



Medicaid Managed Care Final Rule: DHCS Implementation Priorities

For each of the following priority areas, counties should refer to the language in [42 CFR Part 438](#) for the specific regulatory requirements. Counties may also refer to the MHP contract crosswalk which contains the new MHP contract language alongside the existing MHP contract language. However, it's important to note the new contracts are not yet executed as of July 27, 2017. An additional resources for counties as they implement the provisions of the Final Rule includes the CMS Contract Checklist, which lists deliverables for demonstrating compliance. Please note that the checklist is not formal DHCS guidance but may be used as a tool for implementation. If you do not have access to these documents, please contact Linnea Koopmans at lkoopmans@cbhda.org.

Information Requirements

Section: 42 CFR [§438.10](#)

- §438.10(g) contains requirements for enrollee handbooks. DHCS is currently updating the state portion of the beneficiary handbook. Counties should be working to update the county portion of the handbook to comply with the requirements contained in §438.10(g).
- §438.10(d) includes language and format requirements such as requirements for translated materials. Counties should begin updating their translated materials and forms to comply with the requirements found with §438.10(d).
- §438.10(h) outlines requirements related to provider directories, including information that must be included for each provider and the frequency for updating the directory in both its electronic and hard copy form.

Subpart F - Grievance and Appeals

Priority sections: 42 CFR [§438.400-424](#)

- Subpart F outlines requirements for grievance and appeals systems including timeframes, notice of adverse benefit determination (NOABD, formerly called notice of action), and recordkeeping requirements for grievance and appeals.
- Counties should be updating signs and notification in provider lobbies, forms for grievance and appeals, and working toward the new compliance timeframes.
- DHCS is updating the NOABD form.

Program Integrity

Priority sections: 42 CFR [§438.602](#), [§438.610](#), and [§438.808](#)

- 438.602 outlines several program integrity provisions, including federal database checks of providers. The rule also requires compliance with [42 CFR Part 455 subpart B](#), disclosure of information by providers and fiscal agents, and [42 CFR Part 455 subpart E](#), provider screening and enrollment. Counties should ensure compliance with the federal database checks. Counties should also update policies and procedures to align with the provider screening requirements.



Note: many counties may already be compliant with the federal database check requirement, as it has been a part of the Triennial Review the last two years.

- §438.610 and §438.808 address prohibited affiliations and excluded providers. Counties should ensure that existing policies and procedures and compliance plans align with the regulatory requirements in these sections.

Recordkeeping Requirements

Priority sections: [§438.3\(h\) and \(u\)](#)

- Subsections (h) and (u) of §438.3 are provisions related to recordkeeping, including the requirement to retain specified records for 10 years. Previous regulation required record retention for 3 years. Counties should review the requirements in these subsections, update policies and procedures to reflect these changes, and discuss local needs for record retention and maintenance.

Further Guidance

Counties can anticipate additional guidance from DHCS in the following areas:

- Updated notice of adverse benefit determination (NOABD) form
- DHCS uniform credentialing policy to align with requirements found in [§438.214](#)
- Forthcoming information notice on grievance and appeals requirements
- Taglines pursuant requirements found in [OCR 1557](#)
- [§438.3\(m\)](#) regarding audited financial reports
- [§438.14](#) managed care contracts involving Indians, Indian health care providers (IHCPs), and Indian managed care entities (IMCEs)
- [§438.608\(d\)](#) recoveries of overpayments
- Clarification of rules around providers who may be residing or located outside of the United States

Additional resources regarding the Medicaid Managed Care Final Rule can be found on the CBHDA website at: <http://www.cbhda.org/member-info/committees/medi-cal-policy/federal-regulations-resources/>.