



Policy: EE.1135
Title: **Long-Term Care Facilities (LTCFs) Contracting Requirements**
Department: Contracting
Section: Not Applicable

CEO Approval: /s/ Michael Hunn 12/20/2024

Effective Date: 01/01/2010
Revised Date: 12/01/2024

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

I. PURPOSE

This policy establishes CalOptima Health's contracting and Letter of Agreement (LOA) requirements for Long-Term Care (LTC) Facilities, Intermediate Care Facilities for Individuals with Developmental Disabilities (ICF/DD) Homes, Intermediate Care Facilities for Individuals with Developmental Disabilities-Habilitative (ICF/DD-H) Homes, Intermediate Care Facilities for Individuals with Developmental Disabilities-Nursing (ICF/DD-N) Homes, Skilled Nursing Facility (SNF), (collectively as "Facility" or "Facilities").

II. POLICY

- A. CalOptima Health may enter into a contract for participation directly with Long-Term Care Facilities (LTCFs) to ensure access to Covered Services for Members. The Contracting Department shall contract with Facilities by formal contract or LOA.
- B. CalOptima Health may contract with Facilities that meet the participation requirements for applicable health care programs and are fully Credentialed by CalOptima Health, in accordance with CalOptima Health Policies GG.1650: Credentialing and Recredentialing of Practitioners, and GG.1651: Assessment and Re-Assessment of Organizational Providers.
 - 1. CalOptima Health shall attempt to contract with Facilities within the Service Area that meet the requirements of Section II.B. of this Policy in the provider network to the extent that the Facility meets CalOptima Health's credentialing and quality standards, and are willing to enter into a contract with CalOptima Health on mutually agreeable terms.
 - 2. CalOptima Health shall enter into an LOA with an out-of-network LTC or SNF when the Contracted Network is unable to provide Medically Necessary Covered Services to a Member in accordance with CalOptima Health Policy GG.1508: Authorization and Processing of Referrals. The out-of-network LTCs or SNFs must be licensed and certified by the California Department of Public Health (CDPH) and approved by DHCS for participation in the Medi-Cal program.
 - 3. An LOA shall be initiated for a LTCs or SNFs when:
 - a. CalOptima Health places a Member in a non-contracted LTC or SNF;

- b. CalOptima Health is notified by a non-contracted LTC or SNF, an acute hospital, the Member, Member's Personal Representative, or a Health Network that;
 - i. A Member has been placed in a non-contracted LTC or SNF;
 - ii. A Member/resident in a non-contracted LTC or SNF has or will become newly enrolled into CalOptima Health; or
 - iii. A Member that resides in the non-contracted LTC or SNF under their Medicare benefit, has exhausted or will soon exhaust their Medicare benefit.
 - c. A non-contracted LTC or SNF admits a Member, the non-contracted LTC or SNF shall contact CalOptima Health Long Term Services and Support (LTSS) or Utilization Management (UM) Department to initiate the LOA process in accordance with the terms and conditions set forth in Sections II.B., and III.B., of this Policy.
- 4. CalOptima Health Regulatory Affairs and Compliance (RAC) department shall notify DHCS if it is unable to come to agreeable terms with a Facility meeting the requirements in Section II.B of this Policy, or upon termination of a Facility contract in accordance with Section III.C of this policy, and as required by DHCS.
- C. CalOptima Health requires credentialing of all contracted Facilities, in accordance with CalOptima Health Policy GG.1651: Assessment and Re-Assessment of Organizational Providers, prior to the execution of a contract.
- D. Upon identifying a need for a contract with a Facility, the CalOptima Health Contracting authorized Designee shall initiate the Facility contracting process in accordance with the provisions of Sections II.B, and III.B, of this Policy.
- E. Only a Facility that holds a contract or LOA with CalOptima Health as described in this Policy, are eligible to receive reimbursement for Covered Services furnished to a Member within that Facility.
- F. CalOptima Health may retrospectively reimburse the Facility up to one (1) year from the date of the execution of the contract or LOA. A Facility is eligible to receive such retrospective reimbursement if:
 - 1. The Facility submits an Authorization Request Form (ARF) to the LTSS or UM Department within twenty-one (21) calendar days from the date of execution of the contract or LOA, or submits time-stamped evidence to the LTSS or UM Department that an ARF was submitted to their department;
 - 2. The Member meets the clinical criteria for Covered Services at the time of admission; and
 - 3. The ARF would have been approved, but for the absence of the contract or LOA.
- G. CalOptima Health shall provide a Member with access to the names of contracted Facilities in the Provider Directory, through the CalOptima Health website's Provider Search Tool, and upon the Member's request for such information.

III. PROCEDURE

- A. The CalOptima Health Contracting Department oversees and manages the Facility contracting process, in collaboration with the CalOptima Health LTSS, UM, and Claims Department, to ensure appropriate payment for Covered Services.
- B. For a New Admission to a non-contracted Facility (located inside or outside of Orange County) for which CalOptima Health's LTSS or UM Department has been notified, the CalOptima Health Contracting Department shall perform one of the following:
 - 1. Offer the Facility a contract, in accordance with CalOptima Health Policy EE.1141: CalOptima Health Provider Contracts, that includes an ownership and control disclosure form in accordance with DHCS All Plan Letter (APL) 23-006: Delegation and Subcontractor Network Certification requirements and the provider has been successfully credentialed by the CalOptima Health Credentialing department.
 - 2. Offer the LTC or SNF an LOA, in accordance with CalOptima Health Policy EE.1141: CalOptima Health Provider Contracts.
 - a. A Member who is under conservatorship (including with the Office of the Public Guardian) or has a Personal Representative residing in Orange County, the LTC or SNF staff shall actively work with the Member or Member's representative to transfer the Member's Medi-Cal eligibility to the county of residence during the time frame of the LOA. CalOptima Health's LTSS or UM Department shall follow up with the LTC or SNF monthly to ensure they are actively working to transfer the Member's Medi-Cal eligibility to the county of residence.
 - b. If a Member is residing in an LTC or SNF outside of Orange County longer than the LOA time frame of one (1) year, and the Member's Medi-Cal eligibility has not been transferred to the county of residence, the LTC or SNF shall notify the CalOptima Health LTSS or UM Department before the LOA expiration date. The CalOptima Health LTSS or UM Department shall submit a request to the CalOptima Health Contracting Department to initiate a new LOA for an additional one (1) year term.
- C. Termination of Facility Contract
 - 1. CalOptima Health RAC department shall notify DHCS upon the termination of a Facility contract:
 - a. If CalOptima Health and a Facility in the Service Area cannot agree on mutually agreeable terms, CalOptima Health shall notify the RAC department within five (5) Working Days of CalOptima Health's decision to exclude the Facility from its provider network.
 - b. CalOptima Health shall provide the DHCS with notice of its termination of a contract with a Facility at least sixty (60) calendar days prior to the contract termination effective date, whenever possible.
 - c. If termination of a Facility contract is for a cause related to quality of care or patient safety concerns, CalOptima Health shall expedite termination of the Facility contract and transfer Members to an appropriate, qualified Facility in an expeditious manner. DHCS shall be notified of the termination within seventy-two (72) hours of said termination.

2. CalOptima Health's RAC Department shall notify DHCS upon notification from the Contracting Department of any of the actions detailed in , in accordance with CalOptima Health Policy GG.1652: DHCS Notification of Change in the Availability or Location of Covered Services.
3. Affected Members shall be notified of the actions , as applicable, in accordance with CalOptima Health Policy GG.1652: DHCS Notification of Change in the Availability or Location of Covered Services.

IV. ATTACHMENT(S)

Not Applicable

V. REFERENCE(S)

- A. CalOptima Health Contract with the Department of Health Care Services for Medi-Cal
- B. CalOptima Health Policy EE.1141: CalOptima Health Provider Contracts
- C. CalOptima Health Policy GG.1508: Authorization and Processing of Referrals
- D. CalOptima Health Policy GG.1651: Assessment and Re-Assessment of Organizational Providers
- E. CalOptima Health Policy GG.1652: DHCS Notification of Change in the Availability or Location of Covered Services
- F. Department of Health Care Services (DHCS) All Plan Letter (APL) 15-004: Medical Managed Care Health Plan Requirements for Nursing Facility Services in Coordinated Care Initiative Counties for Beneficiaries Not Enrolled in Cal MediConnect
- G. Department of Health Care Services (DHCS) All Plan Letter (APL) 21-003: Medi-Cal Network Provider and Subcontractor Terminations
- H. Department of Health Care Services (DHCS) All Plan Letter (APL) 23-006: Delegation And Subcontractor Network Certification (Issued 03/28/2023) (Supersedes APL 17-004)
- I. Department of Health Care Services (DHCS) All Plan Letter (APL) 24-011: Intermediate Care Facilities for Individuals with Developmental Disabilities – Long Term Care Benefit Standardization and Transition of Members to Managed Care (Supersedes APL 23-023)
- J. Title 18, Federal Social Security Act
- K. Title 22, California Code of Regulations (CCR), Division 3
- L. Title 22, California Code of Regulations (CCR), Sections 51121, 51212, 51215, 51215.5, 51215.8, 51334, and 51335

VI. REGULATORY AGENCY APPROVAL(S)

Date	Regulatory Agency	Response
10/13/2015	Department of Health Care Services (DHCS)	Approved as Submitted
04/17/2024	Department of Health Care Services (DHCS)	Approved as Submitted
12/13/2024	Department of Health Care Services (DHCS)	File and Use

VII. BOARD ACTION(S)

Date	Meeting
04/04/2019	Regular Meeting of the CalOptima Board of Directors
11/05/2020	Regular Meeting of the CalOptima Board of Directors

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Revised	01/01/2010	EE.1135	Long Term Care Facility Contracting	Medi-Cal
Revised	07/01/2015	EE.1135	Long Term Care Facility Contracting	Medi-Cal
Revised	08/01/2016	EE.1135	Long Term Care Facility Contracting	Medi-Cal OneCare Connect
Revised	12/01/2017	EE.1135	Long Term Care Facility Contracting	Medi-Cal OneCare Connect
Revised	04/04/2019	EE.1135	Long Term Care Facility Contracting	Medi-Cal OneCare Connect
Revised	11/05/2020	EE.1135	Long Term Care Facility Contracting	Medi-Cal OneCare OneCare Connect PACE
Revised	09/01/2021	EE.1135	Long Term Care Facility Contracting	Medi-Cal OneCare OneCare Connect PACE
Revised	12/31/2022	EE.1135	Long Term Care Facility Contracting	Medi-Cal OneCare PACE
Revised	12/01/2023	EE.1135	Long Term Care Facility and Intermediate Care Facilities for Individuals with Developmental Disabilities (ICF/DD) Contracting	Medi-Cal, OneCare PACE
Revised	12/01/2024	EE.1135	Long-Term Care Facilities (LTCFs) Contracting Requirements	Medi-Cal, OneCare PACE

IX. GLOSSARY

Term	Definition
Covered Services	<p>Medi-Cal: Those health care services, set forth in W&I sections 14000 et seq. and 14131 et seq., 22 CCR section 51301 et seq., 17 CCR section 6800 et seq., the Medi-Cal Provider Manual, the California Medicaid State Plan, the California Section 1115 Medicaid Demonstration Project, the contract with DHCS for Medi-Cal, and DHCS APLs that are made the responsibility of CalOptima Health pursuant to the California Section 1915(b) Medicaid Waiver authorizing the Medi-Cal managed care program or other federally approved managed care authorities maintained by DHCS.</p> <p>Covered Services do not include:</p> <ol style="list-style-type: none"> 1. Home and Community-Based Services (HCBS) program as specified in the DHCS contract for Medi-Cal Exhibit A, Attachment III, Subsections 4.3.15 (Services for Persons with Developmental Disabilities), 4.3.20 (Home and Community-Based Services Programs) regarding waiver programs, 4.3.21 (In-Home Supportive Services), and Department of Developmental Services (DDS) Administered Medicaid Home and Community-Based Services Waiver. HCBS programs do not include services that are available as an Early and Periodic Screening, Diagnosis and Treatment (EPSDT) service, as described in 22 CCR sections 51184, 51340 and 51340.1. EPSDT services are covered under the DHCS contract for Medi-Cal, as specified in Exhibit A, Attachment III, Subsection 4.3.11 (Targeted Case Management Services), Subsection F4 regarding services for Members less than twenty-one (21) years of age. CalOptima Health is financially responsible for the payment of all EPSDT services; 2. California Children's Services (CCS) as specified in Exhibit A, Attachment III, Subsection 4.3.14 (California Children's Services), except for Contractors providing Whole Child Model (WCM) services; 3. Specialty Mental Health Services as specified in Exhibit A, Attachment III, Subsection 4.3.12 (Mental Health Services); 4. Alcohol and SUD treatment services, and outpatient heroin and other opioid detoxification, except for medications for addiction treatment as specified in Exhibit A, Attachment III, Subsection 4.3.13 (Alcohol and Substance Use Disorder Treatment Services); 5. Fabrication of optical lenses except as specified in Exhibit A, Attachment III, Subsection 5.3.7 (Services for All Members); 6. Direct Observed Therapy for Treatment of Tuberculosis (TB) as specified in Exhibit A, Attachment III, Subsection 4.3.18 (Direct Observed Therapy for Treatment of Tuberculosis); 7. Dental services as specified in W&I sections 14131.10, 14132(h), 14132.22, 14132.23, and 14132.88, and EPSDT dental services as described in 22 CCR section 51340.1(b). However, CalOptima Health is responsible for all Covered Services as specified in Exhibit A, Attachment III, Subsection 4.3.17 (Dental) regarding dental services; 8. Prayer or spiritual healing as specified in 22 CCR section 51312; 9. Educationally Necessary Behavioral Health Services that are covered by a Local Education Agency (LEA) and provided pursuant to a Member's Individualized Education Plan (IEP) as set forth in Education Code

Term	Definition
	<p>section 56340 et seq., Individualized Family Service Plan (IFSP) as set forth in California Government Code (GC) section 95020, or Individualized Health and Support Plan (IHSP). However, CalOptima Health is responsible for all Medically Necessary Behavioral Health Services as specified in Exhibit A, Attachment III Subsection 4.3.16 (School-Based Services);</p> <p>10. Laboratory services provided under the State serum alpha-feto-protein-testing program administered by the Genetic Disease Branch of California Department of Public Health (CDPH);</p> <p>11. Pediatric Day Health Care, except for Contractors providing Whole Child Model (WCM) services;</p> <p>12. State Supported Services;</p> <p>13. Targeted Case Management (TCM) services as set forth in 42 USC section 1396n(g), W&I sections 14132.48 and 14021.3, 22 CCR sections 51185 and 51351, and as described in Exhibit A, Attachment III, Subsection 4.3.11 (Targeted Case Management Services). However, if Members less than twenty-one (21) years of age are not eligible for or accepted by a Regional Center (RC) or a local government health program for TCM services, CalOptima Health must ensure access to comparable services under the EPSDT benefit in accordance with DHCS APL 23-005;</p> <p>14. Childhood lead poisoning case management provided by county health departments;</p> <p>15. Non-medical services provided by Regional Centers (RC) to individuals with Developmental Disabilities, including but not limited to respite, out-of-home placement, and supportive living;</p> <p>16. End of life services as stated in Health and Safety Code (H&S) section 443 et seq., and DHCS APL 16-006; and</p> <p>17. Prescribed and covered outpatient drugs, medical supplies, and enteral nutritional products when appropriately billed by a pharmacy on a pharmacy claim, in accordance with DHCS APL 22-012.</p> <p><u>OneCare</u>: Those medical services, equipment, or supplies that CalOptima Health is obligated to provide to Members under the Centers for Medicare & Medicaid Services (CMS) Contract.</p> <p><u>PACE</u>: For the purposes of this policy, defined as those medical services, equipment, or supplies that CalOptima Health is obligated to provide to Participants under the provisions of Welfare & Institutions Code section 14132 and the CalOptima Health PACE Program Agreement, except those services specifically excluded under the Exhibit E, Attachment 1, Section 26 of the PACE Program Agreement.</p>
Department of Health Care Services (DHCS)	<p><u>Medi-Cal & OneCare</u>: The single State department responsible for the administration of the Medi-Cal Program, California Children’s Services (CCS), Genetically Handicapped Persons Program (GHPP), and other health related programs as provided by statute and/or regulation.</p> <p><u>PACE</u>: The state department in California responsible for administration of the federal Medicaid Program (referred to as Medi-Cal in California).</p>

Term	Definition
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.
Facility	For purposes of this policy, Long Term Care (LTC) facility is a Nursing Facility Level A (NF-A) [Intermediate Care Facility (ICF), including Intermediate Care Facilities for Individuals with Developmental Disabilities (ICF/DD) Homes, Intermediate Care Facilities for Individuals with Developmental Disabilities-Habilitative (ICF/DD-H) Homes, and Intermediate Care Facilities for Individuals with Developmental Disabilities-Nursing (ICF/DD-N)], Subacute Facility, and Nursing Facility Level B (NF-B) [Skilled Nursing Facility (SNF)].
Intermediate Care Facility/Developmentally Disabled (ICF/DD)	A facility that provides 24-hour personal care, habilitation, developmental, and supportive health services to developmentally disabled clients whose primary need is for developmental services and who have a recurring but intermittent need for skilled nursing services.
Intermediate Care Facility/Developmentally Disabled –Habilitative (ICF/DD-H)	A facility with a capacity of 4 to 15 beds that provides 24-hour personal care, habilitation, developmental, and supportive health services to 15 or fewer developmentally disabled persons who have intermittent recurring needs for nursing services but have been certified by a physician and surgeon as not requiring availability of continuous skilled nursing care.
Intermediate Care Facility/Developmentally Disabled – Nursing (ICF/DD-N)	A facility with a capacity of 4 to 15 beds that provides 24-hour personal care, developmental services, and nursing supervision for developmentally disabled persons who have intermittent recurring needs for skilled nursing care but have been certified by a physician and surgeon as not requiring continuous skilled nursing care. The facility shall serve medically fragile persons who have developmental disabilities or demonstrate significant developmental delay that may lead to a developmental disability if not treated.
Letter of Agreement (LOA)	An agreement with a specific Provider regarding the provision of a specific Covered Service to a Member in the absence of a Contract for the provision of such Covered Service.
Member	A beneficiary enrolled in a CalOptima Health program.
New Admission	Shall mean a Member with no previous residence history at a Facility or one who has had a previous residence history at a Facility but was appropriately discharged as part of the Member’s plan of care.
Personal Representative	Has the meaning given to the term Personal Representative in section 164.502(g) of title 45 of Code of Federal Regulations. A person who has the authority under applicable law to make health care decisions on behalf of adults or emancipated minors, as well as parents, guardians or other persons acting in loco parentis who have the authority under applicable law to make health care decisions on behalf of unemancipated minors and as further described in CalOptima Health Policy HH.3009: Access by Member’s Personal Representative.

Term	Definition
Service Area	<p><u>Medi-Cal</u>: The county or counties that CalOptima Health is approved to operate in under the terms of the DHCS contract. Currently, this covers Orange County, California.</p> <p><u>OneCare</u>: The geographic area in which Members or potential Members reside and for whom CalOptima Health is approved to provide services by CMS.</p> <p><u>PACE</u>: The county or counties in which CalOptima Health PACE is approved to operate under the terms of the DHCS PACE Contract. A Service Area may have designated ZIP codes (under the U.S. Postal Service) within a county that are approved by DHCS to operate under the terms of the DHCS PACE Contract. Currently, this covers Orange County, California.</p>
Working Days	Shall mean state of California working day(s).