

## Network Provider Update

To: Medi-Cal network participants

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**Subject: All Plan Letter 23-006: Delegation and Subcontractor Network Certification**

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The Department of Health Care Services (DHCS) recently issued [All Plan Letter \(APL\) 23-006](#), "Delegation and Subcontractor Network Certification." We are sharing a summary of this APL with you to ensure you are aware of the information, and you can apply the information to your practice or facility operations, where appropriate.

APL 23-006 updates guidance on the delegation and monitoring of subcontractors and details the subcontractor network certification (SNC) process that managed care plans (MCPs) such as Blue Shield of California Promise Health Plan follow to meet state and federal network adequacy and access requirements.

### APL summary

- The APL advises MCPs to include information about delegated responsibilities in their Subcontractor Agreement.
- Ownership and control disclosures, collected and reviewed by MCPs, are needed to help identify potential conflicts of interest.
- The APL includes guidance for receiving data reporting from subcontractors.
- The SNC process should be completed by MCPs annually for all subcontractors and:
  - When a subcontractor network experiences a significant change
  - When the MCP enters into a new risk-based Subcontractor Agreement with a subcontractor that expands the MCP's existing Provider Network
- The APL explains which subcontractor networks are subject to these certification requirements and which are exempt.
- The APL links to documents to support SNC submissions:
  - Attachment A: [Subcontractor Network Certification Instruction Manual](#)
  - Attachment B: [Subcontractor Network Exemptions Request](#)
  - Attachment C: [Network Adequacy and Access Assurances Report](#)
- DHCS will review a sample of an MCP's subcontractor network each year, removing previously reviewed subcontractors from their list until all have been sampled, and then start again.
- If a deficiency is found in a subcontractor network, MCPs will authorize services from out-of-subcontractor-network providers to meet member needs. DHCS will also issue a Corrective Action Plan (CAP). If after six months the CAP requirements aren't met, DHCS will issue sanctions.

This summary is only meant as a brief description of the APL. Please see the APL itself for additional background and the complete requirements. The full text of APL 23-006 may be found at this URL: <https://www.dhcs.ca.gov/formsandpubs/Documents/MMCDAPLsandPolicyLetters/APL2023/APL23-006.pdf> (Links to the DHCS.ca.gov website will take you off of the Blue Shield Promise website.)

Additional information about Blue Shield Promise's implementation of this APL will be forthcoming.

If you have questions about the Blue Shield Promise SNC process, please contact Provider Services via Live Chat after logging in at [blueshieldca.com/provider](https://blueshieldca.com/provider) or call (800) 468-9935 from 6 a.m. to 6:30 p.m., Monday through Friday.