

July 2, 2025

Corrective Action Plans and Administrative and Monetary Sanctions

Dear providers,

The Department of Health Care Services (DHCS) recently released All-Plan Letter (APL) 25-007, which provides clarification on enforcement actions, including corrective action plans, and other administrative and monetary sanctions for Medi-Cal managed care plans like the Health Plan of San Mateo (HPSM).

DHCS requires HPSM to communicate these requirements to all subcontractors and network providers to ensure compliance with all applicable state and federal laws and regulations, contract requirements, and other DHCS guidance, including APLs and policy letters.

Here is a summary of requirements for providers from APL 25-007:

- **Reason for Sanctions:** DHCS may impose sanctions on HPSM or its subcontractors for failing to meet contractual obligations or quality benchmarks; inadequate network adequacy (e.g., time/distance standards, provider-to-member ratios); poor data quality or reporting; inadequate delivery of health care services; delays or inaccuracies in processing grievances, appeals, or claims; noncompliance with the California Medicaid State Plan or federal waivers.
- **Enforcement Actions:** DHCS may enforce corrective action plans and/or administrative or monetary sanctions on HPSM depending on the violation.
- **Notification and Appeal Rights:** HPSM has the right to receive written notice of sanctions, request hearings or meetings to contest sanctions, and appeal temporary suspensions or monetary penalties within specific timeframes.

What this means for you:

As network providers, we appreciate your collaboration in meeting DHCS requirements. This includes, but is not limited to, complying with state and federal regulations and laws, providing timely and quality care to all HPSM members, submitting timely and accurate network provider data, ensuring timely and accurate submission of claims, and cooperating in the timely and accurate processing of member grievances and appeals.

For more detailed information, we encourage you to review the complete DHCS APL 25-007, which can be found on the DHCS website:

<https://www.dhcs.ca.gov/formsandpubs/Documents/MMCDAPLsandPolicyLetters/APL%202025/APL25-007.pdf>

Please email Provider Services with any questions regarding this notification at **PSInquiries@hpsm.org**.

Thank you,
The Health Plan of San Mateo