

CalPERS Policy on Health Provider Disruptions

Since I have been a Retiree Director at both the district and now State level, concerned members have often contacted me when a provider or a Health Plan Group in certain counties ceased providing benefits to one of CalPERS health plans. This can be due to low reimbursement rates or a contract dispute between certain provider groups and a Health Plan.

Contract negotiations between health plans and providers are becoming increasingly public. Providers and health plans are mailing letters, placing newspaper advertisements, and issuing press releases to present their side of negotiations. Negotiations are also becoming increasingly lengthy and often are resolved at the last possible hour before a contract expires. As a result, you may be uncertain about your ability to retain doctors and access care. Often, employees, retirees, and employers become aware of these disruptive situations before a health plan notifies CalPERS and asks CalPERS to intervene to resolve the contract dispute or to allow them to select a new health plan. CalPERS believes it is inappropriate for providers and health plans to involve members in contract disputes. The CalPERS policy on potential provider disruptions allows the parties to continue negotiations and work toward resolution without advantaging one side over the other by intervening or allowing members to change plans during the negotiations. To do otherwise might result in a health plan conceding to an unreasonable reimbursement demand that could eventually result in higher premiums for you.

CalPERS closely follows the progress of negotiations and will act appropriately to assure you have health care coverage if it appears a contract termination will occur. Suppose your health provider terminates their contract with a health or dental plan or ceases doing business (for financial reasons such as insolvency). In that case, your health plan will arrange for you to be assigned to another medical group or will attempt to contract directly with the providers of the terminated medical group.

Sometimes, providers refuse to contract with the health plan, and patients must select new providers. The California Department of Managed Health Care requires health and dental plans to have sufficient providers available in their network at all times to provide services to all members. This

process also applies to Delta Dental, but you must first file a complaint with them at <https://www.deltadentalca.org/enrollee/forms/complaint.html>

If you have completed Delta Dental's complaint or grievance process or been involved in Delta Dental's grievance process for 30 days, you may file a grievance with the California Department of Managed Health Care if Delta Dental has not satisfactorily resolved your grievance. You may immediately file a grievance with the Department in an emergency situation, which is one involving severe pain and an imminent and serious threat to your health.

In one situation, I asked a health plan executive to contact the member directly, and the rep spent 4 hours on the phone before she found a provider for the member. Many provider lists are outdated, and the listed providers are closed to new members.

If you are undergoing a course of treatment from a terminated provider for an acute condition, serious chronic condition, high risk pregnancy, or are in the second or third trimester of your pregnancy, State law requires your health plan to arrange for continuation of covered services by a terminated provider (if you request this). If a contracted health provider refuses to provide services to you during the contract negotiation period (when the contract remains in force), you should contact the health plan, or if necessary, the Department of Managed Health Care at (888) 466-2219.

It is important to remember that no purchaser of health care (even CalPERS) can guarantee you will be able to indefinitely continue your relationship with your provider if your provider or health plan ends their contract. If you are unsatisfied with your access to health care services, you can appeal to CalPERS in writing if you believe your situation warrants changing health plans outside of the annual open enrollment.

You can file a complaint with the Department of Managed Health Care at <https://Www.dmhc.Ca.Gov> or call their Help Center or ask questions at 1-888-466-2219.