DEPARTMENT OF HEALTH
OFFICE OF THE DEPUTY SECRETARY FOR QUALITY ASSURANCE AND HEALTH PLANNING
BUREAU OF HEALTH CARE FINANCING

REQUIREMENTS REGARDING PRIOR APPROVAL OF SPECIAL DELIVERY SYSTEMS TO SERVE MA RECIPIENTS

There seems to be some confusion regarding what responsibilities a licensed HMO has to the Health Department when contracting to serve prepaid Medicaid enrollees.

The purpose of this communication is to clarify Department of Health requirements when an HMO negotiates a prepaid Medicaid contract with the Department of Public Welfare.

1. If the HMO is merely making available its current delivery system in a currently approved service area, with no special provider contract riders relating to MA enrollees, then there are relatively few regulatory implications. We ask only that the Health Department be informed in advance of implementation of such contract, and that the letter verify that no changes have been made in the HMO's delivery system to serve MA enrollees.

2. If the HMO intends to serve MA enrollees in a new service area, the HMO must first file and receive approval of a service area expansion request.

3. If the HMO intends to provide services in its currently approved service area by creating a new delivery system for MA enrollees or by subcontracting with another entity for use of its delivery system to serve MA enrollees, then the HMO has a responsibility to file these new health service delivery system arrangements for Department of Health prior approval.

Such filing must include, at a minimum:

a. a copy of the contract between the HMO and the subcontracting delivery system;

b. detailed information concerning the subcontracting delivery system's organization, management, and staffing, including articles of incorporation, bylaws, and organization chart;

c. copies of generic provider contracts between the subcontracting delivery system and its participating providers, including reimbursement descriptions;

d. a complete description of the subcontracting delivery system's quality assurance system, including credentialing, focused medical chart audits, one year work plan, etc., including c.v's/resumes of the medical director and all q.a./u.r. staff;

e. a description of how the HMO will monitor the subcontractor to ensure that the subcontractor is providing high quality, cost-effective care to the HMO's Medicaid enrollees:

f. list of participating providers and evidence of adequate availability and accessibility of providers in the proposed subcontractor's service area;

g. copy of the grievance system and procedures meeting DOH standards;

h. copy of enrollee literature.

If there is any question on whether or not a proposed MA venture requires DOH prior approval, the HMO is responsible for clarifying the issue with us. Because of the current significant backlog in filing reviews, it is suggested that HMOs file prepaid MA filings with as much lead time as possible.

If you have any questions at this time, please feel free to contact the Bureau of Health Care Financing at (717) 787-5193.

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