

Medicaid Managed Care Final Rule Effective July 1, 2017

With the finalization of the **Medicaid Managed Care Final Rule** (Final Rule) **effective July 1, 2017**, all providers with direct or indirect service contracts with the Alliance are required to have their contracts updated to meet new requirements as implemented by the Department of Health Care Services (DHCS). The Final Rule is the first major update to the Medicaid managed care regulations since 2002 and advances the Centers for Medicare & Medicaid Services (CMS) efforts to achieve better care, smarter spending and healthier people.

In the coming weeks, you will receive an amendment to your contract with the Alliance that provides for the changes required under the Final Rule. In the meantime, please find some general information regarding the upcoming contract changes outlined below.

- * **Audit and Inspection**
 - Providers must allow DHCS, CMS, the Department of Health and Human Services (DHHS) Inspector General, the Comptroller General, and the Department of Justice, or their designees, to audit, inspect, and evaluate information related to Medi-Cal enrollees.
 - Providers must make available for purposes of an audit, evaluation or inspection, its premises, physical facilities, equipment, books, records, contracts, computers or other electronic systems related to Medi-Cal enrollees. This right to audit exists through 10 years from the final date of the contract period, or from the date of completion of any audit, whichever is later.
 - If DHCS, CMS, or the DHHS Inspector General determine there is a reasonable possibility of fraud or similar risk, DHCS, CMS, or the DHHS Inspector General may inspect, evaluate, and audit a provider at any time. Upon resolution of a full investigation of fraud, DHCS reserves the right to suspend or terminate the a provider from participation in the Medicaid program; seek recovery of payments made to the provider; or impose other sanctions provided under the State Plan or governing All Plan Letters (APLs).
- * **Care Coordination Requirements**
 - Under the Final Rule, the Alliance is required to exchange available information and data, including member-level data, with contracted providers to facilitate care coordination activities for Alliance members.
- * **Notification of DHCS Requirements**
 - Where DHCS adds a new requirement to its contract with the Alliance, the Alliance is obligated to notify contracted providers in advance of the date the requirement becomes effective. Providers are required to comply with new requirements within 30 days of the effective date of the requirement.

Additional changes required under the new regulations will be implemented through the Alliance Provider Manual and Alliance policies. If you have questions, please contact your Provider Services Representative at (800) 700-3874 ext. 5504.