L.A. Care	**TITLE:** *FAIR HEARING FOR ADMINISTRATIVE/BUSINESS DECISIONS* **SERVICE AREA**: *EXECUTIVE* **DEPARTMENT:** *LEGAL SERVICES*	**Policy and Procedure Number**	**LS-011**
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Dates					
Effective Date	**07/11/2002**				
Review/Revision Date	**04/09/2014**				
Supersedes Policy Number	**602 and 602.2**				
PPSA/Mandated	YES	**X**	NO		
Next (Annual) Review Date	**04/09/2015**				
Administrative				**X**	
Applies to:					

1.0 POLICY:

1.1 To provide a fair review in accordance with applicable law to certain physicians, podiatrists, dentists, or psychologists, and/or their professional corporations and other organizations (collectively referred to as "Providers"), whose contractual agreements with L.A. Care Health Plan (L.A. Care) are terminated or the subject of other adverse action, without stated cause, for administrative or business reasons that are unrelated to the Provider's professional competence or professional conduct.

1.2 This policy and procedure applies to Providers contracted with L.A. Care Subcontractors to provide services to L.A. Care enrollees, but only when L.A. Care and not the L.A. Care Subcontractor, is initiating the adverse action.

1.3 This policy and procedure does NOT apply in certain circumstances, including, but not limited to, the following:

1.3.1 When L.A. Care Policy and Procedure LS-005, "Fair Hearing for Competency Decisions" applies;

1.3.2 When a revocation, restriction or suspension is imposed by a licensing or certifying authority for medical disciplinary cause, in which case the restrictions imposed by the authority shall automatically apply to the Provider's care of L.A. Care members;

1.3.3 When a Provider has a direct contrac**t** with a Plan Partner, a**n**d the Plan **P**artner has initiated the propose**d** contract te**r**mination o**r** has denied the Provider credentialing or recredentialing; or

1.3.4 When the applicable laws, regulatio**n**s or comm**o**n law principles do not require L.A. Care to make this policy and pr**o**cedure ava**i**lable to Providers.

2.0 DEFINITIONS:

Whenev**e**r a word or term appears capitalize**d** in this Pol**i**cy and Pro**c**edure, the r**e**ader should r**e**fer to the "Definitions" below.

2.1 **Chief Medical Officer** (**CMO**): The indivi**d**ual holding the title of **C**hief Medical Officer at L.A. Care.

2.2 **Knox-Keene Health Care Service Plan Act of 1975** (**Knox Keene Act**): The law that regulates HMOs and is administrated by the Department of Manage**d** Health Care (DMHC**)**, commencing with Section 1340 o**f** the Health & Safety C**o**de.

2.3 **L.A. Care Subcontractor**: An entity which either provides or arranges for the provision of health care services to L.A. Car**e**'s member**s** under any of L.A. Care's health care services programs.

2.4 **Notice of Intent to Deny Participation or Terminate**: Written notice that L.A. Care gives to the Provider informing the Provider of its inten**t** to deny the Provider's ability to participate in L.A. Care's network or to t**e**rminate the Provider from L.A. Care's network.

2.5 **Notice of Request for Review**: Notice give**n** to L.A. Care by the Provider stating the Provider's desire to **e**xercise the review righ**t**s provided for in this p**o**licy and pr**o**cedure (see Sections 3.1.2 and 3.1.3 for requirement**s** of a Noti**c**e of Request for Review).

2.6 **Notice of Review Date**: Notice of the date **o**f review pr**o**vided by L.A. Care's Chief Medical Officer to Provider if L.A. Care accepts Provid**e**r's showing of Significant Economic Impairment (see Section 3.1.4.3.1 for require**m**ents of a Notice of Review Date).

2.7 **Notice of Review Rights**: Where L.A. Care intends to deny an application for Provider status w**i**thout stated cause or to terminate a **P**rovider wi**t**hout stated cause, this is such notice that L.A. Care must give to the Provi**d**er advising the Provider of the right to request a review of the proposed action thro**u**gh the pro**c**ess describ**e**d in this policy and procedure (see Section 3.1.1 for requirement**s** of a Notic**e** of Review Rights).

2.8 **Plan Reviewer**: The individual who is chos**e**n by L.A. **C**are's Chie**f** Medical Officer to review whether the proposed action to term**i**nate or den**y** participation is substantively rational and proced**u**rally fair.

2.9 **Provider**: Any physician, podiatrist, dentist**,** or psychol**o**gist, and/o**r** their professional corporations and other organiza**t**ions with **w**hich L.A. **C**are or L.A. Care's Plan Partners may contract to provide health car**e** services to L.A. Care's members.

2.10 **Significant Economic Impairment**: In the **1**2-month p**e**riod prior t**o** the date of the Notice o**f** Intent to Deny or Terminate, at le**a**st 20% of t**h**e Provider's gross reve**n**ue was paid by L.A. Care to the Provider (see *Potvi**n** v. Metropo**l**itan Life Insurance Company* (2000) 2**2** Cal.4th 1**0**60, at 1071-1072.).

3.0 PROCEDURE/S:

3.1 NOTICE TO PROVIDER AND PROVIDER DEMAND FOR REVIEW FOR TERMINATIONS WITHOUT STATED CAUSE

3.1.1 I**f** L.A. Care intends to deny an appli**c**ation for P**r**ovider status without st**a**ted cause or to terminate a Provider with**o**ut stated c**a**use, L.A. Care shall send the Provider a Notice of Intent to Deny **o**r Terminate. L.A. Care shall give the Provider a Notice of Review Rights **w**ithin 10 ca**l**endar days of the date that L.A. Care gives the Provider t**h**e Notice o**f** Intent to D**e**ny or Ter**m**inate. The Notice of Review Rights shall advise the Pr**o**vider of th**e** right to request a review of the proposed action through **t**he process **d**escribed h**e**rein. The **N**otice of Review Rights shall include a copy of this pr**o**cedure.

3.1.2 I**f** the Provider desires to exercise th**e** review rig**h**ts provided for in this policy and procedure, the Provider shall del**i**ver to L.A. Care a Notice of Request for Review within 15 calendar days of r**e**ceipt of the Notice of Review Rights. At t**h**is same time, and as a requirement for eligibili**t**y for revie**w** rights, the Provider shall document the Signific**a**nt Economi**c** Impairment that will affect t**h**e Provider's ability to practice whi**c**h the Provi**d**er claims would be caused by t**h**e proposed action.

3.1.2.1 A Provider's **f**ailure to ti**m**ely deliver a Notice of Request for Review o**r** its failure to submit do**c**umentatio**n** demonstrating Significant Economic Impairment sh**a**ll be a wai**v**er of the Provider's rig**h**ts u**n**der this policy and pro**c**edure and t**h**us shall be deemed to be an a**c**ceptance by the Provid**e**r of L.A. C**a**re's proposed action and subsequent action. A go**o**d cause exc**e**ption to waiver of the Provider's rights may be **d**etermined **i**n L.A. Care's reasonable discretion.

3.1.3 The Notice of Request f**o**r Review m**u**st contain **t**he following:

3.1.3.1 Showing that L.A. Care's proposed a**c**tion would result in Significant E**c**onomic Im**p**airment th**a**t will affect the Provider's a**b**ility to practice;

3.1.3.2 Any supporting documentation or other materials that the Provider wishes L.A. Care to consider in determining whether the showing requested in section (a) above is sufficient;

3.1.3.3 An attestation supporting the facts contained in the Notice of Request for Review signed by the Provider or an officer or proprietor of the entity under penalty of perjury under the laws of the State of California.

3.1.4 Within 15 calendar days after L.A. Care's receipt from the Provider of a Notice of Request for Review, L.A. Care shall give the Provider notice of one (1) of the following:

3.1.4.1 That it rejects Provider's showing of Significant Economic Impairment, in which case all further review proceedings under this procedure will terminate.

3.1.4.1.1 If L.A. Care's proposed action is to reject an application to participate in the network, L.A. Care's determination of nonparticipation will be final.

3.1.4.1.2 If L.A. Care's proposed action is termination, the termination will become effective as indicated in the Notice of Intent to Deny Participation or Terminate or as otherwise determined by L.A. Care in its sole discretion.

3.1.4.2 That L.A. Care requests specific additional information from the Provider concerning Provider's showing of Significant Economic Impairment.

3.1.4.2.1 If L.A. Care requests specific additional information from the Provider, the Provider will submit such specific additional information within 10 calendar days following L.A. Care's request. If the Provider fails to provide such specific additional information, all further review proceedings under this policy and procedure will terminate. If the Provider submits such specific additional information timely, and L.A. Care rejects the Provider's showing of Significant Economic Impairment, L.A. Care shall give notice of a rejection of Provider's showing of Significant Economic Impairment within 15 calendar days after receipt of the additional information or 30 calendar days from the date of the request for additional information, whichever is sooner.

3.1.4.3 That L.A. Care grants review based on a sufficient showing of Significant Economic Impairment.

3.1.4.3.1 If L.A. Care accepts the Provider's showing of Significant Economic Impairment, L.A. Care's Chief Medical Officer shall issue a Notice of Review Date within 15 calendar days after L.A. Care accepts the Provider's showing of significant impairment. The review shall be scheduled within 90 calendar days from the date that the Notice of Review Date is mailed by certified mail. The Chief Medical Officer reserves the right to amend the reasons for the proposed action. The Notice of Review Date shall contain:

3.1.4.3.1.1 The date of the review;

3.1.4.3.1.2 The proposed action against the Provider and the reasons for the proposed action; and

3.1.4.3.1.3 Notice of Provider's right to be represented by an attorney or another person of the Provider's choice.

3.1.5 If the Provider is granted a review, no adverse action will be taken against the Provider until after a final decision has been reached pursuant to this policy and procedure.

3.2 REVIEW

3.2.1 Plan Review

3.2.1.1 Upon receipt of a Notice of Request for Review and an accepted showing of Significant Economic Impairment, L.A. Care shall promptly select a Plan Reviewer to determine whether the proposed termination or exclusion is substantively rational and whether the Provider has been afforded procedural fairness.

3.2.1.2 L.A. Care Reviewer shall not have participated in making the initial decision to terminate or exclude the Provider or be in direct economic competition with the Provider. L.A. Care shall inform the Provider of L.A. Care Reviewer's identity, background, and qualifications.

3.2.2 Scheduling

3.2.2.1 Subsequent to L.A. Care issuing a Notice of Review Date (as described above in Section 3.1.4.3.1), the Provider shall submit all

statements, documents, and other materials in support of its position to L.A. Care Reviewer and L.A. Care not less than 45 calendar days before the review date.

3.2.2.2 Plan may submit statements or documentation in support of its position to L.A. Care Reviewer and the Provider within 15 calendar days of the review date.

3.2.2.3 Failure of a Provider to timely submit supporting statements or documentation shall be a waiver of the right to a review.

3.2.2.4 No untimely statements, documents or other materials may be submitted except with the prior approval of L.A. Care Reviewer, for good cause shown.

3.2.2.5 The review date may be rescheduled to some later date on the agreement of L.A. Care and the Provider.

3.2.2.6 At its sole discretion, L.A. Care may amend any Notice of Review Date to change review date up to 10 calendar days before the review date.

3.2.2.7 The Provider shall not be entitled to an in-person appearance before L.A. Care Reviewer.

3.3 DECISION

3.3.1 Within 45 calendar days after the review date, the Plan Reviewer will issue a written decision determining whether L.A. Care's proposed denial of participation or termination is substantively rational and whether the Provider has been afforded procedural fairness. The decision shall include a statement of the basis for the decision. The Plan Reviewer shall forward a copy of the decision to the Provider, Plan and to L.A. Care's Compliance and Quality Committee for its information only. The Plan Reviewer's decision is final and effective immediately as of the date of the written decision.

3.4 MISCELLANEOUS

3.4.1 Service of Notice

3.4.1.1 All notices provided for in this policy and procedure shall be in writing and delivered by certified or registered mail, return receipt requested, or by personal delivery acknowledged by the person or an authorized representative of the person to whom the notice is being delivered.

3.4.2 Substantial Compliance

3.4.2.1 Deviations fr**o**m the proc**e**dures set f**o**rth in this policy and procedure by L.A. Care **t**hat are tec**h**nical or not materially prejudicial to a party shall not be grounds for i**n**validating **a**ny action taken or determining that Provider **h**as not bee**n** afforded p**r**ocedural fairness.

3.4.3 Confidentiality

3.4.3.1 The records and proceedi**n**gs of any proceeding u**n**der this policy and p**r**ocedure shall, to the ful**l**est extent **p**ermitted by law, be c**o**nfidential. Participants in any part of the proceeding shall, except a**s** otherwise required by **l**aw, limit th**e**ir discussion of the matters involved to the formal av**e**nues provi**d**ed for in this policy and p**r**ocedure.

3.4.4 Right to One Review Only

3.4.4.1 No Provider has the right to more tha**n** one (1) review on any single matter that sh**a**ll have bee**n** the subjec**t** of action against the Provider. No Provider shall have a **r**ight to a se**p**arate revie**w** with a Pla**n** Partner, it being understo**o**d that the r**e**view provi**d**ed under this p**o**licy and procedure by **P**lan shall ta**k**e the place of any required review by a P**l**an Partner.

3.4.5 Consolidated Review

3.4.5.1 In the event **L**.A. Care ta**k**es action a**g**ainst more **t**han one (1) Provider on substantially **t**he same or similarly applicable basis and Plan Review is granted to any such P**r**ovider, L.A. Care may c**o**nsolidate the proceedin**g**s and provide a single review for all similarly impacted Provi**d**ers. The C**h**ief Medical Officer may make such adjustments to the p**r**ocedures s**e**t forth herein to permit for the e**f**ficient conduct of a sin**g**le consolidated review, provided that any p**r**ocedural ch**a**nge is substantially co**m**parable to **t**he procedures set forth herein and does not **m**aterially prejudice any party.

4.0 AUTHORITY:

4.1 Title 2, California Code of Regulations (CC**R**), §51.2

4.2 Busines**s** & Professions Code, §805 et seq.

4.3 Health **&** Safety Code, §1370, Review of Q**u**ality of Care (Knox Keene)

4.4 *Palm M**e**dical Grou**p**, Inc. v. State Compens**a**tion Insur**a**nce Fund* (**2**008) 161 Cal.App.4th 206

4.5 *Potvin v. Metropolit**a**n Life Insu**r**ance Comp**a**ny* (2000) **2**2 Cal.4th 1060

4.6 Plan Partner Services Agreement, §4.02(g)

5.0 REFERENCE:

5.1 L.A. Ca**r**e Policy & Procedure, **L**S-005, "Fa**i**r Hearing f**o**r Competency Decisions"

5.2 L.A. Ca**r**e Policy & Procedure, **Q**I-005, "Th**e** Role of th**e** Chief Medical Officer in the QI Prog**r**am"

6.0 ATTACHMENTS:

None

A CCOUNTABILITY MATRIX	
Responsible Department(s)	**Policy Section #**
Health Services	**2.1; 2.5; 2.9; 3.1.4.3.1; 3.4.5.1; 5.2**

	Officer	**Director**	**Regulatory Affairs & Compliance**
Name	Augustavia J. Haydel	Andrea Leeb	Denise Corley
Department	Legal Services	Legal Services	Regulatory Affairs & Compliance
Title	General Counsel	Assistant Managi**n**g Counsel	Compliance Officer

IF APPLICABLE	
Board of Governors	**Motion Number:**

*Note: Please write "N/A" for the Name, Department, and **T**itle of the **D**irector if this approval is not applicable.

POLICY HISTORY

04/09/2**0**14	Legal	LS-011	04/09/2015