

|->

Title 22@ Social Security

|->

Division 3@ Health Care Services

|->

Subdivision 1@ California Medical Assistance Program

|->

Chapter 4@ Prepaid Health Plans

|->

Article 3@ OPERATIONAL REQUIREMENTS

|->

Section 53250@ Subcontracts

53250 Subcontracts

(a)

A provider or management subcontract entered into by a plan which is not a qualified HMO shall become effective upon approval by the Department in writing, or by operation of law where the Department has acknowledged receipt of the proposed subcontract and has failed to approve or disapprove the proposed subcontract within 60 days of receipt. Subcontract amendments shall be submitted to the Department, for prior approval, at least 30 days before the effective date of any proposed changes governing compensation, services or term. Proposed changes, which are neither approved nor disapproved by the Department, shall become effective by operation of law 30 days after the Department has acknowledged receipt, or upon the date specified in the subcontract amendment, whichever is later.

(b)

A subcontractor providing any basic health care service to members shall meet all of the requirements of Chapters 3 and 4 of this subdivision, related to the services the subcontractor is required to perform.

(c)

Each subcontract submitted for Department approval pursuant to subsection (a), above, shall contain at least the elements required by subsection (e) and the following: (1) Specification of the services to be provided. (2) Specification that

the subcontract shall be governed by and construed in accordance with all laws, regulations and contractual obligations incumbent upon the plan. (3) Specification that the subcontract or subcontract amendments shall become effective only as set forth in subsection (a). (4) Specification of the term of the subcontract, including the beginning and ending dates, as well as methods of extension, renegotiation and termination. (5) Subcontractor's agreement to submit reports as required by the Contractor.

(1)

Specification of the services to be provided.

(2)

Specification that the subcontract shall be governed by and construed in accordance with all laws, regulations and contractual obligations incumbent upon the plan.

(3)

Specification that the subcontract or subcontract amendments shall become effective only as set forth in subsection (a).

(4)

Specification of the term of the subcontract, including the beginning and ending dates, as well as methods of extension, renegotiation and termination.

(5)

Subcontractor's agreement to submit reports as required by the Contractor.

(d)

Subcontracts entered into by a plan which is a qualified HMO shall be exempt from prior approval by the Department.

(e)

Each subcontract shall contain:(1) The subcontractor's agreement to make all of its books and records, pertaining to the goods and services furnished under the

terms of the subcontract, available for inspection, examination or copying: (A) By the Department, the United States Department of Health and Human Services and the Department of Corporations. (B) At all reasonable times at the subcontractor's place of business, or at such other mutually agreeable location in California. (C) In a form maintained in accordance with the general standards applicable to such book or record keeping. (D) For a term of at least five years from the close of the fiscal year in which the subcontract was in effect. (2) Full disclosure of the method and amount of compensation or other consideration to be received by the subcontractor from the plan. (3) Subcontractor's agreement to maintain and make available to the Department, upon request, copies of all sub-subcontracts and to ensure that all sub-subcontracts are in writing and require that the subcontractor: (A) Make all applicable books and records available at all reasonable times for inspection, examination or copying by the Department. (B) Retain such books and records for a term of at least five years from the close of the fiscal year in which the sub-subcontract is in effect. (4) Subcontractor's agreement to notify the Department in the event the agreement with the Contractor is amended or terminated. Notice to the Department is considered given when properly addressed and deposited in the United States Postal Service as first-class registered mail, postage attached. (5) Subcontractor's agreement that assignment or delegation of the subcontract shall be void unless prior written approval is obtained from the Department in those instances where prior approval by the Department is required. (6) Subcontractor's agreement to hold harmless both the State and plan members in the event the plan cannot or will not pay for services performed by the subcontractor pursuant to the subcontract.

(1)

The subcontractor's agreement to make all of its books and records, pertaining to the

goods and services furnished under the terms of the subcontract, available for inspection, examination or copying: (A) By the Department, the United States Department of Health and Human Services and the Department of Corporations. (B) At all reasonable times at the subcontractor's place of business, or at such other mutually agreeable location in California. (C) In a form maintained in accordance with the general standards applicable to such book or record keeping. (D) For a term of a least five years from the close of the fiscal year in which the subcontract was in effect.

(A)

By the Department, the United States Department of Health and Human Services and the Department of Corporations.

(B)

At all reasonable times at the subcontractor's place of business, or at such other mutually agreeable location in California.

(C)

In a form maintained in accordance with the general standards applicable to such book or record keeping.

(D)

For a term of a least five years from the close of the fiscal year in which the subcontract was in effect.

(2)

Full disclosure of the method and amount of compensation or other consideration to be received by the subcontractor from the plan.

(3)

Subcontractor's agreement to maintain and make available to the Department, upon request, copies of all sub-subcontracts and to ensure that all sub-subcontracts are in writing and require that the subcontractor: (A) Make all applicable books and records

available at all reasonable times for inspection, examination or copying by the Department. (B) Retain such books and records for a term of at least five years from the close of the fiscal year in which the sub-subcontract is in effect.

(A)

Make all applicable books and records available at all reasonable times for inspection, examination or copying by the Department.

(B)

Retain such books and records for a term of at least five years from the close of the fiscal year in which the sub-subcontract is in effect.

(4)

Subcontractor's agreement to notify the Department in the event the agreement with the Contractor is amended or terminated. Notice to the Department is considered given when properly addressed and deposited in the United States Postal Service as first-class registered mail, postage attached.

(5)

Subcontractor's agreement that assignment or delegation of the subcontract shall be void unless prior written approval is obtained from the Department in those instances where prior approval by the Department is required.

(6)

Subcontractor's agreement to hold harmless both the State and plan members in the event the plan cannot or will not pay for services performed by the subcontractor pursuant to the subcontract.