



JENNIFER KENT
DIRECTOR

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



GAVIN NEWSOM
GOVERNOR

July 15, 2019

John Grgurina Jr., CEO
San Francisco Health Plan
50 Beale Street, 12th Floor
San Francisco, CA 94105

Dear Mr. Grgurina:

**NOTICE OF INTENT TO IMPOSE MONETARY SANCTIONS FOR FAILURE TO
SUBMIT THE MONTHLY PROVIDER FILE IN A TIMELY FASHION**

Effective January 2017, the Department of Health Care Services (DHCS) transitioned its provider network data reporting to the Post Adjudicated Claims and Encounter System (PACES) and national standard transactions. Managed Care Plans (MCPs) are required to comply with the new DHCS provider network reporting requirements by submitting complete, accurate, and timely data as specified in All Plan Letter (APL) 16-019. On March 1, 2019, all MCPs received notice that DHCS will impose immediate sanctions for each 274 file that is not received by the monthly submission deadline identified in APL 16-019.

As specified in APL 18-003, DHCS is authorized to impose administrative and financial sanctions on MCPs that violate applicable state and federal laws and regulations. DHCS may impose sanctions on MCPs that violate their DHCS contract terms, including the requirement to comply with the reporting requirements in APL 16-019.

On June 10, 2019, San Francisco Health Plan failed to submit an accepted, complete, accurate, and timely provider network data in the 274 file by the required due date.

Under the authority of Title 22, California Code of Regulations, Section 53872, DHCS is imposing monetary sanctions in the amount of \$5,000 on San Francisco Health Plan for failing to submit timely 274 provider network data files.

San Francisco Health Plan failed to timely submit the May 2019 274 network data that was required to be submitted no later than June 10, 2019. DHCS will sanction San Francisco Health Plan \$10,000 for each consecutive month that it continues to submit late 274 provider file submissions.

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DHCS will continue to evaluate the timeliness of San Francisco Health Plan provider data submissions on a monthly basis. The evaluation process includes the potential to impose monetary sanctions for any period of time that San Francisco Health Plan has not been previously sanctioned for the deficiencies.

Additionally, DHCS reserves its right to claim liquidated damages to the extent that San Francisco Health Plan provider network data reporting deficiencies result in a requirement to repay federal financial participation to the Centers for Medicare & Medicaid Services.

If you have any questions, please contact Sarah Brooks at Sarah.Brooks@dhcs.ca.gov or (916) 440-7800.

Sincerely,

Original Signed by Jennifer Kent

Jennifer Kent
Director

Enclosure

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NOTICE OF APPEAL RIGHTS

San Francisco Health Plan has the right to request a hearing in connection with any sanctions within 15 business days after receipt of the notice to impose sanctions. DHCS will stay the imposition of sanctions upon receipt of the request for a hearing until the effective date of a final decision from the Office of Administrative Hearings and Appeals. San Francisco Health Plan may request a hearing by sending a letter so stating to the Office of Administrative Hearings and Appeals at the address below:

The Honorable Patricia Freeman
Chief Administrative Law Judge
Office of Administrative Hearings and Appeals
Department of Health Care Services
3831 North Freeway Boulevard, Suite 200
Sacramento, CA 95834

A copy of the hearing request shall also be sent to:

Nathan Nau, Chief
Managed Care Quality and Monitoring Division, MS 4411
Department of Health Care Services
P.O. Box 997413
Sacramento CA 95899-7413

Jared Goldman
Deputy Director and Chief Counsel
Office of Legal Services, MS 0010
Department of Health Care Services
P.O. Box 997413
Sacramento CA 95899-7413