



KERN HEALTH SYSTEMS POLICY AND PROCEDURES			
<b>Policy Title</b>	Provider Transitions and Block Transfer Filings	<b>Policy #</b>	4.41-P
<b>Policy Owner</b>	Provider Network Management	<b>Original Effective Date</b>	09/01/2017
<b>Revision Effective Date</b>	8/2024	<b>Approval Date</b>	07/01/2025
<b>Line of Business</b>	<input checked="" type="checkbox"/> Medi-Cal <input type="checkbox"/> Medicare <input type="checkbox"/> Corporate		

## I. PURPOSE

Kern Health Systems (KHS) is required to adhere to regulations established by the Department of Health Care Services (DHCS), the Department of Managed Health Care (DMHC) and state and federal agencies. In the event of changes within the Provider Network, KHS is obligated to promptly provide members with accurate and detailed information. Additionally, KHS has implemented protocols to manage abrupt provider suspensions or terminations from the Medi-Cal Program.

## II. POLICY

Kern Health Systems (KHS) shall meet regulations and timeframes as established by the Department of Health Care Services (DHCS), the Department of Managed Health Care (DMHC) requirements and state and federal regulations.

KHS members who are affected by a change in the Provider Network (e.g., hospital or provider group contract terminations, Primary Care Physician (PCP) terminations, specialist physician terminations, other provider changes, etc.) receive timely notification and accurate information in accordance with the state and federal regulations.

KHS has established protocols within KHS relating to state-initiated provider suspensions, terminations, or decertification from participation in the Medi-Cal Program, or providers whose Medi-Cal managed care operations have ceased with limited to no prior notice.

## III. DEFINITIONS

TERMS	DEFINITIONS
<b>Block Transfer</b>	A transfer or redirection of two thousand (2,000) or more enrollees by a plan from a terminated provider group or terminated hospital to one or more contracting

	providers that takes place as a result of the termination or non-renewal of a provider contract.
<b>Independent Practice Association (IPA)</b>	An organization that contracts with independent physicians.
<b>Primary Care Provider (PCP)</b>	A person responsible for supervising, coordinating, and providing initial and primary care to patients; for initiating referrals; and for maintaining the continuity of patient care. A PCP may be a Primary Care Physician or Non-Physician Medical Practitioner.

#### IV. PROCEDURES

Block Transfer filings shall be submitted to DMHC in accordance with the requirements of California Health & Safety Code Section 1373.65 and California Code of Regulations, Title 28, Section 1300.67.1.3. All Block Transfer notices must include the information listed in the referenced regulations and must be approved by the DMHC.

KHS will notify DHCS in writing of any substantial change in the availability or location of covered services in accordance with the requirements of the Medi-Cal Managed Care Division (MMCD) All Plan Letter (APL) 21-003, Title 22, CCR, Sections 53852 and 53911 and Code of Federal Regulations, Title 42, Section 438.10. Substantial changes are defined as:

1. IPA/Medical Groups contract terminations
2. Hospital contract terminations
3. Clinics/PCPs contract terminations when the contract termination will result in more than 500 members having to change their PCP or if there are members that cannot be reassigned to PCPs within DHCS time/distance standards of 30 minutes or 10 miles.
4. Subcontracted Providers

This policy applies to provider network staff or any other department/unit that is responsible for providing accurate and timely notification, assuring KHS is compliant with regulations.

##### A. Submitting A Block Transfer:

1. Upon receipt of the notice of a provider group or hospital contract termination in the Kern Health Systems Service Area, Provider Relations staff will notify the Compliance Department.
2. KHS' Compliance Department will submit the Block Transfer Filing to the DMHC at least seventy-five (75) days prior to the termination date of the provider group or hospital. Block

Transfer Filings will be prepared and submitted in accordance with the California Code of Regulations, Title 28, Section 1300.67.1.3 requirements.

- a. When applicable and upon receipt of information from Provider Relations staff, the Compliance Department will submit the Block Transfer Filing Form for a terminating fee for service (FFS) hospital or provider group.
  - b. The Compliance Department will respond to any questions or comments from the DMHC.
3. The Compliance Department prepares the required filing information as described in APL 21-003 that will be submitted to DHCS. The DHCS required information and a copy of the DMHC Block Transfer Filing are forwarded to the Director of Compliance or designee. The Director of Compliance/designee will submit a copy of the DHCS required information and the DMHC Block Transfer Filing to KHS's DHCS Contract Manager.
  - a. The Director of Compliance/designee will respond to any questions or comments from the DHCS.
  - b. The Director of Compliance/designee will inform the Director of Provider Relations of DHCS's questions and/or approval.
4. Upon approval of the Block Transfer Filing by DMHC and DHCS, KHS will send the approved notices to the affected enrollees assigned to the terminated provider group or hospital at least sixty (60) days prior to the contract termination date. Approved notices include all regulatory requirements.
5. If fewer than 2,000 enrollees are assigned to the Provider Group, a Block Transfer filing does not need to be made with the DMHC. An Enrollee Transfer Notice, that complies with Rule 1300.67.1.3(b)(1) would, however, need to be sent to affected Enrollees at least sixty (60) days prior to the contract termination date. The notice must be approved by the DMHC.

## **B. Notification to DHCS**

1. The Compliance Department prepares the required filing information as described in APL 21-003 that will be submitted to DHCS.
2. The Director of Compliance/designee will provide notice to DHCS at least sixty (60) days prior to the proposed effective date of substantial changes. The notice will include the information outlined in All Plan Letter (APL) 21-003.

3. Upon receipt of DHCS approval, KHS shall ensure Medi-Cal Members are notified in writing of any substantial changes in the availability or location of covered services, or any other changes in information listed in APL 21-003 and 42 CFR 438.10(f)(4), at least thirty (30) calendar days prior to the effective date of such changes. Member notices resulting from a Block Transfer Filing are sent at least sixty (60) days prior to the contract termination date by KHS.

#### **C. Notification of Other Changes in the Availability or Location of Covered Services**

1. When the contract termination results in less than 500 members having to change PCPs and all affected members can be reassigned to PCPs within the DHCS time/distance standards, KHS will send the applicable DHCS approved template letter to affected members at least thirty (30) days prior to the contract termination date. (See Attachment A DHCS approved notification letter.) The Plan does not need to notify DHCS when such terminations occur.
2. The Plan will notify affected members of other changes to the availability or location of covered services. Examples of such changes include but are not limited to changes to the names, locations, and telephone numbers of a member's PCP, death of a member's PCP, etc. KHS will send the information using the applicable DHCS approved template letter to affected members. The Plan does not need to notify DHCS when such changes occur.

#### **D. Additional Information**

1. Notice of Non-Termination: If, prior to contract termination, the Plan successfully negotiates an agreement with the provider after sending a notice of termination to affected members, KHS will send another notice informing the members of the continuation of the contractual relationship. The Plan must immediately inform DHCS and/or DMHC as applicable and submit the notice for review and approval.
2. In the event of an emergency or other unforeseeable circumstance preventing the timely submission of provider contract terminations, KHS shall provide notice of the emergency or other unforeseeable circumstances to DHCS and DMHC as soon as possible.
3. KHS shall ensure members are informed of their ability to request completion of care for an ongoing course of treatment from a terminated provider. If continuity of care services are requested by the member, KHS will follow the appropriate policies and procedures.

#### **V. ATTACHMENTS**

Attachment A: Member Notification Letter
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## VI. REFERENCES

Reference Type	Specific Reference
Regulatory	Title 22 CCR §§ 53885; 53922.5 and Exhibit A, Attachment 6, Provider Network, Time, and Distance Standard
Regulatory	Health and Safety Code § 1373.65(e)
Regulatory	Welfare and Institutions Code §§ 14043.6; 14123
All Plan Letter(s) (APL)	DHCS All Plan Letter 21-003 (superseded APL 16-001)

## VII. REVISION HISTORY

Action	Date	Brief Description of Updates	Author
Revised	08/06/2024	Policy reviewed per annual routine review; the policy aligns with APL 21-003 (superseded APL 16-001).	PNM
Effective	09/01/2017	New policy created to comply with DMHC Amendment Regarding Block Transfer Policy. Filing No. 20170621. Standalone termination policy suggested by DMHC during Knox-Keene audit review. New policy created to comply with All Plan Letter 16-001. Policy Approved by DMHC on 7/10/2017.	PNM

## VIII. APPROVALS

Committees   Board (if applicable)	Date Reviewed	Date Approved
Choose an item.		
Choose an item.		

Regulatory Agencies (if applicable)	Date Reviewed	Date Approved
Department of Managed Health Care (DMHC)	For DMHC Block Transfer Policy Filing No. 20170621	07/10/2017
Choose an item.		

Chief Executive Leadership Approval *		
Title	Signature	Date Approved
Chief Executive Officer		
Chief Operating Officer		
Chief Compliance and Fraud Prevention Officer		
Chief Medical Officer		
*Signatures are kept on file for reference but will not be on the published copy		



## Policy and Procedure Review

**KHS Policy & Procedure:** Provider Transitions and Block Transfer Filings

**Last approved version:** 2017

**Reason for revision:** Policy reviewed per annual routine review; the policy aligns with DHCS APL 21-003 (superseded APL 16-001).

Director Approval		
Title	Signature	Date Approved
Amisha Pannu Senior Director of Provider Network		
Robin Dow-Morales Senior Director of Claims		
Nate Scott Senior Director of Member Services		

Date posted to public drive: \_\_\_\_\_

Date posted to website ("P" policies only) : \_\_\_\_\_

[MM/DD/YYYY]

«MBR\_NAME»

«MBR\_ADRS\_1» «MBR\_ADRS\_2»

«CITY\_STATE\_ZIP»

**RE: Member Notice of Primary Care Provider Termination**

Dear Kern Family Health Care Member:

Thank you for choosing Kern Family Health Care (KFHC) as your health plan. Due to a pending termination of the contract between KFHC and [Terminating Provider Group], after [date of termination], [Terminating Provider Group] will not be available through KFHC. [New PCP name] will be your new PCP unless you select another contracted doctor with KFHC.

New PCP Name

Address

Phone

Please refer to KFHC's continuity of care policy or KFHC's Member Handbook pages xxx for additional information. Or if you prefer, please call us at 1-800-391-2000. If you change your doctor, please understand that your hospital and specialist may change as well.

If you are currently being treated for a medical condition or you are pregnant, you need to let us know. If you are going to see a doctor or have a test or surgery after [Effective Date], please let us know that too. You may also get information about our continuity of care policy on our website at [www.kernfamilyhealthcare.com](http://www.kernfamilyhealthcare.com) or call our Member Services Department at (661) 632-1590 or 1-800-391-2000 and we will help you over the phone. The hearing impaired may contact our Member Services Department through the California Relay Service at 1-800-735-2929.

If a provider sends you a bill, please call our Member Services Department at 1-800-391-2000. You should not be billed for any medical tests or treatments covered by Kern Family Health Care. Please do not pay these bills.

A change in PCP will not affect your benefits or your ability to receive medical care.

Sincerely,

Member Services

[xx] Enclosure

The Department of Managed Health Care regulates Kern Family Health Care. If you have been receiving care from a health care provider, you may have a right to keep your provider for a designated time period. Please contact your HMO's customer service department, and if you have further questions, you are encouraged to contact the Department of Managed Health Care, which protects HMO customers, by telephone at its toll-free number, 1-888-HMO-2219, or at a toll-free TDD number for the hearing impaired at 1-877-688-9891, or online at [www.hmohelp.ca.gov](http://www.hmohelp.ca.gov).

If you have questions or a complaint regarding your health care services, you may contact the DHCS Medi-Cal Managed Care Ombudsman Program at toll-free telephone number 1-888-452-8609.

IMPORTANT: Can you read this letter? If not, we can have somebody help you read it. You may also be able to get this letter written in your language. For free help, please call Kern Family Health Care's Member Services Department at (661) 632-1590 or 1-800-391-2000 right away.