4075.