

Network Provider Update

To: Medi-Cal network participants

November 2023

From: Melinda Kjer
Director, Provider Relations and Contracting

Subject: **All Plan Letter 23-027: Subacute Care Facilities -- Long Term Care Benefit Standardization and Transition of Members to Managed Care**

The Department of Health Care Services (DHCS) recently issued [All Plan Letter \(APL\) 23-027](#), "Subacute Care Facilities -- Long Term Care Benefit Standardization and Transition of Members to Managed Care." 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.

As part of the CalAIM benefit standardization initiative, APL 23-027 establishes long-term care for people in subacute care facilities as a Medi-Cal benefit covered by managed care plans (MCPs) such as Blue Shield of California Promise Health Plan.

Beginning January 1, 2024, adult and pediatric members in subacute care facilities who are currently covered by Medi-Cal Fee-For-Service (FFS) will be transitioned to Medi-Cal managed care. Going forward, both adult and pediatric members will remain the responsibility of MCPs for the entire time they receive subacute care services.

APL summary

- Effective January 1, 2024, MCPs are advised to cover medically necessary adult and pediatric subacute care services provided in both freestanding and hospital-based facilities.
- Members admitted to subacute care facilities will remain enrolled in managed care instead of being disenrolled to Medi-Cal FFS one month after admission.
- APL 23-027 advises MCPs to offer a contract to all subacute care facilities in the MCP's service areas that have a subacute care contract with DHCS or are in the process of applying for one.
- MCPs should develop sufficient network capacity to enable member placement in subacute care within county requirements for timeliness. MCPs should also support timeliness of care by maintaining a network of the various provider types who serve subacute care residents.
- Members should have appropriate transition options and access to care in the case of a subacute care facility's de-certification, suspension, or contract termination.
- The APL includes guidance for managing leaves of absence, bed holds, continuity of care, and treatment authorization requests.
- Effective January 1, 2024, through June 30, 2024, members in subacute care facilities who are transitioning from FFS may automatically receive 12 months of continuity of care (without submitting a request) as long as they meet medical necessity criteria.
- APL 23-027 establishes payment requirements for subacute care services.

- The APL includes guidance with regards to population health management, transitional care services, care management programs, and community supports for members receiving subacute care services.
- APL 23-027 advises MCPs on elements to be included in their Quality Assurance Performance Improvement programs for long-term care services, and on monitoring and reporting requirements.

Resources

- [DHCS Subacute Care Program web page](#)

This summary is only meant as a brief description of the APL. Please see the APL itself for additional information. The full text of APL 23-027 may be found at this URL:

<https://www.dhcs.ca.gov/formsandpubs/Documents/MMCDAPLsandPolicyLetters/APL2023/APL23-027.pdf>
(Links to the DHCS.ca.gov website will take you off the Blue Shield Promise website.)

If you have questions about applying subacute care benefits to Blue Shield Promise members, please contact:

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Our team is available Monday through Friday, from 8 a.m. to 5 p.m.