



JENNIER KENT
DIRECTOR

State of California—Health and Human Services Agency
Department of Health Care Services



GAVIN NEWSOM
GOVERNOR

DATE: May 2, 2019

ALL PLAN LETTER 19-003

TO: ALL MEDI-CAL MANAGED CARE HEALTH PLANS

SUBJECT: PROVIDING INFORMING MATERIALS TO MEDI-CAL BENEFICIARIES
IN AN ELECTRONIC FORMAT

PURPOSE:

The purpose of this All Plan Letter (APL) is to provide Medi-Cal managed care health plans (MCPs) with clarification and guidance regarding the provision of the Provider Directory, Formulary, and Member Handbook to Medi-Cal members in an electronic format.

BACKGROUND:

On May 6, 2016, the Centers for Medicare and Medicaid Services (CMS) published the Medicaid and Children's Health Insurance Program (CHIP) Managed Care Final Rule (Final Rule),¹ which sought to align Medicaid managed care regulations with requirements of other major sources of coverage. Effective July 1, 2017, the Final Rule specified new standards for providing written materials to members, such as a minimum font size.² The Final Rule also allows MCPs to provide member information electronically if certain requirements are met.³

The Final Rule requirements have significantly increased the size of informing materials, particularly the Provider Directory. As a result, Medi-Cal members are at-risk of not receiving packets of informing materials because these materials may not fit in many members' mailboxes. This APL provides guidance to MCPs on disseminating the Provider Directory, Formulary, and Member Handbook in electronic format to members to ensure the timely delivery of important MCP information.

¹ The Medicaid and CHIP Managed Care Final rule can be found in the Federal Register Volume 81, pages 27497-27901, at: <https://www.gpo.gov/fdsys/pkg/FR-2016-05-06/pdf/2016-09581.pdf>

² New language, format, and font standards for providing written materials to members can be found in Title 42 of the Code of Federal Regulations (CFR), Section 438.10(d)(6)(ii), at: <https://www.gpo.gov/fdsys/pkg/CFR-2017-title42-vol4/pdf/CFR-2017-title42-vol4-sec438-10.pdf>

³ Requirements related to written and alternative formats for informing materials can be found in Title 42 of the CFR, Section 438.10(c)(6), at: <https://www.gpo.gov/fdsys/pkg/CFR-2017-title42-vol4/pdf/CFR-2017-title42-vol4-sec438-10.pdf>

POLICY:

General Requirements

MCPs have the option to send members a DHCS-approved notice in member welcome packets and/or annual informational mailings to inform members of how to obtain the Provider Directory, Formulary, and Member Handbook electronically. The notice can be an insert, flyer or other form of noticeable communication. MCP processes and procedures must be compliant with the following requirements for all the populations listed below:

Member Welcome Packets

- Seniors and Persons with Disabilities
The MCP may provide Seniors and Persons with Disabilities (SPDs) a notice in lieu of a paper Formulary and Member Handbook. This population must still receive the paper form of the Provider Directory. The Provider Directory may be a personalized, shorter version of the full-sized Provider Directory. The Personalized Provider Directory (PPD) shall ensure the search criteria of ten (10) miles with one hundred fifty (150) network providers. DHCS will provide a presentation to the MCPs to explain the PPD process currently implemented at DHCS, along with a “PPD Best Practice” Technical Guidance.
- Non-Seniors and Persons with Disabilities and Dual Eligible Members
The MCP may provide the non-SPD population and dual eligible members a notice in lieu of a paper Provider Directory, Formulary, and Member Handbook.

Annual Informational Mailings

- All Populations
The MCP may provide all populations a notice in lieu of a paper Provider Directory, Formulary, and Member Handbook.

Informing Materials Notice Approval Process

MCPs interested in using a notice must submit the following to DHCS for consideration:

1. A written proposal on the MCP’s letterhead addressed to “DHCS Contract Manager” requesting to use a notice instead of mailing the informing materials. The proposal must include (but will not be limited to):
 - An overview of the MCP’s process for utilizing the notice and how the MCP will meet all of the above stated applicable requirements in regards to the Provider Directory, Formulary, and Member Handbook;

- An explanation of the notice's purpose, including a description of the member population(s) who will receive the notice;
 - Time frame for implementation (i.e. when the MCP will begin using the notice);
 - A statement that the MCP will comply with all applicable state and federal law, contract requirements, and other DHCS guidance, including APLs and Policy Letters (PLs);
 - A proposal of how the MCP will move toward creating a personalized Provider Directory and include a timeline to encompass the cycle of production to delivery of personalized Provider Directories (Member Welcome Packets only); and
 - Any other pertinent information necessary for DHCS to review.
2. A written policy and procedure describing in detail the process the MCP will utilize for the notice and how the MCP will continue to meet all requirements to include Language and Format requirements as stated in Section 438.10(d)(3) of the CFR, Provider Directory and website requirements as stated in Section 438.10(h) of the CFR, and subcontractual relationship and delegation requirements as stated in Section 438.23 of the CFR.
 3. A live example of the MCP's proposed notice. The notice must be easily identifiable by the member. The notice must state the purpose of each member material offered and must identify the options members will have for receiving their member materials.

These options must include the member's ability to:

- Access the electronic version of the Provider Directory, Formulary, and Member Handbook on the MCP's website.
- Receive the hardcopy format of the Provider Directory (SPDs must still receive the paper form of the Provider Directory in member welcome packets), Formulary, and Member Handbook by calling the MCP's member services call center.

MCP's may additionally offer to members a postage paid sealable return envelope for members that choose to mail in their request for the hardcopy format of the Provider Directory, Formulary, and Member Handbook.

Additional Informing Materials Notice Requirements

The notice must be compliant with all Contract, Policy, and Final Rule requirements. DHCS will determine an MCP's right to use the notice on a case-by-case basis. DHCS

reserves the right to require that the MCP revert to sending printed copies of the Provider Directory, Formulary, and Member Handbook at any time.

The MCP must mail all informing materials, including the Provider Directory, Formulary, and Member Handbook, to members within five (5) business days of the MCP receiving the request from the member.

Additionally, the Provider Directory, Formulary, and Member Handbook must comply with language, formatting, and accessibility requirements as specified in the Final Rule. This includes, but is not limited to, having the electronic form of these informing materials available on the MCP's website. These materials must also be current, readily accessible,⁴ and prominent on the MCP's website, and available to download and print directly from the MCP's website.

MCPs are responsible for ensuring that their delegates comply with all applicable state and federal law, contract requirements, and other DHCS guidance, including APLs and PLs. These requirements must be communicated by each MCP to all subcontractors.

If you have any questions regarding this APL, please contact your Managed Care Operations Division Contract Manager.

Sincerely,

Original Signed by Michelle Retke

Michelle Retke, Chief
Managed Care Operation Division

⁴ Accessibility standards can be found in Title 42 of the CFR, Section 438.10(a), at:
<https://www.gpo.gov/fdsys/pkg/CFR-2017-title42-vol4/pdf/CFR-2017-title42-vol4-sec438-10.pdf>