

CHECKLIST FOR HEALTH CARE SERVICE PLANS MEDICARE SERVICE AREA EXPANSION

**Note - This Checklist is provided for guidance and reference purposes only, and the Plan is required to review and comply with the Knox-Keene Act and Title 28 Regulations and other applicable laws.*

SERVICE AREA EXPANSION

Prior to offering Medicare services in the new service area, the Plan must file a Notice of Material Modification with the Department of Managed Health Care (DMHC) and obtain an Order of Approval. The Material Modification should include the following information:

1) Exhibit E-1: Summary of the Filing

Please note: If the Plan uses the attachment to this checklist, please provide information for Items b through e in addition to the attachment.

- a. File the following information in Exhibit E-1; or Complete the attachment and file it as an Exhibit E-1.
- b. Please include a confirmation statement in Exhibit E-1 stating, "If the Plan is unable to obtain a service area approval by the Centers for Medicare and Medicaid Services for any county or zip codes identified in Exhibit H-1, it will be submit a Notice of Material Modification for a service area withdrawal."
- c. Include a confirmation statement that the Plan is in compliance with all financial solvency requirements including existing financial solvency undertakings. If not, please explain why.
- d. Include a confirmation statement that the Plan has met the network requirement for all other state and federal agencies, including CMS. If not, please explain why and provide the expected compliance date.
- e. Provide a review process timeline for any state or federal agencies that are listed in Exhibit D-2.
- f. A description of the Plan's currently approved service areas and related DMHC Filing Number(s) with Order of Approval(s).

2) Exhibit D-2: Filings with Other Agencies

- a. File an Exhibit D-2 if the Plan anticipates making any related filing with any other state or federal agency identifying each agency, the nature, purpose, and date, or projected date, and timeline for each such filing.

3) Exhibit H: Service Area Description

- a. File an Exhibit H-1 describing, by county: (a) the current service area(s) the Plan offers its Medicare product(s); and (b) the proposed service area(s) after expansion. (Please separate the responses to “(a)” and “(b)”.) If the Plan currently services a partial county, and/or proposes a partial county expansion, please include ZIP Codes and city names in the response.

4) Exhibit K: Provider Contracts

- a. File an Exhibit K-1 if the provider contract template will differ from the provider contract template currently used by the Plan.
- b. File an Exhibit K-3 for each provider contract relied upon by the Plan describing the details of all the compensation provisions contained in the contract(s), as applicable.

5) Exhibit N: Administrative Service Contracts

- a. *Administrative Services or Management Contract:* File an Exhibit N-1 for each administrative services or management contract that is either new or amended as a result of the proposed service area expansion, if applicable. (If the contract is for claims processing, please use Exhibit N-3, described below.) If the Plan will be using: (a) a previously approved contract *without any changes* arising from the service area expansion, or (b) an amended contract due to the service area expansion, please furnish the filing number where the DMHC approved that contract. For new or amended contracts, please file both a redlined and clean version, as applicable.
- b. *Claims Processing Contract:* File an Exhibit N-3 for each claims processing contract that is either new or amended as a result of the proposed service area expansion, if applicable. If the Plan will be using: a previously approved contract *without any changes* arising from the service area expansion, or (b) an amended contract due to the service area expansion, please furnish the filing number where the DMHC approved that contract. For new or amended contracts, please file both a redlined and clean version, as applicable.
- c. *Monitoring of Administrative Services or Management Contract(s) or Claims Processing Contract:* File an Exhibit N-2 describing the arrangements to monitor the proper performance of the services to be provided and the provisions to protect Plan business, enrollees, and providers in the event there is a failure of performance or the contract is terminated.

- d. *Compensation*: File an Exhibit N-6 related to the compensation for each administrative services, management, and/or claims processing contract filed as an Exhibit N-1, and/or N-3, if applicable.

6) Exhibit P: Plan-to-Plan Contracts

- a. File an Exhibit P-5 for each plan-to-plan contract with DMHC licensees which is either new or amended as a result of the proposed service area expansion, if applicable. Plans should provide a previously approved filing number for amended plan-to-plan contracts, which should be submitted in both redlined and clean versions, as applicable.

7) Exhibit EE-1: Summary Enrollment Projections

- a. As requested by the DMHC, file enrollment projections on a monthly basis for the first year and quarterly basis for the second year. Please note that the timeframe requested may vary depending on the materiality of the expansion and its financial impact to the Plan.

8) Exhibit HH-2 and HH-3: Financial Projections and Assumptions

- a. As requested by the DMHC, file financial projections on a monthly basis for the first year and quarterly basis for the second year. Please note that the timeframe requested may vary depending on the materiality of the expansion and its financial impact to the Plan. In addition, the Plan is to file the following statements: Balance Sheet, Income Statement, Statement of Cash Flows, Calculation of Tangible Net Equity (TNE) pursuant to Rule 1300.76, and Calculation of Administrative Percentage pursuant to Rule 1300.78.

9) Miscellaneous Documents/Attachments – Public (CMS State Certification Form)

- a. Submit the CMS State Certification Form **with Items 1 through 4 completed and signed by the appropriate Plan representative.**

10) Request for Confidentiality

- a. The Plan should file a public Request for Confidentiality for any Exhibit which confidentiality is requested, if applicable. The request must comply with section 1007 of title 28 of the California Code of Regulations. The Plan must file both public and confidential versions of each Exhibit for which confidentiality is sought. (Please refer to the DMHC's Checklist for filing a Request for Confidentiality.)

INFORMATION FOR EXHIBIT E-1: MEDICARE SERVICE AREA EXPANSION

1. County(ies) or area (including ZIP codes and city names if not an entire county) in which the Plan currently offers its Medicare product:

2. Plan's current Medicare enrollment in its existing service area(s):

3. County(ies) in which the Plan intends to expand, or description of the Plan's proposed service area (including ZIP codes and city names) if the expansion does not include an entire county:

4. Plan's projected enrollment after the expansion:

5. Effective date of the proposed expansion:

6. *CMS Notification:* (What is the status of notification to, and/or approval from, CMS regarding the proposed expansion, including any justification(s), and/or request for exemption(s) from CMS for partial county expansions, if applicable.):

7. Will the proposed expansion have any material impact on the Plan's financial viability? NO/YES.

NO

YES: Provide explanation of the impact below:

8. *Provider Contracts:* (How will the Plan service the enrollees in the service area expansion?)

Use *existing* contracted providers, hospitals, ancillary, skilled nursing, etc.

Intend to contract with new providers, hospitals, ancillary, skilled nursing, etc.

Use current contracts and contract with new providers, hospitals, ancillary, skilled nursing, etc.

Other [please explain below]:

9. *Administrative Services, Management, or Claims Processing Contracts:* Will the Plan, as a result of the service area expansion: [mark as applicable]

Use a current contract(s)

--Identify the contractual party(ies):

--Identify the filing number where the DMHC approved underlying contract:

--Describe the service(s) for the above contract:

Amend a current contract(s)

--Identify the contractual party(ies):

--Identify the filing number where the DMHC approved underlying contract:

--Describe the service(s) for the above contract:

Enter into a new contract(s)

--Identify the contractual party(ies):

--Describe the service(s) for the above contract:

Other [please explain below]:

--Describe the service(s) for the above contract:

10. *Contracts with Other DMHC Licensed Plan(s)*: Will the Plan, as a result of the service area expansion: [mark as applicable]

Use a current contract(s)

--Identify the licensed plan(s):

--Identify the filing number where the DMHC approved underlying contract:

--Describe the service(s) for the above contract:

Amend a current contract(s)

--Identify the licensed plan(s):

--Identify the filing number where the DMHC approved underlying contract:

--Describe the service(s) for the above contract(s):

Enter into a new contract(s)

--Identify the licensed plan(s):

--Describe the service(s) for the above contract:

11. Provide any additional legal and/or financial information requested by the DMHC, as related to the proposed expansion, if applicable (e.g., requested during a pre-filing conference, financial exam, and/or from a preliminary review of the filing):

12. Is the Plan seeking expedited review? NO/YES.

NO

YES: Enter desired date for completion below: