



Policy: EE.1116
Title: **Contracted Provider Notification to CalOptima Health of Changes Affecting the Legal Status of the Contract**
Department: Contracting
Section: Not Applicable

CEO Approval: /s/ Michael Hunn 11/22/2024

Effective Date: 02/03/2022

Revised Date: 11/01/2024

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

I. PURPOSE

This policy defines the process for a Contracted Provider to notify CalOptima Health of changes affecting their legal status.

II. POLICY

- A. A Contracted Provider shall submit a written notification in accordance with the terms in their contract to the CalOptima Health Contracting Department of a proposed change(s) that may impact Provider's contract with CalOptima Health. Such changes include, but are not limited to:
1. Change of National Provider Identifier (NPI) and/or Tax Identification Number (TIN);
 2. Change of Ownership, directors, or trustees;
 3. Change of Contracted Provider's legal or "doing business as" (dba) name;
 4. Changes in availability or location of services (i.e., closure of company or location(s) that are listed in Provider's contract; new location);
 5. Changes to Notice Address; and
 6. Retirement or death of a professional with an individual contract.

III. PROCEDURE

- A. Upon receipt of notification from a Contracted Provider of changes, the Contracting Department shall:
1. Send an acknowledgment letter to the Contracted Provider indicating the date of receipt, estimated time for review, and a request for additional information, as applicable.
- B. Identify necessary updates to the contract:
1. Prior to initiating contract changes, the Contracting Department shall:

- a. Determine if CalOptima Health Board of Directors (BOD) action is required.
 - i. If BOD action is required, consult Legal Counsel and other impacted departments as applicable, develop a CalOptima Health Board Action Agenda Referral (COBAR), and seek BOD approval;
 - b. Determine if approvals are needed from departments such as Delegation Oversight, Quality Improvement, or Medical Management, and obtain such approval; and
 - c. Notify the Provider Relations and Customer Service Departments immediately of any proposed changes that impact Primary Care Provider (PCP) Member assignments.
2. If the Contracting Department determines that the change(s) materially modifies the Contracted Provider's contract, the Contracting Department may:
- a. Initiate a new contract, in accordance with CalOptima Health Policy EE.1141: CalOptima Health Provider Contracts.
 - i. Situations that might constitute a new contract:
 - a) Change or new Provider NPI;
 - b) Change or new Provider TIN;
 - c) Change in ownership; or
 - d) Change in legal name.
 - ii. The Contracting Department shall make best efforts to align the termination date of the current contract to that of the effective date of the new contract to ensure continuity, when applicable.
 - b. Initiate an Assignment Agreement for a change that does not require a new CalOptima Health contract. Situations that might constitute a new Assignment Agreement include but are not limited to: transfer of the selling Provider's contractual rights and obligations to the acquiring Provider. The Quality Improvement Department shall review the Centers for Medicare & Medicaid Services (CMS) Preclusion List and other primary sources to ensure that the new owner(s) is not excluded from participation in Medicare or Medi-Cal programs as listed in CalOptima Health Policy GG.1650: Credentialing and Recredentialing of Practitioners.
 - c. Initiate an amendment to the Contracted Provider's current contract for changes to the ownership and disclosure form or changes that do not change the Contracted Provider's legal or dba name, TIN, or NPI, such as, a change in legal or dba name, change in Notice address, addition or deletion of a service location (in the case of ancillary providers) that may be listed in Contracted Provider's contract.
 - i. If a Contracted Provider's contract lists service locations, and a Contracted Provider is requesting that a new service location be added to the contract, the Contracting Department shall inform the Provider Relations Department to obtain the necessary credentialing documents and submit the documents to the Quality Improvement

Department for the new service location. If applicable, an amendment will be sent to Contracted Provider for signature after the Contracting Department receives notification from the Quality Improvement Department that the service location is credentialed.

- e. Initiate a contract termination for Contracted Provider's current contract.
 - i. Situations that might constitute a contract termination:
 - a) Retirement of a Contracted Provider with an individual contract;
 - b) Death of a Contracted Provider with an individual contract;
 - c) Closure of the Contracted Provider's service location(s); or
 - d) Ownership change.
 - ii. The Contracting Department shall send a contract termination notification letter to Provider, in accordance with the terms in Provider's contract.
- 3. If the Contracting Department determines that the change does not materially modify the contract, but may require other changes, the Contracting Department shall forward the Contracted Provider's written notification to the Provider Relations Department, as appropriate, for processing. The Contracting Department shall notify the Contracted Provider of the results of the review via e-mail and shall include the appropriate CalOptima Health department's contact information for the Contracted Provider to follow-up.
- 4. To effectuate the Contracted Provider's contractual change(s) across all applicable operational CalOptima Health departments, the Contracting Department shall send the executed contract/amendment, Assignment Agreement, or termination notice to the following departments:
 - a. Behavioral Health Integration;
 - b. Enterprise Project Management Office;
 - c. Claims Administration;
 - d. Finance;
 - e. Information Technology Services (ITS);
 - f. Long Term Services and Supports;
 - g. Pharmacy Management;
 - h. Program of All-Inclusive Care for the Elderly (PACE);
 - i. Provider Data Management Services (PDMS);
 - j. Provider Relations;
 - k. Quality Improvement;

- l. Regulatory Affairs & Compliance (RAC); and
- m. Utilization Management.

IV. ATTACHMENT(S)

Not Applicable

V. REFERENCE(S)

- A. CalOptima Health Policy EE.1141: CalOptima Health Provider Contracts
- B. CalOptima Health Policy GG.1650: Credentialing and Recredentialing of Practitioners
- C. Department of Health Care Services (DHCS) All Plan Letter (APL) 23-006: Delegation and Subcontractor Network Certification (Supersedes APL 17-004)

VI. REGULATORY AGENCY APPROVAL(S)

Date	Regulatory Agency	Response
12/22/2023	Department of Health Care Services (DHCS)	File and Use

VII. BOARD ACTION(S)

Date	Meeting
02/03/2022	Regular Meeting of the CalOptima Board of Directors

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	02/03/2022	EE.1116	Contracted Provider Notification to CalOptima of Changes Affecting the Legal Status of the Contract	Medi-Cal OneCare OneCare Connect PACE
Revised	12/31/2022	EE.1116	Contracted Provider Notification to CalOptima Health of Changes Affecting the Legal Status of the Contract	Medi-Cal OneCare PACE
Revised	12/01/2023	EE.1116	Contracted Provider Notification to CalOptima Health of Changes Affecting the Legal Status of the Contract	Medi-Cal OneCare PACE
Revised	11/01/2024	EE.1116	Contracted Provider Notification to CalOptima Health of Changes Affecting the Legal Status of the Contract	Medi-Cal OneCare PACE

IX. GLOSSARY

Term	Definition
Assignment Agreement	An agreement that transfers the obligations and responsibilities under a contract from the current owner to the new owner.
Change of Ownership	For purposes of this policy, a change of ownership is when there is a change of: <ol style="list-style-type: none"> 1. More than 25% of the ownership or equity interest in Provider; 2. More than 25% of the directors or trustees of Provider; 3. The merger, re-organization, or consolidation of Provider with another entity, with respect to which Provider is not the surviving entity; and/or 4. A change in management of Provider from management by persons appointed, elected or otherwise selected by the governing body of Provider (i.e., the Board of Directors) to a third-party management person, company, group, team or other entity.
Contracted Provider	For the purposes of this policy, a Contracted Provider includes but is not limited to a professional, behavioral health, ancillary, CBAS, hospital, long term care facility/skilled nursing facility, pharmacy, or Health Network that is contracted with CalOptima Health (via Fee-for-Service contract or capitated Delegated Entity contract) to provide covered services to CalOptima Health Members for one or more CalOptima Health program.
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.
Member	A beneficiary enrolled in a CalOptima Health program.
Primary Care Provider (PCP)	A person responsible for supervising, coordinating, and providing initial and Primary Care to Members; for initiating referrals; and for maintaining the continuity of patient care. A PCP may be a Primary Care Physician or Non-Physician Medical Practitioner.