



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



EDMUND G. BROWN JR.
GOVERNOR

DATE: January 20, 2017

TO: ALL MEDI-CAL DENTAL MANAGED CARE PLANS

SUBJECT: **APL 16-019: Final Rule Notice of Modernized Managed Care Regulation 42 C.F.R. §438.50: Public Health, Regulation, State Plan Requirements**

The Department of Health Care Services (Department) issues this All Plan Letter (APL) under Exhibit E, Additional Provisions, and Provision 5, section d, of the Medi-Cal Dental Geographic Managed Care and Prepaid Health Plan contracts (Contracts). This APL is incorporated into the Contracts, shall be complied with, by Contractor. As set forth under Exhibit E, Provision 5, section d, “APLs issued by MDS subsequent to the effective date of this Contract shall provide clarification of Contractors obligations pursuant to this contract, and may include instructions to the Contractor regarding implementation of mandated obligations pursuant to changes in State or federal statutes or regulations, or pursuant to judicial interpretation.”

Due to the publication of the Medicaid and Children’s Health Insurance Program (CHIP) Managed Care Final Rule (CMS-2390-F, 81 FR 27498) on May 6, 2016 (“final rule”), the Department issues this APL, which is part of a series of APLs, to provide guidance and direction to the Medi-Cal Dental Managed Care Plans (Plans). In accordance with the law, Plans are required to comply with these managed care regulations effective July 5, 2016. The below-identified final rule provisions are incorporated by reference into the Contracts.

Modernized Managed Care Regulations 42 C.F.R. § [438.50](#) govern state plan requirements for programs with mandatory managed care enrollment. State Plans must provide assurances that the State meets applicable requirements in relation to limiting freedom of choice by requiring beneficiaries to receive their benefits through managed care entities.

The State must provide assurances that, in implementing the State plan managed care option; it will not require certain groups to enroll in an MCO, PCCM or PCCM entity, which results in limitations on enrollment. These groups include, but are not limited to, beneficiaries who are also eligible for Medicare and Indians as defined in §[438.14\(a\)](#), except as permitted under §[438.14\(d\)](#).

For the entire text pertaining to the regulations above, refer to the [Medicaid federal register](#).

If you have any questions, please contact the Medi-Cal Dental Services Division at dmcdeliverables@dhcs.ca.gov.

Sincerely,



Eric Mayes, Chief
Contract Management and Policy Unit
Medi-Cal Dental Services Division
Department of Health Care Services