Medicaid Managed Care (MMC) Final Rule

Network Adequacy

Contact for Additional Information: Linnea Koopmans, Senior Policy Analyst, lkoopmans@cbhda.org

CMS Overview of Network Adequacy Provisions in MMC Final Rule

"In order to strengthen access to services in a managed care network, the final rule requires states to establish network adequacy standards in Medicaid and CHIP managed care for key types of providers, while leaving states the flexibility to set the actual standards to better reflect local market and geographic conditions."[1]

Network Adequacy Requirements – Summary of 42 CFR §438.68[2]

- States must develop **time and distance standards** for specified provider types, including behavioral health.
- Network adequacy standards must **cover all geographic areas.**
    - States are permitted to have **varying standards** for the same provider type based on geographic areas.
- Network adequacy standards must consider nine elements, including:

Required Elements of Network Adequacy Standards (42 CFR §438.68)	Existing MHP Network Adequacy Requirement[3]	New Requirement
Anticipated Medicaid enrollment	✓	
Expected utilization of services	✓	
Characteristics and healthcare needs of specific Medicaid populations covered in PIHP contract	✓	
The numbers and types of network providers required to furnish the contracted Medicaid services	✓	
The numbers of network providers who are not accepting new Medicaid patients	✓	
The geographic location of network providers and Medicaid enrollees	✓	
The ability of network providers to communicate with limited English proficient enrollees in their preferred language		✓
Ability of network providers to ensure physical access, reasonable accommodations, culturally competent communications, and accessible equipment for Medicaid enrollees with physical or mental disabilities		✓
Availability of triage lines or screening systems, as well as the use of telemedicine, e-visits, and/or other evolving and innovative technological solutions		✓

[1] Medicaid and CHIP Managed Care Final Rule (CMS 2390-F). *Strengthening the Consumer Experience.* April 25, 2016. Accessed via: https://www.medicaid.gov/medicaid/managed-care/downloads/strengthening-the-consumer-experience-fact-sheet.pdf

[2] Medicaid Managed Care Final Rule (CMS 2390-F). Accessed via the Federal Register: https://www.gpo.gov/fdsys/pkg/FR-2016-05-06/pdf/2016-09581.pdf

[3] MHP Contract Boilerplate. Exhibit A Attachment I. http://www.dhcs.ca.gov/services/MH/Documents/2013-2018_MHP_Contract.pdf

- The section allows for a **process for states to permit exceptions** for any of the provider-specific network standards.
    - Exception must be specified in the MHP contract and be based on the number of specialty providers practicing in the service area.
    - Where exceptions are granted, states must monitor enrollee "on an ongoing basis" and report findings to CMS.
- States must **publish network adequacy standards on their website**.

Network Adequacy and Medi-Cal Managed Care Plans

- Medi-Cal managed care plans (MCPs) currently have time and distance standards for primary care, OB/GYN providers, and hospital services[4].
    - Knox Keene Act requirement is 30 minutes or 15 miles.
    - DHCS requirement is 30 minutes or 10 miles.
- Time and distance standards are not currently applied to other MCP specialists that would be comparable to county MHP specialty mental health service providers.
- MCPs are also required to comply with provider-to-enrollee ratios for specified providers.
    - For example, the ratio for primary care physicians and total physicians is 1: 1,200.
- While provider ratios are not specified in the MMC Final Rule, DHCS may look to apply ratios to certain MHP provider types.

Other Sections Related to Network Adequacy[5]

- Definition of network provider: 42 CFR §438.2
- Availability of services: 42 CFR §438.206
    - All services covered under State Plan shall be "available and accessible" to enrollees in a timely manner.
- Information Requirements: 42 CFR §438.10
    - Describes provider directory requirements and specifies frequency for updates.
- Assurances: 42 CFR §438.207
    - MHPs are required to provide assurances and documentation to the State that demonstrates their network adequacy. Documentation to be submitted annually or upon significant change in operations.
- EQR Activities: 42 CFR §438.358
    - Requires validation of MHP network adequacy during the preceding 12 months.
- State Responsibilities: 42 CFR §438.602
    - State to post on its website documentation that demonstrates MHP's compliance with requirements for availability and accessibility of services, including network adequacy.

[4] Kaiser Family Foundation. *Medi-Cal Managed Care: An Overview and Key Issues.* March 2, 2016. Accessed via: http://files.kff.org/attachment/issue-brief-medi-cal-managed-care-an-overview-and-key-issues

[5] Medicaid Managed Care Regulations: Network Adequacy. DHCS Presentation to CBHDA Final Rule Workgroup. October 31, 2016.