




**County of Yolo**  
**Health and Human Services Agency**  
**Behavioral Health Information Notice 17-01**

Subject:	Medicaid Managed Care Final Rule Implementation	Notice Issuer: (Unit/Program)	HHSA Quality Management
		Notice Number:	17-01
Type:	Mental Health	Issue Date:	9/1/2017
		Effective Date:	7/1/2017
Approved by:	Karen Larsen, LMFT, Director Yolo County Health and Human Services Agency		

**A. PURPOSE**

The purpose of this Information Notice is to communicate the requirements set about by the Centers for Medicare & Medicaid Services (CMS) regarding the Medicaid Managed Care Final Rule and how Yolo County Health and Human Services Agency (HHSA) plans to implement these requirements. On April 25, 2016, CMS published the Final Rule, which aligns key rules with those of other health insurance coverage programs, modernizes how states purchase managed care for beneficiaries, and strengthens the consumer experience and key consumer protections.

This Final Rule is the first major update to Medicaid and Children’s Health Insurance Program (CHIP) managed care regulations in more than a decade, and is set to be implemented over the next several years with the first significant implementation date on July 1, 2017.

**B. KEY PROVISIONS**

There are several key provisions outlined in the Final Rule that will affect current business practices beginning July 1, 2017. In order to fully understand the complete requirements of the Final Rule, reading the entire Rule, located in the Code of Federal Regulations, Title 42 Part 438, is recommended; however, a summary of some of the more important changes is provided below:

- The Final Rule expands Mental Health Plans (MHPs) communication with beneficiaries by mandating specific content, language, and format to be included in the member handbook and provider lists.
- The new grievance and appeal requirements shorten the timeframe from 45 days to 30 days for standard resolution and from 3 business days to 72 hours for expedited resolution, as well as limits grievances to only one level for appeals.
- An important update to the Final Rule mandates MHPs to track requirements related to timeliness of care.

- A written notice of adverse benefit determination must be provided to the beneficiary immediately after a decision to deny a service authorization request, or to authorize a service in an amount, duration, or scope that is less than requested.
- For standard authorization decisions, MHPs must provide notice as expeditiously as the enrollee's condition requires and within State-established timeframes that may not exceed 14 calendar days following receipt of the request for service, with a possible extension of up to 14 additional calendar days.

#### **C. GUIDANCE AND DOCUMENTATION UPDATES**

In order to meet the requirements laid out by the Final Rule, HHSA shall release updated guidance and documentation, such as beneficiary informing materials, forms, and policies and procedures, on an on-going basis. Communication regarding implementation and effective dates for the updated requirements and documentation shall align with the release of the forms to HHSA providers.

#### **D. RESPONSIBILITY**

It shall be the responsibility of HHSA providers to review the Final Rule requirements located in the [Code of Federal Regulations, Title 42 Part 438](#) and any amendments to the contract requirements. Additionally, it is strongly recommended that HHSA providers review the reference materials linked below.

Once the guidance and documentation have been issued, HHSA providers shall be required to cease all use of old documentation. Furthermore, providers shall be required to update forms, policies, and procedures as applicable and provide copies to HHSA Quality Management upon request.

#### **E. REFERENCES**

[Code of Federal Regulations, Title 42 Part 438](#)

California Behavioral Health Director's Association (CBHDA) has compiled several helpful resources to better understand the Final Rule requirements:

- [Network Adequacy Fact Sheet](#)
- [Grievance and Appeals Systems Fact Sheet](#)
- [Beneficiary Informing and Authorization Fact Sheet](#)

#### **F. QUESTIONS**

Questions or comments pertaining to the information notice may be directed to [HHSA-QualityManagement@yolocounty.org](mailto:HHSA-QualityManagement@yolocounty.org).