Provider Offshore Subcontracting Requirements Annual Reminder

Health Net Community Solutions, Inc. (Health Net) requires notice of any offshore subcontracting relationship involving Health Net members' protected health information (PHI) to ensure that appropriate steps are taken to address risks involved with the use of subcontractors operating outside the United States.

An example of an offshore subcontracting relationship is a physician, laboratory, medical group, or hospital contracting with an entity to process claims, and that entity uses resources that are not located in the United States to process that provider's claims. The provider is responsible to have processes in place that protect members' PHI.

All participating providers who use offshore subcontractors to process, handle or access member PHI in oral, written or electronic form must submit specific subcontracting information to Health Net. Providers may not allow any member data to be stored or transferred offshore. Data may be accessed by an offshore entity through an onshore entity that is located in the United States.

Health Net requires that participating providers who have entered into an offshore subcontracting relationship submit the following items to Health Net within 20 calendar days of entering into a new offshore agreement or when revising an existing offshore agreement.

- A completed and signed copy of the attestation form, available on the provider website, as described under Additional Information on page 2. This attests that the participating provider has taken appropriate steps to address the risks associated with the use of subcontractors operating outside the United States. Each attestation form includes the Health Net contact information for providers to return the completed form and materials.

- Providers contracting with Health Net for the Medicare Advantage (MA) line of business must provide a copy of the agreement between the provider and offshore subcontractor with proprietary information removed. Health Net is required to validate that the necessary MA contractual provisions are included in the agreement.

- A policy and procedure for ensuring and maintaining the security of members' PHI.

- A policy and procedure that documents the process used for immediate termination of the offshore subcontractor upon discovery of a significant security breach.

- A policy and procedure that documents the process used for conducting annual audits, regular monitoring and tracking results, and resolving any identified deficiencies.

Providers must submit this information for each offshore subcontractor they have engaged to perform work, regardless of whether the information was already completed for a different health plan.

THIS UPDATE APPLIES TO **CAL MEDICONNECT** PROVIDERS:

- Physicians
- Participating Physician Groups
- Hospitals
- Ancillary Providers

PROVIDER SERVICES

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DEFINITIONS

Offshore

The term offshore refers to any country that is not within the United States or one of the United States territories (American Samoa, Guam, Northern Marianas, Puerto Rico, and American Virgin Islands). Examples of countries that meet the definition of offshore include Mexico, Canada, India, Germany, and Japan. Subcontractors that are considered offshore can be either American-owned companies with certain portions of their operations performed outside the United States or foreign-owned companies with their operations performed outside the United States. Offshore subcontractors provide services that are performed by workers located in offshore countries, regardless of whether the workers are employees of American or foreign companies.

Subcontractor

A subcontractor is any organization with which a first-tier, downstream or related entity contracts to fulfill or help fulfill requirements in its contracts.

ADDITIONAL INFORMATION

Providers may access the applicable attestation form and requirements on the Health Net provider website at provider.healthnet.com in the Provider Library under *Operations Manuals > Compliance and Regulations > Provider Offshore Subcontracting Attestation*.

Providers are encouraged to access Health Net's provider portal online at provider.healthnet.com for real-time information, including eligibility verification, claims status, prior authorization status, plan summaries, and more.

If you have questions regarding the information contained in this update, contact the Health Net Provider Services Center by county within 60 days at:

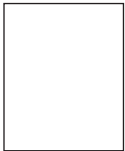| Line of Business	Telephone Number	Email Address
CAL MEDICONNECT – LOS ANGELES COUNTY	1-855-464-3571	provider_services@healthnet.com
CAL MEDICONNECT – SAN DIEGO COUNTY	1-855-464-3572	

PROVIDER*Update*

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