

NETWORK CREDENTIALING

The ValueOptions® of California program for credentialing and recredentialing providers is designed to comply with national accrediting organization standards as well as local, state and Federal laws. The program described below applies to ValueOptions® of California providers. The following is not intended to be an exhaustive list; ValueOptions® of California reserves the right to amend this list of standards.

Provider Rights

As a network provider, you have the right to:

- Review information submitted to support your credentialing application,
- Correct erroneous information collected during the credentialing process,
- Be informed of the status of your credentialing or recredentialing application, and
- Be notified of these rights.

All requests for documentation must be submitted in writing. Verbal requests for the status of a credentialing or recredentialing application can be made by calling the ValueOptions® National Network Provider Line at 1-800-397-1630, Monday through Friday, 8:00 a.m. to 5:00 p.m. Eastern Standard Time (EST). ValueOptions® of California and ValueOptions® will not release information obtained through the primary source verification process when Federal or State law prohibits disclosure.

Credentialing and Recredentialing

All providers who participate in the ValueOptions® of California network must be credentialed/recruentialed according to ValueOptions® of California requirements. For a detailed listing of credentialing requirements for practitioners and facilities, visit the www.valueoptions.com provider site and select Forms. Among these requirements is primary source verification of the following information:

- Current, valid license to practice as an independent provider at the highest level certified or approved by the state for the provider's specialty or facility/program status
- License current and valid and not encumbered by restrictions, including but not limited to probation, suspension and/or supervision and monitoring requirements
- Clinical privileges in good standing at the institution designated as the primary admitting facility, with no limitations placed on the provider's ability to independently practice in his/her specialty
- Graduation from an accredited professional school and/or highest training program applicable to the academic degree, discipline or licensure
- Current Board certification, if indicated on the application
- A copy of a current DEA and CDS Certificate, as applicable

- No adverse professional liability claims which result in settlements or judgments paid by or on behalf of the provider which disclose an instance of, or pattern of, behavior which may endanger members
- No exclusion or sanctions from government programs (i.e. Medicare/Medicaid)
- Current specialized training as required for providers

ValueOptions® of California also requires:

- Current and adequate malpractice insurance coverage
- An appropriate work history for the provider's specialty (practitioner only)
- No adverse record of failure to follow ValueOptions® of California policies, procedures or Quality Management activities. No adverse record of provider actions that violate the terms of the provider agreement
- No adverse record of indictment, arrest or conviction of any felony or any crime indicating member endangerment
- No criminal charges filed relating to the provider's ability to render services to members
- No action or inaction taken by provider that, in sole discretion of ValueOptions® of California, results in a threat to the health or well-being of a member or is not in the member's best interest

ValueOptions® of California may conduct a structured site visit at providers' offices for all practitioners with two or more documented member complaints in a six month time frame relating to physical accessibility, physical appearance, adequacy of waiting/examining room space, availability of appointments, adequacy of treatment recordkeeping and/or when a quality of care issue indicates a site visit may assist in the resolution of the quality of care concern. This visit includes an evaluation using the ValueOptions® of California site and operations standards and an evaluation of the provider's clinical recordkeeping practices to ensure conformity with ValueOptions® of California standards.

Organizational providers (facilities and programs) must be evaluated at credentialing and recredentialing. Those who are accredited by an accrediting body accepted by ValueOptions® of California (currently JCAHO, CARF, COA, AOA, AAAHC, and CHAP) must have their accreditation status verified. In addition, non-accredited organizational providers must undergo a structured site visit to confirm that they meet all of ValueOptions® of California standards. Standing with state and federal authorities and programs will be verified. ValueOptions® of California will not reimburse a provider if a service is a non-credentialed and/or non-contracted non-covered benefit. All locations where services are rendered or that fall under the same tax identification number will be considered a part of the ValueOptions® of California network.

Recredentialing

ValueOptions® requires that providers and organizational providers undergo recredentialing every three years.

Recredentialing will begin approximately three months prior to the expiration of the credentialing cycle. Providers are sent a recredentialing application that must be completed in its entirety, signed and returned to ValueOptions® as soon as possible, with all requested information attached. Failure to comply with ValueOptions® of California and/or ValueOptions® requests may result in immediate disenrollment from the provider network.

Credentialing information that is subject to change must be re-verified from primary sources during the recredentialing process. The provider must attest to any limits on his/her ability to perform essential functions of the position and attest to absence of current illegal drug use.

Provider Updates

ValueOptions® of California requires immediate notification of any changes in information supplied as part of the initial application process. This information includes but is not limited to changes, terminations or additions of:

- Address
- Phone/fax number/e-mail address
- Name
- National provider identification number (NPI)
- Tax identification number
- Practice Panel status (open/closed)
- Provider status with group/facility

Updating this information promptly will help ValueOptions® of California communicate information including claims payment, correspondence, directory listings and member selection.

Provider Appeals Related to Credentialing, Sanctions, or Terminations

Providers have the right to appeal any adverse decisions made by the VOC Credentialing Committee regarding acceptance into the network, corrective and/or disciplinary actions (not related to quality of care, competence, or professional conduct reasons), change in network participation, and any disagreements related to unresolved contractual or administrative disputes (e.g. claim or billing disputes, contract language or administrative requirements) that have not been resolved through routine ValueOptions® of California processes. ValueOptions® of California has established a Provider Appeals Committee (VOC PAC) to hear provider appeals. This committee is comprised of clinical representatives from departments within ValueOptions® of California, representing major clinical disciplines, and network providers, none of whom compete with the appealing provider. Members of the VOC PAC must not have participated in the original VOC Credentialing Committee decision under review.

Providers are given written notice of the VOC Credentialing Committee's decision, the reason for the decision, and of their right to appeal the decision along with an explanation of the

applicable appeals procedures. Providers have thirty (30) calendar days from the date of the VOC Credentialing Committee notice to file a written request for an appeal.

The request for an appeal should include an explanation of the reasons the provider believes the VOC Credentialing Committee reached a decision to be in error and include supporting documentation. The VOC PAC will review the explanation provided by the provider, the information previously reviewed by the VOC Credentialing Committee, and any additional information it determines to be relevant. The VOC PAC will support, modify or overturn the decision of the VOC Credentialing Committee. Additionally, the VOC PAC may request additional information from the provider in order to make a determination or decision. The VOC PAC provides written notification of its decision to the provider within fourteen (14) business days after its record is complete, with an explanation of the decision.

Appeals of practitioner denials, corrective and/or disciplinary actions or disenrollments for reasons related to quality of care, competence, or professional conduct are handled through the Fair Hearing Process.

Fair Hearing Process

A practitioner may request a fair hearing for issues related to quality of care, competence and/or professional conduct as a result of a proposed action or recommendation as determined by the VOC Credentialing Committee. The affected practitioner may request a formal fair hearing when the proposed action or written recommendation is for one of the following causes:

1. Medical disciplinary cause or reason, meaning an aspect of a practitioner's competence or professional conduct which is reasonably likely to be detrimental to patient safety or to the delivery of patient care.
2. Conduct or professional competence of a practitioner, which adversely affects or could affect adversely the health or welfare of a patient(s).

Only the following types of actions or recommendations shall give rise to hearing rights:

1. A practitioner's application for ValueOptions® of California network participation is denied or rejected for a medical disciplinary cause or reason as described above;
2. Termination or non-renewal of an agreement for a medical disciplinary cause or reason as described above;
3. Suspension or reduction of privileges to perform patient care services for a cumulative total of thirty (30) calendar days or more in any twelve month period for a medical disciplinary cause or reason as described above; and/or
4. Summary suspension of privileges to perform patient care service for more than fourteen (14) consecutive days for a medical disciplinary cause or reason as described above.

A request for a Fair Hearing must be made within thirty (30) calendar days of the date of receipt of notification of an adverse action. The request must be submitted in writing and directed to the Chairperson of the VOC Credentialing Committee. The provider will receive written notice of the place, time and date of the Fair Hearing, which shall not be less than thirty (30) calendar days or more than sixty (60) calendar days after the date the request for a Fair Hearing is received from the provider. If the practitioner does not request a formal hearing within the time and in the manner prescribed, he/she shall be deemed to have accepted the recommendation, decision, or action involved and it may be adopted by ValueOptions® of California as final action.

A supplemental notice, if applicable, will be provided at the same time as the notice of the Fair Hearing and charges. The supplemental notice includes a list of the patient records, if any, which are to be discussed at the hearing and the names and addresses of individuals who are expected to give testimony or evidence in support of the original VOC Credentialing Committee action at the hearing. At least ten (10) calendar days prior to the hearing, the practitioner shall furnish to the VOC Credentialing Committee Chairperson a written list of the names and addresses of the individuals who will give testimony or evidence in support of the practitioner at the hearing.

The Chairperson of the VOC Credentialing Committee will identify peer reviewers who will participate on the Fair Hearing panel. The following criteria will be utilized in selecting panel members:

- A minimum of three ValueOptions® of California network practitioners who have the requisite expertise to ensure a fair hearing.
- Members shall be impartial and shall not have actively participated in the formal consideration of the matter at any previous level (i.e., they shall not have acted as an accuser, investigator, fact finder or initial decision maker in the same matter).
- Members shall not be in direct economic competition with the affected practitioner, and shall stand to gain no direct financial benefit from the outcome of the hearing.
- Whenever possible, at least one member should practice the same specialty as the affected practitioner.

One member of the Fair Hearing panel will be selected to act as the hearing officer and will preside over the Fair Hearing. In lieu of appointing a hearing panel, the VOC Credentialing Committee shall have the discretion, to hold the hearing before an arbitrator or arbitrators mutually acceptable to the practitioner and the Committee.

Fair Hearings are provided for the purpose of addressing issues of professional conduct or competence in healthcare. Accordingly, neither the practitioner nor the VOC Credentialing Committee may be represented by an attorney at the hearing unless the Hearing Officer, in

his/her discretion, permits both sides to be represented. In no case may the VOC Credentialing Committee be represented by an attorney if the practitioner is not represented. Within thirty (30) calendar days of the final adjournment of the hearing, the Hearing Panel shall issue a decision, which shall include finding of fact and conclusions articulating the connection between the evidence produced at the hearing and the result. A copy shall be sent to the Chairperson of the VOC Credentialing Committee, and via certified mail to the practitioner involved. The Hearing Panel's decision is final and there shall be no further rights of practitioner to appeal to ValueOptions[®] of California following a formal hearing.

Provider Sanctions

Though ValueOptions[®] of California is able to resolve most provider credentialing and quality issues through consultation and education, occasionally further action is necessary to ensure quality service delivery and protection of members. The VOC Credentialing Committee may impose provider sanctions for issues related to member complaints/grievances, quality of care or violations of state and federal laws and regulations. ValueOptions[®] of California will comply with all applicable local, state and federal reporting requirements regarding professional competence and conduct to ensure the highest quality of care for our members. A provider has the right to appeal any sanction through the appeals or Fair Hearing Processes set forth above. The following is a list of sanctions available to the VOC Credentialing Committee and the VOC Provider Appeals Committee.

Provider Sanctions (Individual and Facility/ Program)

Type	Definition
Consultation	A call is placed to notify the provider of the alleged action or incident. The provider will be provided with an explanation of possible sanctions if corrective actions are not taken. The call will be documented to include the date and subject for consultation. A copy of the consultation will be placed in the provider's file. Appropriate educational materials will be sent via certified mail.
Written Warning	A written notice is sent to the provider notifying him/her of the alleged action or incident. Possible sanctions, if corrective actions are not taken, will be explained. A copy of the letter is retained in the provider's file; educational material is sent via certified mail. Corrective action will be monitored as necessary.
Second Written Warning	A second written notice may be sent to the provider notifying him/her of the alleged improper action or incident after the provider previously had received a written warning regarding an action or incident (whether the same or different). A copy of the letter is retained in the provider's file.

	<p>Additionally, the provider may be placed on monitoring when data indicates nonconformance with standards; and, if ValueOptions® of California determines it is in the members' best interest, ValueOptions® of California may elect to suspend new member referrals, new member authorizations and/or redirect all current members to other providers.</p>
Monitoring	<p>An increased level of oversight (e.g. more frequent site visits, treatment record reviews, monitoring of member complaints) of a provider as determined by the VOC Credentialing Committee. An action plan will be provided consisting of steps that, when taken, will remedy the deficiencies or concerns that created the need for monitoring. The provider is expected to make a best effort to comply with the monitoring action plan. The written notice includes the date and circumstances leading to the monitoring determination. Monitoring lasts no more than ninety (90) calendar days from the date of notification, during which time the provider continues network participation. At the completion of the monitoring period the provider is re-evaluated to determine further action and network status.</p>
Reduction of Privileges	<p>The provider's participation status is changed in order to prevent new member referrals. During this suspension period, an investigation into the alleged improper action is conducted. Utilization of the investigative period is for serious infractions that are probable cause for disenrollment, but must be proven first. The written notice includes the date and circumstances leading to the reduction of privileges. A copy of the reduction of privileges notice is filed in the provider's file. The reduction of privileges lasts for a period of no more than thirty (30) calendar days, during which time the investigation is concluded. The suspension period may be extended if necessary, in which case the provider receives written notification of the extension. If it is determined that the alleged improper action has taken place, the provider may be subject to further actions, up to and including disenrollment from network.</p>
Summary Suspension	<p>The provider's participation status is changed</p>

	<p>without prior notice or hearing where the failure to take that action may result in an imminent danger to the health of any individual, preventing new member referrals, new patient authorizations, and/or redirecting all current patients to other providers. During the suspension period, an investigation in to the alleged improper action is conducted. Utilization of the investigative period is for serious infractions that are probable cause for disenrollment but must be proven first. The written notice of suspension includes the date and circumstances leading to the suspension. A copy of the summary suspension notification is filed in the provider's file. The suspension lasts for a period of no more than fourteen (14) calendar days during which time the investigation is concluded. The suspension period may be extended if necessary, in which case the provider receives written notification of the extension. If it is determined that the alleged improper action has taken place, the provider may be subject to further actions, up to and including disenrollment from the network.</p>
Termination	<p>The provider may be terminated from the network. Termination requires VOC Credentialing Committee action. The provider will be given written notice via certified mail that he/she is being terminated from the network and the reason for the termination. A copy of the letter is put in the provider's file. Members in care will be notified and given assistance for referral to a new provider for continuing care, as necessary.</p>

ValueOptions® of California Network Provider Terminations

Either ValueOptions® of California or a provider may choose to terminate the provider agreement.

- If a provider chooses to resign from the network, ValueOptions® of California must be notified in writing as specified in the termination section of the provider contract. ValueOptions® of California will acknowledge receipt of the provider's request and confirm the disenrollment date. A provider who has terminated a contract voluntarily with ValueOptions® of California and wishes to rejoin the network is not eligible for participation until six months after termination.
- If ValueOptions® of California chooses to terminate a provider, written notification of the disenrollment including the effective date, will be given as specified in the provider's contract.

The following are the types of terminations that can be initiated by ValueOptions® of California:

- Automatic Termination
- Non-renewal of Provider Agreement
- Administrative Disenrollment
- Termination for Cause – related to a Quality of Care issue
- Termination for Cause – related to an Administrative issue (i.e. non-responsiveness to the recredentialing process or requests for information, breach of contract)

Automatic Termination

Providers will be immediately terminated upon the happening of any of the following events:

- **Insolvency or Dissolution.** The provider, group or facility of which the provider is employed becomes insolvent, or the subject of a bankruptcy, receivership, reorganization, dissolution, liquidation, or other similar proceeding.
- **Loss of License.** The provider license issued by the state is revoked, suspended, surrendered, or not renewed.
- **Conviction of Fraud**
- **Limited Ability to Practice.** Final disciplinary action by a governmental agency or licensing board that impairs the professional ability to practice.
- **Death.** The death of the provider.

Non-Renewal of Provider Agreement

The ValueOptions® Provider Agreements are effective from the date specified on the execution page of the ValueOptions® provider Agreements and can be terminated within thirty (30) calendar days prior to the renewal date of the agreement. Either party must provide written notice of their intent to terminate the agreement(s).

Administrative Disenrollment

The process of disenrolling a practitioner or facility/organizational provider from the ValueOptions® of California provider network for “without cause” administrative or business reasons.