



Policy and Procedure No: CO 17.4	Revision No: 4
Division: Care Management	
Department: Compliance	
Title: PHC-CA Enforcement Actions: Administrative and Monetary Sanctions	
Effective Date: 8/24/2022	
Supersedes Policy No: CO 17.0, CO 17.1, CO 17.2, CO 17.3	
Reviewed/Revised by: Sandra Holzner	Review/Revision Date: 12/13/2025
Approving Committee: Compliance Committee	Date: 12/15/2025
Executive Oversight Committee Date: 12/16/2025	

Purpose:

The purpose is to provide clarification to PHC California (the Plan) of the Department of Health Care Services' (DHCS) policy regarding the imposition of administrative and monetary sanctions, which are among the enforcement actions DHCS may take to enforce compliance with the Plan's contractual provisions and applicable state and federal laws.

DHCS must enforce compliance with contractual provisions of the DHCS Contracts with the Plan including the requirement to comply with APLs and Policy Letters (PLs) (collectively referred to as "Contractual Obligations") as well as compliance with applicable state and federal laws and regulations, in accordance with its authority and obligations under state and federal law, and its authority under its contracts with the Plan. DHCS is authorized to take enforcement actions, including imposing corrective action plans (CAPs), and imposing administrative and monetary sanctions on the Plan that violate applicable state and federal laws and regulations or violate their contractual obligations. The Plan is responsible for ensuring that subcontractors comply with all contractual obligations and applicable state and federal laws and regulations. The Plan must also ensure that all subcontractors comply with all contract requirements related to the delegated functions undertaken by each subcontractor. These requirements must be communicated by the Plan to all subcontractors.

DHCS may impose administrative and monetary sanctions for non-compliance pursuant to, but not limited to, the following:

- California Welfare & Institutions Code (W&I) section 14197.7
- Title 42 of the Code of Federal Regulations (CFR) section 438.700 et seq.
- Title 42 of the United States Code (USC) section 1396a.

Policy:

1. DHCS Sanction Authority Under the Welfare and Institutions Code

- a. When the Plan or its Subcontractors fail to meet contractual obligations or to comply with applicable state and federal laws and regulations, there is good cause to impose administrative and/or monetary sanctions in accordance with W&I section 14197.7(e). These reasons include, but are not limited to, the following:
 - i. Failure to meet contractual obligations.
 - ii. Failure to meet quality metrics or benchmarks.

- iii. Failure to meet data quality and reporting requirements.
- iv. Failure to demonstrate an adequate network to meet anticipated utilization in its service area.
- v. Failure to comply with state and federal regulations and laws.
- vi. Failure to meet CAP requirements.
- vii. Failure to comply with the California Medicaid State Plan or approved federal waivers.
- viii. Failure to comply with network adequacy standards, including, but not limited to, time or distance, timely access, and Provider-to-Member ratio requirements pursuant to standards and formulae that are set forth in federal or state law, regulation, state plan or Contract, and that are posted in advance to DHCS' internet website.
- ix. Failure to submit timely and accurate Network Provider data.
- x. Failure to provide adequate delivery of health care services.
- xi. Failure to meet operational standards, including the timely payment of claims.
- xii. Failure to timely and accurately process grievances or appeals.

2. Policies to Enforce Compliance

- a. DHCS may take any one or a combination of the following enforcement actions, including imposing sanctions on the Health Plan, when the Health Plan fails to comply with Contractual Obligations or applicable state and federal laws and regulations.
 - i. Corrective Action Plans
 - 1. If the Plan fails to comply with applicable federal and state laws and regulations, or meet contractual obligations, there is good cause to require a CAP from the Plan. DHCS has the authority to require the Plan to develop and submit to DHCS for review and approval of the CAP to correct cited deficiencies.
 - 2. The Plan is required to complete CAPs within the timeframe specified in the Notice of Corrective Action from DHCS. The Plan is required to provide a monthly status update to DHCS and provide supporting documentation until the CAP is closed. CAP updates must demonstrate action steps the Plan will undertake to correct the deficiency(ies).
 - 3. DHCS may require or impose a CAP on the Plan and/or impose other enforcement actions for the violations set forth in W&I section 14197.7(a) and outlined below. For example, sanctions may be imposed on the Plan together with a CAP, in lieu of a CAP, or if the Plan fails to meet CAP requirements. The factor(s) set forth in W&I section 14197.7(g) will be considered by DHCS



when determining whether a preceding, concurrent, or subsequent CAP is appropriate when taking enforcement actions, including imposing a sanction.

ii. Monetary Sanctions

1. Monetary sanctions may be imposed on the Plan for violations set forth in W&I section 14197.7(d) and (e), especially for any violation resulting in potential Member harm. The factor(s) set forth in W&I section 14197.7(g) will be considered by DHCS when determining the amount of the monetary sanction.
2. DHCS may impose monetary sanctions in accordance with W&I section 14197.7(e) and Title 42 CFR section 438.704 and collect monetary sanctions by withholding the amount from capitation payments owed to the Plan or require a check or wire from the Plan. The mechanism in which the monetary sanction is collected from the Plan will be decided and communicated by DHCS.
 - a. For a deficiency that impacts Members, each Member impacted constitutes a separate sanctionable violation.
 - b. Sanction amounts under W&I section 14197.7(e) are to be determined by applying the factors set forth at W&I section 14197.7(g), listed below. DHCS may impose sanctions of up to \$25,000 per violation for the first violation of the conduct set forth at W&I 14197.7(f), up to \$50,000 for the second violation, and up to \$100,000 for each subsequent violation.
 - c. Sanction amounts under W&I section 14197.7(f) may be separately and independently assessed for each day the Plan fails to correct an identified deficiency.
3. DHCS may also impose monetary sanctions in accordance with W&I section 14197.7(d)(6) and Title 42 CFR section 438.704, and collect monetary sanctions by withholding the amount from capitation payments owed to the Plan, or require a check or wire from the Plan:
 - a. Up to \$25,000 for each determination of:
 - i. Failing to provide medically necessary services that the Plan is required to provide, under law or under its Contract, to a Member covered under the contract.
 - ii. Misrepresenting or falsifying information that is furnished to a Member, Eligible Beneficiary, or health care Provider.
 - iii. Distributing directly, or indirectly through any agent or independent contractor, marketing materials that have not been approved by DHCS, or that contain false or materially misleading information.

- b. Up to \$100,000 for each determination of:
 - i. Conducting any act of discrimination against a Member on the basis of the Member's health status or need for health care services. This includes termination of enrollment or refusal to reenroll an Eligible Beneficiary, except as permitted under the Medicaid program, or any practice that would reasonably be expected to discourage enrollment of Eligible Beneficiaries whose medical condition or history indicates a probable need for substantial future medical services.
 - ii. Misrepresenting or falsifying information furnished to the Centers for Medicare and Medicaid Services (CMS) or furnished to DHCS.
- c. Up to \$15,000 for each Eligible Beneficiary that DHCS determines was not enrolled because of a discriminatory practice under W&I section 14197.7(d)(6)(B)(i). This is subject to the overall limit of \$100,000 under W&I section 14197.7(d)(6)(B).
- d. Up to \$25,000 or double the amount of excess charges, whichever is greater, for premiums or charges in excess of the amounts permitted under the Medicaid program. DHCS will deduct from the penalty the amount of overcharge and return the overcharge to the affected Member(s).
- e. DHCS may also recommend that CMS impose a denial of payment sanction as specified in 42 CFR section 438.730(e).

iii. Non-monetary or Administrative Sanctions

1. Temporary Suspension Orders

- a. Temporary suspension orders may include any one or combination of the following:
 - i. Suspension of the Plan's new enrollment activities, including default enrollment.
 - ii. Suspension of the Plan's marketing activities.
 - iii. Requiring the Plan to temporarily suspend specified personnel and/or a specified Subcontractor.
 - iv. Requiring the Plan to ensure that Subcontractors cease certain activities, including referrals, assignment of Eligible Beneficiaries, and reporting, until DHCS determines that the Plan complies with contractual obligations and applicable state and federal laws and regulations.

2. Plan Personnel Termination

- a. The DHCS Director has the authority to require the Plan to terminate specified personnel and/or a specified subcontractor for findings of noncompliance of contractual obligations and applicable state and federal laws and regulations, or for other good cause.

3. Imposition of Temporary Management

- a. DHCS may impose temporary management consistent with the requirements set forth in 42 CFR section 438.706.40 DHCS may impose temporary management upon a finding of any of the following:

- i. Continuous egregious conduct by the Plan, including but not limited to conduct that is described in Title 42 CFR section 438.700, or that is contrary to any requirements of sections 1903(m) and 1932 of the Social Security Act (42 USC section 1396b(m); 42 USC section 1396u-2).

- ii. There is serious risk to Members' health.

- 1. A serious risk to Members' health includes situations that may involve the risk of unnecessary treatment, prolonged treatment, lack of treatment, incorrect treatment, medical complication, premature discharge, physiological or anatomical impairment, disability, or death. 42 CFR section 1004.1(b).

- iii. Temporary management is necessary to ensure the health of the Plan's Members

- 1. while improvements are made to remedy the Plan's sanctionable violations or
- 2. until there is an orderly termination or reorganization of the Plan.

- 4. Additionally, DHCS must impose temporary management if it finds that the Plan has repeatedly failed to meet the substantive requirements in sections 1903(m) and 1932 of the Social Security Act (42 USC section 1396b(m); 42 USC section 1396u-2), the requirements of 42 CFR Part 438, Subpart I, or has repeatedly engaged in sanctionable conduct under W&I section 14197.7(e). Pursuant to this sanction, DHCS must also grant Members the right to terminate enrollment without cause, as described in 42 CFR section 438.702(a)(3) and notify the affected Members of their right to terminate enrollment.

- a. DHCS will not terminate temporary management until it determines that the Plan can ensure that the sanctioned behavior will not recur.

iv. Contract Termination

1. DHCS may terminate a Contract with the Plan for violating the standards prescribed in W&I section 14197.7 or for failure to meet applicable requirements in sections 1932, 1903(m), or 1905(t) of the Social Security Act. 45 In addition, DHCS will terminate a Contract with the Plan that the United States Secretary of Health and Human Services has determined does not meet the requirements for participation in the Medicaid program, as contained in Subchapter 19 (commencing with section 1396) of Chapter 7 of Title 42 of the USC.
2. Where applicable, DHCS will initiate the Phaseout Requirements prescribed in the DHCS Contract for a Contract termination. If DHCS determines that there is an immediate threat to the health of Members assigned to the Plan, DHCS is authorized to immediately terminate the Plan Contract.

3. Quality Enforcement Actions

- a. The Plan will be subject to enforcement actions for quality performance measure rates that fall below designated national benchmarks established by Healthcare Effectiveness Data and Information Set (HEDIS) Minimum Performance Levels (MPLs). DHCS requires MCPs to report annually on this set of quality measures, known as the Managed Care Accountability Set (MCAS). MCAS is comprised of various health related measures that are categorized into four domains: children’s health, reproductive health and cancer prevention, chronic disease management, and behavioral health.

The Health Plan will submit MCAS data to DHCS as required by APL 25-007 Attachment C:

1. Data audited at the plan level
2. County-level data for quality and enforcement program use only
3. In the event the Health Plan expands to new counties, the plan will report on MCAS measures at the county level even for counties where the plan is operating for the first time (which are exempt from sanctions in the first year of operation)
4. In the event the Health Plan engages fully delegated subcontractors and fully delegated downstream contractors, these will be expected to report on the EQRO results of the MCAS measures

The Plan is required to meet or exceed MPLs for each measure within the four MCAS Domains. If the Plan does meet the MPL on a measure, Plan will be at risk for enforcement actions, which will be taken on the basis of enforcement tier determination.

*Beneficiaries under the age of twenty-one (21) are excluded from the PHC California contract.

Enforcement Tiers	Tier 1	Tier 2	Tier 3
Triggers	One (1) measure below the MPL in any one (1) domain	Two (2) or more measures below the MPL in any one (1) domain	Three (3) or more measures below the MPL in two (2) or more domains



- b. Enforcement tier assignment will determine which quality enforcement actions are taken, including both monetary and non-monetary penalties or sanctions. Plan reporting units that do not trigger a tier rating will not be subject to monetary sanctions. Likewise, Plan reporting units in Tier 1 will not be subject to monetary sanctions.
- c. At a minimum, all Plans subject to monetary sanctions will receive a sanction amount total of \$25,000. Sanction amount calculations will incorporate various factors that include eligible members not served, percentage below the MPL, trending difference from the previous measurement year (MY), and Healthy Places Index (HPI). Plans that were under a quality transformational corrective action plan (CAP) for the previous MY and again fall under a CAP for the current MY under review may be subject to a doubling of their assessed sanction amount and an escalation of non-monetary sanctions or penalties.

d. Monetary Sanctions Methodology

i. Sanctions will be determined by taking into account the following:

- 1. Severity – percentage difference between the Plan’s measure and the MPL
- 2. Trending – difference between the Plan’s measure in the Measurement Year (MY) compared to the previous MY
- 3. Population not served – number of affected members who did not receive the service based off numerators and denominators submitted with MCAS reporting
- 4. HPI impact – sanction reduction accounting for the Plan’s serving members in underserved zip codes.

ii. For each measure below the MPL, the severity violation factor and trending factor are multiplied by the population not served. The sum of these sanction amounts per measure for the Plan reporting unit is then reduced by the HPI impact reduction percentage to get the total sanction amount assessed.

iii. The severity violation factor is determined by the absolute difference between the Plan’s performance and the MPL.

Severity/Beneficiary Impact	Violation per Measure	Severity Violation Factor
Minimal Violation	<1% below MPL	1.0
Minor Violation	1% - 5% below MPL	1.2
Moderate Violation	6% - 10% below MPL	1.4
Moderately Severe Violation	11% - 15% below MPL	1.6
Severe Violation	16% - 20% below MPL	1.8
Extremely Severe Violation	≥21% below the MPL	2.0

iv. The trend factor is based on the difference per measure compared to the current year’s rates as it relates to the rate achieved the previous MY.

Degrees of Improvement	Trending Different per Measure	Trending Factor
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Significant Worsening	>(-)15%	2.0
Moderately Significant Worsening	(-)11% - (-)15%	1.8
Moderate Worsening	(-)7% - (-)10%	1.6
Minimal Worsening	(-)4% - (-)6%	1.4
Slight Worsening	(-)1% - (-)3%	1.2
No Improvement	0 – 1%	1.0
Slight Improvement	1% - 3%	0.8
Minimal Improvement	4% - 6%	0.6
Moderate Improvement	7% - 10%	0.4
Moderately Significant Improvement	11% - 15%	0.2
Significant Improvement	>15%	0.0

- v. HPI values for each Plan have been determined by accounting for the number of members in low HPI zip codes. Each Plan was then ranked against the other Plan's to determine the HPI percentile. Sanction reduction is based on a low HPI Percentile illustrated in the table below:

<u>Very High</u>	<u>0-9%ile</u>	<u>50%</u>
<u>High</u>	<u>10-19%ile</u>	<u>40%</u>
<u>Moderate</u>	<u>20-29%ile</u>	<u>30%</u>
<u>Low Moderate</u>	<u>30-39%ile</u>	<u>20%</u>
<u>Low</u>	<u>40-49%ile</u>	<u>10%</u>

4. Network Adequacy Enforcement

- a. The Health Plan will meet the Annual Network Certification (ANC) requirements outlined in APL 23-001, or any superseding APL, or be subject to one or more enforcement actions outlined in Table 1: Enforcement Tiers of APL 25-007, Attachment A, which may include but are not limited to a CAP, administrative sanctions, and/or monetary penalties, should the MCP not meet ANC requirements in one or more Network Adequacy categories.
- b. Per APL 25-007 Attachment A, the Health Plan complies with Annual Network Certification (ANC) follow-up activities including, but not limited to: submitting timely and complete responses to questions and concerns identified during the ANC process, identifying the root cause of any incidences of non-compliance, providing the steps necessary to ameliorate any deficiencies, proposing a remediation timeline, and complying with any remediation timeline imposed by DHCS.

5. Timely Access Enforcement

- a. The Health Plan will meet the minimum performance levels (MPLs) as outlined in APL 25-006, or any superseding APL, for MPL Categories and Thresholds or be subject to one or more enforcement actions in Table 1: Enforcement Tiers & Actions of Attachment B, which may include, but are not limited to a CAP, administrative sanctions and/or monetary penalties should the plan not meet the MPL for any Timely Access Category.
- b. Per DHCS APL 25-007 Attachment B, the Health Plan complies with Timely Access Survey follow-up activities including, but not limited to: submitting timely and complete responses to

questions and concerns identified in the Timely Access Survey results, identifying the root cause of the non-compliance, providing steps necessary to ameliorate the deficiencies, proposing a remediation timeline, and complying with any remediation timeline imposed by DHCS.

6. Factors DHCS will consider when taking Enforcement Action

- a. DHCS will consider whether contractual or legal violations warrant a CAP or other forms of enforcement action including non-monetary and monetary sanctions. When determining the appropriate enforcement action including the assessment of monetary sanctions, DHCS will consider the following non-exhaustive factors:
 - i. The nature, scope, and gravity of the violation, including potential harm or impact on Members. As part of this assessment, DHCS may use a probability sampling and extrapolation methodology approach to assess non-compliance and impact on Members, as set forth in detail below.
 - ii. The good or bad faith of the Plan.
 - iii. The Plan 's history of violations.
 - iv. The willfulness of the violation.
 - v. The nature and extent to which the Plan cooperated with DHCS' investigation.
 - vi. The nature and extent to which the Plan aggravated or mitigated any injury or damage caused by the violation.
 - vii. The nature and extent to which the Plan has taken corrective action to ensure the violation will not recur. The financial status of the Plan, including whether the sanction will affect the ability of the Plan to come into compliance.
 - viii. The financial cost of the health care service that was denied, delayed, or modified.
 - ix. Whether the violation is an isolated incident.
 - x. The amount of the penalty necessary to deter similar violations in the future.
 - xi. Any other mitigating factors presented by the Plan.
- b. Probability Sampling
 - i. In accordance with 22 CCR section 51458.2, DHCS may deploy the use of probability sampling to determine the potential harm or impact on beneficiaries due to the violation pursuant to W&I section 14197.7(g)(1), as well as any other factor set forth above, to the extent applicable. Probability sampling may also be used to extrapolate and determine the number of beneficiaries impacted by sanctionable conduct, which is described under W&I section 14197.7(f)(1).

- ii. Probability sampling will be done in conformance with generally accepted statistical standards and procedures described in any textbook on statistical sampling methods.
- iii. Whenever the results of a probability sample are used in this manner, the notice of any enforcement action – including but not limited to a notice of intent to impose sanctions or notice of sanctions issued under W&I section 14197.7(h) – will be accompanied by a clear description of:
 - 1. The universe from which the sample was drawn;
 - 2. The sample size and method used to select the sample;
 - 3. The formulas and calculation procedures used to determine the amount to be recovered; and
 - 4. The confidence level used to calculate the precision of the extrapolated amount.

7. Notification of Appeal Rights

- a. In the event of an administrative or monetary sanction, DHCS will provide the affected the Plan with reasonable notice of DHCS' intent to impose the sanction. DHCS, at its discretion, may alert other persons and organizations that may be impacted or interested in the Plan's sanction. All sanction notices will be in writing and will include the effective date, duration of, and reason for each sanction proposed, as well as any appeal rights that the Plan has. The Plan may request to meet and confer regarding the proposed sanction(s) if the request is in writing and provided to DHCS' Managed Care Operations Division (MCO) contract manager within two business days of receipt of the notice.
- b. Temporary Suspension Orders
 - i. For temporary suspension orders, DHCS will notify the affected the Plan of DHCS' intent to impose a temporary suspension order a minimum of thirty (30) calendar days before the order goes into effect.
 - 1. Filing a Notice of Appeal.
 - a. The Plan has the right to appeal a temporary suspension order issued as an immediate sanction by filing a written appeal with DHCS within thirty (30) calendar days from the date the Plan receives notice of the order.
 - 2. Setting the Appeal for Hearing.
 - a. No later than fifteen (15) calendar days after receiving the written appeal, DHCS will set the matter for hearing.
 - b. The hearing must be held as soon as possible, but not later than thirty (30) calendar days after the Plan receives the notice of hearing.

- c. The Plan may request a continuance if the Plan needs more time to prepare an adequate defense.
- 3. Final Determination.
 - a. The temporary suspension order will remain in effect until the hearing is completed and DHCS has made a final determination on the merits. However, the temporary suspension order will be deemed vacated if DHCS fails to make a final determination on the merits within sixty (60) calendar days after the original hearing has been completed.
- c. Temporary Management For temporary management, DHCS will notify the Plan of DHCS' intent to impose a temporary management a minimum of thirty (30) calendar days before it goes into effect.
 - i. Filing a Notice of Appeal.
 - 1. To request a hearing in connection with the imposition of temporary management, the Plan must send its request in writing to the address specified in the sanction notice.
 - 2. The request for a hearing must be sent within fifteen (15) business days from the date the Plan receives the notice of sanction.
 - ii. No Stay of Sanction.
 - 1. DHCS will not stay or otherwise delay the imposition of temporary management pending a hearing.
 - 2. DHCS is not permitted to terminate temporary management until DHCS has determined that the Plan can ensure the sanctioned behavior will not recur.
- d. All Other Sanctions (including monetary sanctions)
 - i. For monetary sanctions, DHCS will provide the Plan a minimum of thirty (30) calendar days' notice. In the event that the Plan requests a hearing in connection with a monetary sanction, the sanction will not go into effect until after DHCS issues a final decision.
 - 1. Filing a Notice of Appeal.
 - a. To request a hearing in connection with any other sanctions, the Plan must send its request in writing to the address specified in the sanction notice. The request for a hearing must be sent within fifteen (15) business days from the date the Plan receives the notice of sanction.
 - 2. Staying Implementation of Monetary Sanctions.
 - a. DHCS will stay the collection of monetary sanctions upon receipt of the Plan's timely submitted written request for a hearing. The request

for a hearing must be sent within fifteen (15) business days from the date the Plan receives the notice of sanction. Implementation of the sanction will remain stayed until the effective date of DHCS' final decision.

e. Contract Termination

- i. Before terminating the Plan's Contract, DHCS is required to provide the Plan with a minimum of sixty (60) calendar days' notice.
- ii. Notice of Contract termination will also be provided to Members enrolled in the Plan. For Contract terminations, except in cases where DHCS determines there is an immediate threat to the health of Members enrolled in the Plan, DHCS will, at the request of the Plan, hold a public hearing, that will commence thirty (30) calendar days after the Plan has received notice of DHCS' intent to terminate the Plan's Contract.
- iii. For the hearing, DHCS will assign an administrative law judge (ALJ) to provide a written recommendation to DHCS regarding the termination of the contract within thirty (30) days after the conclusion of the hearing.

f. Conduct of Hearings

- i. Except as otherwise provided in W&I section 14197.7, hearings to review the imposition of sanctions, including temporary suspension orders, follow the procedures set forth in Health and Safety Code (HSC) section 100171 and in the Plan's contract with DHCS. Generally, such hearings must be conducted pursuant to the administrative adjudication provisions of the Administrative Procedure Act and the Plan's contract with DHCS.
- g. DHCS may impose Corrective Action Plans (CAP) as well as administrative and/or monetary sanctions for non-compliance.

Procedure:

1. The Compliance Officer or their designee is responsible for ensuring compliance with, including its Subcontractors and Network Providers, DHCS APL – 22-015, Contractual Obligations, applicable state and federal law regulations, including 42 CFR § 438.700 set seq, 42 USC § 1396a, and W&I § 14197.7.
2. Additionally, the Compliance Officer shall ensure follow the processes outlined in the following Plan policies and procedures:
 - a. PHC-CA FDR Oversight; and
 - b. PHC-CA Delegation Oversight and Vendor Management.
3. The Compliance Officer will communicate contract requirements and applicable state and federal laws to all the Plan Network Providers and Subcontractors during Joint Operation Meetings (JOMs) or other means of communications, as deemed necessary.

Definitions:

1. All Plan Letter (APL) or Policy Letter (PL): means a binding document that has been dated, numbered, and issued by Department of Health Care Services (DHCS) that provides clarification of Health Plan's contractual obligations, implementation instructions for Health Plan's contractual obligations due to changes in State and federal law or judicial decisions, and/or guidance with regulatory force and effect when DHCS interprets, implements, or makes specific relevant State statutes under its authority.
2. Department of Health Care Services (DHCS) or Department: means the single State department responsible for the administration of the Medi-Cal Program, California Children's Services (CCS), Genetically Handicapped Persons Program (GHPP), and other health-related programs, as provided by statute and/or regulation.
3. Contract: means the written agreement between DHCS and the Health Plan
4. Extrapolation: means the methodology whereby an unknown value can be estimated by projecting the results of a probability sample to the universe from which the sample was drawn with a calculated precision (margin of error).
5. Minimum Performance Level (MPL): means Health Plan's minimum performance requirements for select Quality Performance Measures.
6. Probability Sampling: means the standard statistical methodology in which a sample is selected based on the theory of probability (a mathematical theory used to study the occurrence of random events).

Monitoring:

This policy is updated, as necessary, reviewed and approved every year by the Care Management Compliance Committee.

Reference(s):

1. Department of Health Care Services (DHCS) All Plan Letter (APL) 25-007, Enforcement Actions: Corrective Action Plans, Administrative and Monetary Sanctions (Supercedes APL 23-012), published April 25, 2025.
2. [DHCS APL 25-006, Timely Access Requirements, published April 25, 2025.](#)
3. [DHCS APL 23-001, Network Certification Requirements \(Supercedes APL 21-006\), published January 6, 2023.](#)

Regulatory Agency Approvals:

Date	Version	Agency	Purpose	Response
08/20/2025	17.3	Dept. of Health Care Services (DHCS)	APL 25-007	Approved