

From: DMHC Licensing eFiling

Subject: APL 20-042 - Removal of Administrative Burdens on Hospitals

Date: Wednesday December 16, 2020 11:40 AM

Attachments: APL 20-042 - Removal of Administrative Burdens on Hospitals (12.16.2020).pdf

Dear Health Plan Representative,

Please see attached All Plan Letter 20-042 regarding the removal of Administrative burdens on hospitals during COVID-19 surge.

Thank you.



Gavin Newsom, Governor
State of California
Health and Human Services Agency
DEPARTMENT OF MANAGED HEALTH CARE
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ALL PLAN LETTER

DATE: December 16, 2020

TO: All Full-Service Health Care Service Plans

FROM: Sarah Ream
Acting General Counsel

SUBJECT: APL 20-042 - Removal of Administrative Burdens on Hospitals During COVID-19 Surge

Hospitals are on the frontlines of California’s battle in fighting the COVID-19 pandemic. As California experiences a historic surge in the number of COVID-19 cases, the number of people being treated in hospital intensive care units (ICUs) is increasing and expected to continue to increase over the coming weeks. This increase poses a significant and serious threat to hospitals’ ongoing ability to treat seriously ill COVID-19 patients and other seriously ill or injured patients.

Existing accessibility standards require health plans to have adequate staff to “reasonably assure that all services offered by the plan will be accessible to enrollees on an appropriate basis without delays detrimental to the health of the enrollees.”¹ Plans must also “ensure that all plan and provider processes necessary to obtain covered health care services, including but not limited to prior authorization processes, are completed in a manner that assures the provision of covered health care services to enrollees in a timely manner appropriate for the enrollee’s health condition....”²

During this unprecedented time, existing health plan administrative staffing levels, wait times for hospital staff to speak to plan representatives, and the amount of time it takes for a plan to authorize enrollee hospital admissions, transfers and/or discharges may be inadequate to meet the needs of the hospitals. Delays caused by health plans may result in delays in hospitals’ abilities to provide efficient care to as many patients as possible.

Accordingly, the DMHC is directing plans to take immediate steps to reduce or remove unnecessary barriers to the efficient admission, transfer, and/or discharge of health plan enrollees. Reducing and removing such barriers will allow hospitals to quickly respond

¹ California Code of Regulations, title 28, section 1300.67.2.

² California Code of Regulations, title 28, section 1300.67.2.2.

to the unfolding crisis and will enable hospital staff to ensure their hospitals are operating as efficiently as possible.

Informational Filing

The DMHC expects plans to take steps to reduce or remove administrative barriers on hospitals during this time. As such, pursuant to the authority granted by California Executive Order N-80-20, issued on September 23, 2020, the DMHC directs plans to file by **December 29, 2020** and again by **January 12, 2021**, a narrative description of the steps the plan has taken and also what steps the plan will take to reduce or remove unnecessary administrative barriers with respect to hospitals. Such steps may include, but are not limited to:

- Increasing the number of health plan staff available to respond to hospitals' requests to admit, transfer or discharge plan enrollees.
- Increasing the number of health plan staff available to respond to hospital requests during non-business hours.
- Working with durable medical equipment suppliers, pharmacies, and other suppliers to ensure they are available to quickly provide needed equipment, medications, and services to plan enrollees who are being discharged from a hospital.
- Waiving prior authorization requirements or providing blanket pre-authorizations in certain circumstances, such as inpatient admissions.

Plans should submit this informational filing as a "Report/Other," with the narrative contained in an Exhibit E-1. Plans should title the filings "**Filing Regarding Removal of Administrative Barriers on Hospitals (APL 20-042)**." Plans should submit the filings as separate filings, rather than submitting the second filing as an amendment to the first. Both filings should have the same title (i.e., "Filing Regarding Removal of Administrative Barriers on Hospitals (APL 20-042)").

If you have questions regarding this APL, please contact your health plan's assigned reviewer in the DMHC's Office of Plan Licensing.