



Policy: EE.1106  
Title: **Health Network and CalOptima Health Community Network Minimum and Maximum Member Enrollment**  
Department: Health Network Provider Relations  
Section: Not Applicable

CEO Approval: /s/ Michael Hunn 04/17/2024

Effective Date: 03/01/1996

Revised Date: 04/01/2024

Applicable to: ☒ Medi-Cal  
☐ OneCare  
☐ PACE  
☐ Administrative

## I. PURPOSE

This policy establishes minimum and maximum Member enrollment for a Health Network and CalOptima Health Community Network (CHCN).

## II. POLICY

### A. Minimum enrollment

1. To ensure the viability of Health Networks, support administrative efficiencies, and stabilize CalOptima Health's delivery system, Health Networks must maintain a minimum enrollment of five thousand (5,000) Medi-Cal Members.
2. The minimum enrollment requirement shall apply to new Health Networks after the initial thirty-six (36) months of Member enrollment.
3. If a Health Network fails to maintain an average Member enrollment over three (3) consecutive months of at least five thousand (5,000) Members, CalOptima Health may terminate the Contract for Health Care Services in accordance with the terms of that contract.

### B. Maximum enrollment

1. Except as otherwise provided in Section II.B.3.b. of this Policy:
  - a. Member enrollment in a Health Network shall not exceed one-third (1/3) of all Members eligible for Health Network enrollment. Member enrollment in a Health Network that only enrolls a subset of Members shall not exceed one-third (1/3) of all Health Network Eligible Members within that subset.
  - b. Member enrollment across Physician Hospital Consortium (PHC) Health Networks sharing the same Primary Hospital shall not exceed one-third (1/3) of all Health Network Eligible Members. Section II.B.1.a shall apply in determining Health Network Eligible Members.

- c. Member enrollment across Health Networks sharing the same Officer(s), Director(s), General Partner(s) and/or Co-Owner(s), as specified in Attachment B (Disclosure Form) of the Health Network's Amended and Restated Contract for Health Care Services, shall not exceed one-third (1/3) of all Health Network Eligible Members.
  - d. Combined Member enrollment in CalOptima Health Community Network (CHCN), shall not exceed ten percent (10%) of all Health Network Eligible Members.
2. If combined Member enrollment across PHC Health Networks sharing the same Primary Hospital reaches one hundred percent (100%) of the maximum enrollment limit for three (3) consecutive months, the Primary Hospital affiliated with the PHC Health Network(s) shall not be eligible to contract with CalOptima Health as part of an additional Health Network.
  3. Subject to the provisions of this Policy, CalOptima Health shall continue to auto-assign Members to a Health Network or CHCN based on CalOptima Health's auto-assignment logic, as outlined in CalOptima Health Policy AA.1207a: CalOptima Health Auto-Assignment, until the Health Network or CHCN reaches one hundred percent (100%) of the maximum enrollment limit for three (3) consecutive months.
    - a. If a Health Network or CHCN reaches one hundred percent (100%) of the maximum enrollment as defined in this policy for three (3) consecutive months, CalOptima Health may cease auto-assignment of Members to the Health Network or CHCN in accordance with Section III.C. and III.D. of this Policy.
    - b. Notwithstanding the freezing of auto-assignment under this section, CalOptima Health shall continue to enroll a Member in a Health Network or CHCN if:
      - i. The Member selects the Health Network or CHCN in accordance with CalOptima Health Policy DD.2008: Health Network and CalOptima Health Community Network Selection Process;
      - ii. The Member has Family Linked Members currently enrolled in the Health Network or CHCN;
      - iii. The Member is re-enrolled in the Health Network or CHCN after experiencing a lapse of Medi-Cal eligibility less than three hundred sixty-five (365) calendar days in accordance with CalOptima Health Policy DD.2008: Health Network and CalOptima Health Community Network Selection Process;
      - iv. The Member otherwise meets criteria for enrollment into CHCN, in accordance with CalOptima Health Policy DD.2006: Enrollment In/Eligibility with CalOptima Health Direct;
      - v. CalOptima Health auto-assigns the Member to the Health Network or CHCN based on auto-assignment allocation to a Community Clinic as set forth in CalOptima Health Policy AA.1207a: CalOptima Health Auto-Assignment; or
      - vi. CalOptima Health's Chief Medical Officer (CMO) or Designee determines that it is in the Member's best interest to enroll in the Health Network or CHCN.

#### C. Health Network Enrollment Changes

1. CHCN, a Health Network, and Contracted Providers shall not advise, urge, or otherwise encourage Members to change Health Networks as a direct result of the Member's medical history or health status.
  2. CHCN or a Health Network shall be responsible for all Members who select or are otherwise assigned to CHCN or a Health Network, and are strictly prohibited from discriminating against Members based on:
    - a. Diagnosis;
    - b. Medical or claims history;
    - c. Age;
    - d. Mental or physical disability;
    - e. Genetic information;
    - f. Source of payment;
    - g. Sexual orientation;
    - h. Marital status;
    - i. Creed;
    - j. Religion;
    - k. Sex/Gender identity;
    - l. Race;
    - m. Color;
    - n. Ancestry; and
    - o. National origin.
  3. CalOptima Health shall process alleged acts of discrimination in accordance with CalOptima Health Policy HH.1104: Complaints of Discrimination.
- D. CalOptima Health's Board of Directors shall have the right to selectively waive a Health Network's or CHCN's minimum and maximum enrollment or limit a Health Network's or CHCN's enrollment, if it determines that such action is in the best interest of Members.

### **III. PROCEDURE**

- A. CalOptima Health's Health Network Relations Department shall monitor monthly Health Network and CHCN Member enrollment for compliance with the minimum and maximum enrollment limits set forth in this policy.
  1. Monitoring results shall be reported monthly to the Delegation Oversight Committee (DOC) and/or CalOptima Health's Delegation Oversight (External) Department.

- B. If a Health Network fails to maintain an average enrollment over three (3) consecutive months of at least five thousand (5,000) Members after the initial thirty-six (36) months of initial Member enrollment:
1. CalOptima Health's Health Network Relations Department shall notify the Delegation Oversight Committee (DOC) of the Health Network's failure to maintain minimum Member enrollment as required in this Policy and propose options to the DOC for remediation and resolution of noncompliance with this requirement, up to and including contract termination, as authorized by CalOptima Health's Board of Directors.
  2. CalOptima Health Network Operations and the DOC shall bring the approved recommendation for action to the CalOptima Health Compliance Committee for review and approval.
  3. Upon approval of a recommended action from CalOptima Health's Compliance Committee, further action may include CalOptima Health's Regulatory Affairs & Compliance Department review of the Health Network's non-compliance and issuance of a notice in accordance with CalOptima Health Policies HH.2005: Corrective Action Plan and HH.2002: Sanctions.
- C. If a Health Network reaches one hundred percent (100%) of the maximum enrollment limit for three (3) consecutive months:
1. CalOptima Health's Health Network Relations Department shall notify the DOC of the Health Network meeting the maximum Member enrollment limit as set forth in this Policy and propose options to the DOC for remediation and resolution of non-compliance with this requirement, including auto-assignment freeze, as authorized by CalOptima Health's Board of Directors.
  2. Except as provided in Section II.B.3.b. of this Policy, CalOptima Health shall cease Member auto-assignment to the Health Network and shall make appropriate adjustments to the auto-assignment allocation set forth in CalOptima Health Policy AA.1207a: CalOptima Health Auto-Assignment.
  3. CalOptima Health's Health Network Relations Department shall notify the Health Network as soon as practicable of the suspension of auto-assignment as a result of the Health Network's meeting the maximum enrollment limit as set forth in this Policy.
    - a. If the Health Network is a PHC Health Network, CalOptima Health's Health Network Relations Department shall notify the Health Networks' Primary Hospital it is not eligible to contract with CalOptima Health under a PHC agreement with any additional Health Network based on the terms of this Policy.
- D. If CHCN reaches one hundred percent (100%) of the maximum enrollment limit for three (3) consecutive months:
1. CalOptima Health's Health Network Relations Department shall notify the Provider Relations Department.
  2. CalOptima Health's Provider Relations Department shall notify the DOC of CHCN meeting the maximum member enrollment set forth in this policy and propose options to the DOC for remediation and resolution of non-compliance with this requirement, including auto-assignment freeze, as authorized by CalOptima Health's Board of Directors.

3. Except as provided in Section II.B.3.b. of this Policy, CalOptima Health shall cease Member auto-assignment to CHCN and shall make appropriate adjustments to the auto-assignment allocation as set forth in CalOptima Health Policy AA.1207a: CalOptima Health Auto-Assignment.
- E. If Member enrollment in a Health Network or CHCN falls below the maximum enrollment limit for three (3) consecutive months, CalOptima Health shall reinstate Member auto-assignment to the Health Network or CHCN.
1. CalOptima Health's Health Network Relations Department shall notify the Health Network as soon as practicable of the reinstating of auto-assignment as a result of the Health Network's enrollment falling below the maximum enrollment limit for three (3) consecutive months.

#### **IV. ATTACHMENT(S)**

Not Applicable

#### **V. REFERENCE(S)**

- A. CalOptima Health Contract for Health Care Services
- B. CalOptima Health Policy AA.1207a: CalOptima Health Auto-Assignment
- C. CalOptima Health Policy DD.2006: Enrollment In/Eligibility with CalOptima Health Direct
- D. CalOptima Health Policy DD.2008: Health Network and CalOptima Health Community Network Selection Process
- E. CalOptima Health Policy HH.1104: Complaints of Discrimination
- F. CalOptima Health Policy HH.2002: Sanctions
- G. CalOptima Health Policy HH.2005: Corrective Action Plan

#### **VI. REGULATORY AGENCY APPROVAL(S)**

Date	Regulatory Agency	Response
01/23/2015	Department of Health Care Services	Approved as Submitted
03/29/2016	Department of Health Care Services	Approved as Submitted

#### **VII. BOARD ACTION(S)**

Date	Meeting
03/12/1996	Regular Meeting of the CalOptima Board of Directors
01/05/1999	Regular Meeting of the CalOptima Board of Directors
05/07/2002	Regular Meeting of the CalOptima Board of Directors
08/30/2006	Regular Meeting of the CalOptima Board of Directors
03/06/2014	Regular Meeting of the CalOptima Board of Directors
08/04/2016	Regular Meeting of the CalOptima Board of Directors
12/01/2022	Regular Meeting of the CalOptima Health Board of Directors

#### **VIII. REVISION HISTORY**

Action	Date	Policy	Policy Title	Program(s)
Effective	03/01/1996	EE.1106	Health Network Minimum and Maximum Member Enrollment	Medi-Cal

<b>Action</b>	<b>Date</b>	<b>Policy</b>	<b>Policy Title</b>	<b>Program(s)</b>
Revised	01/01/2007	EE.1106	Health Network Minimum and Maximum Member Enrollment	Medi-Cal
Revised	12/01/2011	EE.1106	Health Network Minimum and Maximum Member Enrollment	Medi-Cal
Revised	09/01/2014	EE.1106	Health Network Minimum and Maximum Member Enrollment	Medi-Cal
Revised	02/01/2016	EE.1106	Health Network and CalOptima Health Community Network Minimum and Maximum Member Enrollment	Medi-Cal
Revised	08/04/2016	EE.1106	Health Network and CalOptima Health Community Network Minimum and Maximum Member Enrollment	Medi-Cal
Revised	08/01/2017	EE.1106	Health Network and CalOptima Health Community Network Minimum and Maximum Member Enrollment	Medi-Cal
Revised	01/01/2023	EE.1106	Health Network and CalOptima Health Community Network Minimum and Maximum Member Enrollment	Medi-Cal
Revised	11/01/2023	EE.1106	Health Network and CalOptima Health Community Network Minimum and Maximum Member Enrollment	Medi-Cal
Revised	03/01/2024	EE.1106	Health Network and CalOptima Health Community Network Minimum and Maximum Member Enrollment	Medi-Cal
Revised	04/01/2024	EE.1106	Health Network and CalOptima Health Community Network Minimum and Maximum Member Enrollment	Medi-Cal

## IX. GLOSSARY

<b>Term</b>	<b>Definition</b>
CalOptima Health Community Network (CHCN)	A managed care network operated by CalOptima Health that contracts directly with physicians and hospitals and requires a Primary Care Provider (PCP) to manage the care of the Members.
Community Clinic	Also known as Community Health Center—a health center that meets all of the following criteria: <ol style="list-style-type: none"> <li>1. Recognized by the Department of Public Health as a licensed Community Clinic or is a Federally Qualified Health Center (FQHC) or FQHC Look-Alike;</li> <li>2. Affiliated with a Health Network; and</li> <li>3. Ability to function as a Primary Care Provider (PCP).</li> </ol>
Contracted Provider	A Provider who is obligated by written contract to provide Covered Services to Members on behalf of CalOptima Health, its contracted Health Networks or Physician Medical Groups.
Designee	A person selected or designated to carry out a duty or role. The assigned designee is required to be in management or hold the appropriate qualifications or certifications related to the duty or role.
Family Linked Member	A Member who shares a county case number, as assigned by the County of Orange Social Services Agency, with another Member who is in his or her family and who resides in the same household.
Health Network	A Physician Hospital Consortium (PHC), physician group under a shared risk contract, or health care service plan, such as a Health Maintenance Organization (HMO) that contracts with CalOptima Health to provide Covered Services to Members assigned to that Health Network.
Health Network Eligible Member	A Member who is eligible to choose a CalOptima Health, Health Network or CalOptima Health Community Network (CHCN).
Member	A Medi-Cal eligible beneficiary as determined by the County of Orange Social Services Agency, the California Department of Health Care Services (DHCS) Medi-Cal Program, or the United States Social Security Administration, who is enrolled in the CalOptima Health program.
Primary Hospital	A hospital contracted with CalOptima Health on a capitated and delegated basis as the hospital partner of a Physician Hospital Consortium (PHC).
Primary Physician Group	A physician group contracted with CalOptima Health on a capitated and delegated basis as the physician partner of a Physician Hospital Consortium (PHC).