



Policy and Procedure No: CO 16.5		Revision No: 5
Division: Care Management		
Department: Compliance		
Title: PHC-CA Key Personnel and Business Administration Change		
Effective Date: 2/5/2020		
Supersedes Policy No: CO 16.0, CO 16.1, CO 16.2, CO 16.3, CO 16.4		
Reviewed/Revised by: Sandra Holzner		Review/Revision Date: 12/12/2025
Approving Committee: Compliance Committee		Date: 12/15/2025
Executive Oversight Committee Date: 12/16/2025		

Purpose:

The purpose of this policy is to establish PHC California’s (the Health Plan’s) policies and procedures that ensure full compliance with the provisions of the Knox-Keene Health Care Service Plan Act of 1975 and applicable Department of Health Care Services (DHCS) requirements. This includes compliance with Sections 1351(c) and 1352(c) of the Knox-Keene Act and Title 28, California Code of Regulations, Section 1300.52.2, which govern health care service plan license applications, material modifications, and filing requirements for license amendments. These provisions require timely reporting of changes in key personnel, ownership interests, and principal creditors to safeguard enrollee protections and maintain regulatory adherence. Additionally, this policy ensures compliance with Medi-Cal managed care contract obligations, including annual disclosure of ownership and control interests, reporting of executive-level personnel changes within required timeframes, and adherence to federal regulations under 42 CFR §§ 455.104–455.106 and 438.610. These requirements promote transparency in business transactions, prevent prohibited affiliations, and support program integrity.

Policy:

0. DMHC Key Personnel Notification

- a. Pursuant to Sections 1351(c), 1352(c) and Rule 1300.52.2, the Health Plan must file all changes in key Plan personnel, including directors, trustees, principal officers, etc., (hereafter “Key Personnel” or “Key Person”), addition or deletion of limited partners, shareholders, or equity interest owners, or addition or deletion of a principle creditor, for review and approval by DMHC. Questions as to whether a particular change should be filed with DMHC should be addressed to the Health Plan’s assigned reviewer in the Office of Plan Licensing prior to submission of the Health Plan’s Filing.
- b. Sections 1351(c) and Rule 1300.51(d)L require the Health Plan to file information related to persons responsible for the conduct of the affairs of the Plan. Section 1352 and Rule 1300.52.2 require the Health Plan to file an Amendment when there are any of the following changes to that information:
 - (a) There is an addition or deletion of a:
 - (1) Director;
 - (2) Trustee;
 - (3) Principal officer (president or CEO, vice president, secretary, treasurer or CFO, or chairman of the board of a corporation, a sole proprietor, the managing general partner of a partnership - Rule 1300.45(o);

- (4) General partner;
- (5) General manager or principal management person;
- (6) Persons occupying similar positions or performing similar functions; or
- (6) A substantial or material change in the duties of any such person.

(b) There is an addition or deletion of a:

- (1) Limited partner holding greater than 5% of total partnership interests;
- (2) Shareholder holding greater than 5% of shares;
- (3) Owner of equity interest greater than 5% of equity interests; or
- (4) There is a change in the interest of any partner, shareholder or owner of an equity interest exceeding 5% of the total partnership interests, shares or equity interests.

(c) There is an addition or deletion of a:

- (1) Principal creditor (as defined in Rule 1300.45);
- (2) A material change in the terms of the obligation to a principal creditor;
- (3) A material increase or decrease in the amount due a principal creditor other than (except in the case of a demand obligation) by the normal terms of the obligation; or (4) A default in the obligation to a principal creditor.

To allow DMHC to conduct an effective review, the Health Plan must provide a summary description of the filing, covering the highlights and essential features of the information provided by the Plan in the filing. See Rule 1300.51(d)E(1). The Health Plan must also provide all information necessary for the Department to make a finding under the Act that the proposed Amendment is in the public interest and consistent with the intent and purposes of the Act. See Rule 1300.52.4(a)(ii).

1. DHCS Key Personnel Notification

a. Annual Key Personnel Disclosure Form

- i. Contractor must file an annual statement with DHCS disclosing any purchases or leases of services, equipment, supplies, or real property from an entity in which any of the following persons have a substantial financial interest:
 - 1. Any person or corporation having five percent or more ownership or controlling interest in Contractor;
 - 2. Any director, officer, partner, trustee, or employee of Contractor; and

3. Any member of the immediate family of any person designated in 1) or 2) above.
 - ii. Contractor must comply with 42 Code of Federal Regulations (CFR) sections 455.104 (Disclosure by Medicaid providers and fiscal agents: Information on ownership and control), 455.105 (Disclosure by providers: Information related to business transactions), 455.106 (Disclosure by providers: Information on persons convicted of crimes), and 438.610(Prohibited affiliations).
 - iii. The Health Plan submits this report in the MCO portal as Report ID D.0001.
- b. The Health Plan must report to DHCS Contract Manager any changes in the status of the executive-level personnel within ten (10) calendar days including, but not limited to the:
 - i. Chief Executive Officer;
 - ii. Chief Financial Officer;
 - iii. Chief Operations Officer;
 - iv. Chief Medical Director;
 - v. Chief Health Equity Officer;
 - vi. Compliance Officer; and
 - vii. Government Relations persons.
- c. The Health Plan must also report to DHCS Contract Manager any changes in the status of the executive-level personnel for Fully Delegated Subcontractors, Partially Delegated Subcontractors, Downstream Fully Delegated Subcontractors, and Downstream Partially Delegated Subcontractors including, but not limited to the chief executive officer, chief financial officer, chief operations officer, the medical director, the chief Health Equity officer, the compliance officer, and government relations persons within twenty (20) calendar days.

Procedure:

A. DMHC Notification Requirements

The Compliance Officer, or their designee, initiates and complete the required filing with the Department of Managed Health Care (DMHC) within five (5) calendar days of the effective date of any change in key personnel, in accordance with Section 1352 of the Knox-Keene Act and Title 28, California Code of Regulations, Section 1300.52.2.

Upon receipt of notice of a personnel change from Human Resources or Executive Leadership, the Compliance Department:

1. Verifies the effective date and nature of the officer change.

2. Completes the appropriate DMHC filing documents, including the submission of Attachment A: 'DMHC Checklist for Health Care Service Plan – Key Personnel/Business Administration Change.'
3. Coordinates with Legal or Corporate Administration, as necessary, to obtain supporting documentation (e.g., board resolutions, updated organizational charts, resumes, or background statements).
4. Submit the completed filing to the DMHC via the eFiling portal.

B. DHCS Notification Process

- a. In parallel, the Compliance Officer shall notify the Department of Health Care Services (DHCS), when required, by following the internal protocol for Medi-Cal contract reporting.
- b. This includes completing the DHCS notification template, uploading supporting documentation, and logging the submission date in the Compliance tracking system.

C. Record Retention Requirements

- a. All filings and notifications are retained in accordance with the Health Plan's recordkeeping policies.

D. Report Tracking

- a. Upon receipt of notification of any required Key Personnel Filings changes, the due dates for each respective regulatory body are entered into the Health Plan's report management system (Report Manager) and tracked by the Compliance Department to ensure timely submission.

See Attachment "A" DMHC Checklist for HealthCare Service Plan Key Personnel/Business Administration Change.

Monitoring:

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

Definitions:

1. Compliance Officer: The individual designated by the Health Plan with primary responsibility for overseeing compliance with applicable laws, regulations, and contractual obligations, including all filings and communications with regulatory agencies.
2. Delegate: A staff member authorized in writing by the Compliance Officer to carry out specified compliance-related duties on their behalf.
3. DHCS Contract Manager or DHCS Program Contract Manager: means the designated DHCS employee who is the primary contact within DHCS for this Contract, and responsible for receiving and sending notices and other documents from/to Contractor relating to this Contract.



4. **Effective Date:** The date on which the change in key personnel becomes official and enforceable, either through resignation, appointment, promotion, or other personnel action.
5. **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.
6. **DMHC (Department of Managed Health Care):** The California state regulatory agency responsible for overseeing the licensure and operations of health care service plans under the Knox-Keene Health Care Service Plan Act of 1975.
7. **Downstream Subcontractor:** means an individual or an entity that has a Downstream Subcontractor Agreement with a Subcontractor or a Downstream Subcontractor. A Network Provider is not a Downstream Subcontractor solely because it enters into a Network Provider Agreement.
8. **Downstream Fully Delegated Subcontractor:** means a Downstream Subcontractor that contractually assumes all duties and obligations of Contractor under the Contract, through the Subcontractor, except for those contractual duties and obligations where delegation is legally or contractually prohibited. A managed care plan can operate as a Downstream Fully Delegated Subcontractor.
9. **Downstream Partially Delegated Subcontractor** means: a Downstream Subcontractor that contractually assumes some, but not all, duties and obligations of a Subcontractor under the Contract, including, for example, obligations regarding specific Member populations or obligations regarding a specific set of services. Individual physician associations and medical groups often operate as Downstream Partially Delegated Subcontractors.
10. **Downstream Subcontractor Agreement:** means a written agreement between a Subcontractor and a Downstream Subcontractor or between any Downstream Subcontractors. The Downstream Subcontractor Agreement must include a delegation of the Health Plan’s and Subcontractor’s duties and obligations under the Contract.
11. **Fully Delegated Subcontractor:** means a Subcontractor that contractually assumes all duties and obligations of the Health Plan under the Contract, except for those contractual duties and obligations where delegation is legally or contractually prohibited. A managed care plan can operate as a Fully Delegated Subcontractor.
12. **Partially Delegated Subcontractor:** means a Subcontractor that contractually assumes some, but not all, duties and obligations of the Health Plan under the Contract, including, for example, obligations regarding specific Member populations or obligations regarding a specific set of services. Individual physician associations and medical groups often operate as Partially Delegated Subcontractors.
13. **Subcontractor** means: an individual or entity that has a Subcontractor Agreement with the Health Plan that relates directly or indirectly to the performance of the Health Plan’s obligations under this Contract. A Network Provider is not a Subcontractor solely because it enters into a Network Provider Agreement.
14. **Subcontractor Agreement** means: a written agreement between the Health Plan and a Subcontractor. The Subcontractor Agreement must include a delegation of the Health Plan’s duties and obligations under the Contract with the Health Plan.



Reference(s):

1. Section 1352(c) and Rule 1300.52.2(a) of the Knox-Keene Act.
2. DHCS Managed Care Contract, Exhibit A, Attachment III, sections 1.1.2 and 1.1.8.



Attachment "A"

CHECKLIST FOR HEALTH CARE SERVICE PLAN KEY PERSONNEL/BUSINESS ADMINISTRATION CHANGE

This checklist is not intended to be all-inclusive; it only represents what issues, at a minimum, the Plan must address when proposing changes to the Plan's key personnel or business administration information. The Department of Managed Health Care (Department) may request additional information as necessary during its review, to make a finding under the Knox-Keene Health Care Service Plan Act of 1975, as amended.¹

Background:

Pursuant to Sections 1351(c), 1352(c) and Rule 1300.52.2, the Plan must file all changes in key Plan personnel, including directors, trustees, principal officers, etc., (hereafter "Key Personnel" or "Key Person"), addition or deletion of limited partners, shareholders, or equity interest owners, or addition or deletion of a principle creditor, for review and approval by the Department. Questions as to whether a particular change should be filed with the Department should be addressed to the Plan's assigned reviewer in the Office of Plan Licensing prior to submission of the Plan's Filing.

Sections 1351(c) and Rule 1300.51(d)L require a plan to file information related to persons responsible for the conduct of the affairs of the Plan. Section 1352 and Rule 1300.52.2 require the plan to file an Amendment when there are any of the following changes to that information:

(a) There is an addition or deletion of a:

- (1) Director;
- (2) Trustee;
- (3) Principal officer (president or CEO, vice president, secretary, treasurer or CFO, or chairman of the board of a corporation, a sole proprietor, the managing general partner of a partnership - Rule 1300.45(o);
- (4) General partner;
- (5) General manager or principal management person;
- (6) Persons occupying similar positions or performing similar functions; or
- (7) A substantial or material change in the duties of any such person.

(b) There is an addition or deletion of a:

- (1) Limited partner holding greater than 5% of total partnership interests;
- (2) Shareholder holding greater than 5% of shares;
- (3) Owner of equity interest greater than 5% of equity interests; or
- (4) There is a change in the interest of any partner, shareholder or owner of an equity interest exceeding 5% of the total partnership interests, shares or equity interests.

¹ California Health and Safety Code Sections 1340 et seq. (Act). References herein to "Section" are to Sections of the Act. References to "Rule" refer to the regulations promulgated by the Department, the California Code of Regulations, title 28.

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(c) There is an addition or deletion of a:

- (1) Principal creditor (as defined in Rule 1300.45);
- (2) A material change in the terms of the obligation to a principal creditor;
- (3) A material increase or decrease in the amount due a principal creditor other than (except in the case of a demand obligation) by the normal terms of the obligation; or
- (4) A default in the obligation to a principal creditor.

To allow the Department to conduct an effective review, the Plan must provide a summary description of the filing, covering the highlights and essential features of the information provided by the Plan in the filing. See Rule 1300.51(d)E(1). The Plan must also provide all information necessary for the Department to make a finding under the Act that the proposed Amendment is in the public interest and consistent with the intent and purposes of the Act. See Rule 1300.52.4(a)(ii).

General Filing Information:

- Amendment Filing:** File all changes to Key Personnel described in Section 1351(c) and 1352(c) as an Amendment Filing. See Rules 1300.52.2 and 1300.52.4(b)(ii). The Plan must file all changes to information previously provided to the Department.
 - **TIMING:** Submit a change to Plan Key Personnel **within five (5) days of the change going into effect**. See Section 1352(c).
- Revised Exhibits:** If the Plan has revised documents previously approved by the Department, file the revised document as the proper Exhibit type, and identify in the Exhibit E-1 the eFiling number affiliated with the previously approved document. Changes to the approved document should be identified via high light or strikeout, in accordance with Rule 1300.52(d). Also, submit a clean copy of the revised Exhibit in the filing.
- Improperly Filed Documents:** The Department will not review improperly filed Notices, Amendments, and Exhibits. The Plan will be required to re-file and/or withdraw improperly filed Notices, Amendments, and Exhibits prior to review by the Department.
- Duration of Department Review:** The duration of the Department's review will vary on a case-by-case basis. Duration of review depends on the quality of the documents and information provided by the Plan, and the complexity of the filing.



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**MINIMUM REQUIRED INFORMATION:
PLAN PERSONNEL, OWNERSHIP OR CREDITOR DETAILS FILING**

Exhibit E-1: eFiling Narrative

To allow the Department to conduct an effective review, the Plan must provide a summary description of the filing, covering the highlights and essential features of the information and documents provided by the Plan in the filing. See Rule 1300.51(d)E(1). The Plan must also provide all information necessary for the Department to make a finding under the Act that the proposed Amendment or Notice is in the public interest and consistent with the intent and purposes of the Act. See Rule 1300.52.4(a)(ii). Therefore, In the Exhibit E-1 provide a detailed narrative description of the filing including a response to each item below:

- 1. Purpose of Filing:** Describe the purpose of the filing.
 - Examples:
 - The purpose of this filing is to inform the Department of the retirement of the Plan's vice president, with a proposed effective date of xx/xx/xx.
 - The purpose of this filing is to respond to Survey/Exam No. 2018xxxx.
 - The purpose of this filing is to respond to a Corrective Action Plan (CAP) dated xx/xx/xx, Filing No. 2018xxxx.
- 2. Summarize Changes to Key Personnel:** Include the names, titles and dates of change for each addition and/or deletion of Key Plan personnel.
- 3. Vacant Position(s):** If a Key Person resigned and the Plan has not filled the position, address the following:
 - 3.a.** Will the Plan be recruiting to fill the vacancy?
 - 3.b.** How long does the Plan estimate the position will remain vacant?
 - 3.c.** How will the duties of the vacant position be managed while it remains unfilled?
- 4. Out of State:** If a new Key Person identified in the filing resides out-of-state explain how he/she will effectively perform duties from outside of California.
- 5. License to Practice:** If the change concerns the Plan's Chief Clinical Officer, Chief Dental Officer and/or Chief Medical Officer, provide an affirmation he/she is currently licensed, in good standing, with the State of California. Section 1367.01(c).

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6. Previously Filed Exhibits:

6.a. If the Plan's filing includes an amendment to an Exhibit identified in this checklist and already approved and on file with the Department, include the eFiling number(s) associated with the approved Exhibit.

6.b. Indicate if the "new" Key Person identified in the filing is currently employed by the Plan in a "key" position but is moving to another position within the Plan. If the Plan has filed Exhibits pertaining to this individual, include the eFiling number of the previously reviewed and approved Exhibit(s).

7. Exhibits Included in Filing: Describe and identify by name and Exhibit type all documents submitted as part of the filing for consideration by the Department.

8. Other Information: Include any other information the Plan thinks would help the Department in its review of this filing.

Exhibits F-1: Business Information Documents

The Plan must provide revised/redlined business information documents *if changes are required* due to a change in Key Personnel. See Section 1351(a),(c) and 1352(a), and Rule 1300.51(d)F(1), 1300.52.2 and 1300.52.4(b)(ii). File a revised/redlined version of the applicable exhibit below *if* it is affected by the change in Key Personnel.

- Exhibit F-1-a-iii: Corporate Plan**
- Exhibit F-1-b-ii: Partnership Plan**
- Exhibit F-1-c: Sole Proprietorship Plan**
- Exhibit F-1-d-ii: Other Type of Plan**

Exhibit F-1-f: Individual Information Sheet

Provide an Exhibit F-1-f if the Plan is reporting a change to Key Personnel listed in Exhibits F-1-a-iii, F-1-b-ii, F-1-c or F-1-d-ii. See Section 1351(a) and 1352(a), and Rule 1300.51(d)F(1)(f), 1300.52.2 and 1300.52.4(b)(ii).

- Exhibit F-1-f: Individual Information Sheet.**

Exhibit F-2: Creditor Information

If the Plan is making an addition or deletion of a principal creditor, or other change consistent with Section 1300.52.2(c), the Plan must provide the name(s) of principal creditor(s) of the Plan and the contract(s) with such creditor(s). See Rule 1300.51(d)F(2). The Plan must file changes to the names of the Plan's creditors or substantial or material changes to the contracts with Plan's creditors within 5 days of any change. See Section 1352(c) and Rule 1300.52.2(c). File revised versions of Exhibits F-2 if changes to the exhibits are required due to a change in creditors.

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- Exhibit F-2-a:** List of Affiliated Persons, Principal Creditors, or Providers of Administrative Services. List each individual or entity who is a party to a contract with applicant for the provision of administrative services to the applicant or any such party is an Affiliated Person or Principal Creditor (Rule 1300.45(c) and (n)) or of the applicant. The list must include:
 1. The names in alphabetical order.
 2. The exhibit and page number of the contract (including loans and other obligations).
 3. The type of contract of loan.
 4. Each relationship which such individual or entity bears to the applicant (officer, director, partner, trustee, member, Principal Creditor, employee, administrative services provider, health care services provider, or shareholder).
 5. Whether (yes or no) such individual or entity is intended to become a Principal Creditor (Rule 1300.45(n)) of applicant.
 6. Whether (yes or no) such individual or entity is intended to become an "Affiliated Person" of applicant, or to become an Affiliated Person in any capacity other than that disclosed in item 4.
- Exhibit F-2-b:** Contracts with Individuals or Entities identified in Exhibit F-2-a. Provide a copy of each contract (other than a contract for the provision of administrative services or health care services furnished pursuant to Exhibits K or N) identified in Item F-2-a. Preceding the first page of each such contract, attach a summary sheet which:
 1. Identifies the contract;
 2. Specifies its terms, including its expiration date, and (3) if a loan or obligation, specifies the unpaid balance of principal; and,
 3. Interest and states whether applicant is in default upon the loan or obligation.

Exhibit L: Organization Chart

If the Plan is making additions or deletions consistent with Rule 1300.52.2(a), the Plan must provide both a clean and redlined organizational chart depicting lines of responsibility and authority in the administration and management structure of the Plan's business, demonstrating changes addressed in the filing. See Section 1351(a) and 1300.51(d)L. The Plan may file changes to affiliates, control, delegates performing administrative or health care functions, and changes to key personnel on separate Exhibit Ls to appropriately document changes to the Plan's structure. File a revised version of the Plan's *previously approved* Organization Chart(s) *if changes to the exhibit are required* due to the personnel change or change in management authority or structure.

- Exhibit L-1: Organization Chart.**

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Exhibits M: Key Personnel Narrative Information

For additions to Plan personnel consistent with Rule 1300.52.2(a), the Plan must provide narrative information describing changes to the organization chart (Exhibit L-1), including the names, authority, position, duties, time devoted to such duties, and past experience of the newly appointed individuals and entities identified in the Exhibit L-1, including those individuals who are moving from one position to another. See Rule 1300.51(d)M. The Plan must also inform the Department of any substantial and material change to the duties of such personnel. See Rule 1300.52.2(a). File revised version of the exhibit(s) if changes to the Exhibits M-1, M-2, M-3, M-4 or M-5 are required due to the personnel change. Please note if the plan chooses to do so, it may file Exhibits M-1 through M-3 as a single Exhibit M-1 provided all information required is included in the Exhibit M-1.

- Exhibit M-1:** Review the Plan's existing Exhibit M-1 and file a redlined and clean version reflecting necessary changes because of the Key Personnel change. The revised language should provide a narrative description of what is illustrated in the Organization Chart, Exhibit L, including the responsibility and authority of each entity, board, committee and position and identifying the persons who serve on such boards and committees and in such positions. See Rule 1300.51(d)M(1).
- Exhibit M-2:** Review the Plan's existing Exhibit M-2 and file a redlined and clean version reflecting necessary changes because of the Key Personnel change. The revised language should indicate the names of individuals who are members of a board of directors, committee, or who occupy a position specified in Exhibit L-1. See Rule 1300.51(d)M(2)(a).
- Exhibit M-3:** Review the Plan's existing Exhibit M-3 and file a redlined and clean version reflecting necessary changes because of the Key Personnel change. The revised language should indicate the responsibility of each person listed in Exhibit M-2, to include the principal responsibilities and authority in each position and the portion of the individual's time devoted to each principal function. See Rule 1300.51(d)M(2)(b).
- Exhibit M-4:** Unredacted Resume (Confidential). For a Key Person joining or changing positions within the organization, a resume or similar description of the individual's training and experience during the preceding five years (or longer) must be provided. The resume should show experience relevant to the duties and responsibility the individual will be assuming with the Plan. See Rule 1300.51(d)M(2)(c).
 - Note: If the Plan files Exhibit M-4 (unredacted resume), it must also file an Exhibit M-5 (redacted resume).
- Exhibit M-5:** Redacted Resume (Public). For a Key Person joining or changing positions within the organization, a resume or similar description of the individual's training and experience during the preceding five years (or longer) must be provided. The resume should show experience relevant to the duties

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and responsibility the individual will be assuming with the Plan. See Rule 1300.51(d)(M)(2)(c).

Exhibits HH-3-f-i: Measures to Maintain TNE

If the Plan is making an addition or deletion of a principal creditor consistent with Rule 1300.52.2(c), the Plan must provide a detailed description of the measures taken or proposed to maintain compliance with the tangible net equity (TNE) requirement under Rule 1300.76.1. File a revised version of the Exhibit HH-3-f-i if there has been a creditor change or a change in the Plan or creditor's obligation.

- Exhibits HH-3-f-i: Funding Arrangements, Capital Arrangements, Subordinate Debt Agreements or Creditor Financial Statements.