

Frequently Asked Questions about the Stance Health Solutions Durable Medical Equipment (DME) Capitation Agreement

Disclaimer: This document is intended for use by providers and internal member and provider supporting employees to understand the basics of the Stance Health Solutions DME capitation agreement being implemented with Blue Shield of California Promise Health Plan.

THIS DOCUMENT IS TO BE USED AS A TOOL ONLY TO ANSWER QUESTIONS FROM PROSPECTIVE ENROLLEES OR CURRENT MEMBERS. Distribution to consumers, other insurers, or any other person or company is strictly prohibited. Failure to comply with this requirement will result in the loss of appointment with Blue Shield of California on all lines of business and may result in a civil monetary judgment.

Key update for 2025:

Effective July 1, 2025, Stance Health Solutions will become the capitated provider for Durable Medical Equipment (DME) and Medical Supplies for Blue Shield of California Promise Health Plan membership residing in the Los Angeles and San Diego areas.

1. **What is the background on this DME agreement?**

In an effort to better control rising costs, while maintaining quality, Blue Shield of California Promise Health Plan has entered into an agreement with Western Drug Medical Supply, doing business as Stance Health Solutions, to designate them as the capitated provider for DME services in the Medi-Cal line of business.

This capitation agreement was executed with Western Drug Medical Supply. Via acquisition, Western Drug Medical Supply and SG Homecare combined to form Stance Health Solutions. Western Drug and SG Homecare united under one brand to integrate their operations as wholly owned subsidiaries of Stance Health Solutions, Inc.

Operationally, the Western Drug Medical Supply entity and Tax ID will remain, but Western Drug now will do business as Stance Health Solutions. For familiarity, as both companies step into this new brand, they will continue to utilize the legacy logo along with the new Stance Health Solutions logo.

The capitation agreement includes performance standards to ensure satisfactory performance from the perspective of members and referral sources and that services provided under capitation meet standards for access to care and timeliness of delivery.

Key facts about Western Drug Medical Supply (now doing business as Stance Health Solutions):

- Has worked with Blue Shield of California since 2000 for Commercial plans, and with Blue Shield Promise since 2004.
- Ranked within the top 90% by Joint Commission on Accreditation of Healthcare Organizations (JCAHO) for the last 20 consecutive years.
- Provided Homecare services for over 45 years. Their organization is comprised of industry professionals including Pharmacists, Respiratory Therapists, Rehabilitation Technicians and Assistive Technology Professionals.

Has an agreement with L.A. Care, serving via capitation arrangement.



2. **What DME services fall under this capitation agreement with Stance Health Solutions?**

Capitation covers all standard and frequently serviced/dispensed DME for Medi-Cal members where Blue Shield Promise is primary payer for the DME. This includes but is not limited to: Standard DME, such as wheelchairs, walkers, canes, commodes, hospital beds, and more; Ostomy & Urological Supplies; Respiratory Equipment and Supplies; Breast Pumps; and Incontinence Supplies.

Capitation does not apply to Specialty DME. This includes but is not limited to: Diabetic Insulin Pumps & related support supplies; Continuous Glucose Monitoring equipment and supplies; Lymphedema garments and sleeves; Oral/Dental appliances (to treat sleep apnea); Orthotics and Prosthetics.

A separately attached list houses a complete list of DME covered under this capitation agreement. All other DME not listed in the attached list remains fee-for-service (FFS) and can be obtained from any contracted Blue Shield Promise DME Provider that can dispense.

3. **What Blue Shield Promise membership will be impacted by this agreement?**

The Stance Health Solutions DME capitation agreement is being implemented for ALL Blue Shield Promise members, where Blue Shield Promise is financially responsible for payment of claims for DME services (as defined by the Division of Financial Responsibility {DOFR} as applicable), except for the following populations which are carved out from the capitation agreement and will continue to receive DME services via the existing fee-for-service DME network:

- Dual eligible members, including Dual Eligible Special Needs Plans (D-SNP)
- Skilled and custodial stays at Long Term Care (LTC) Skilled Nursing Facility (SNF) / Intermediate Care Facility for the Developmentally Disabled (ICF/DD)
- California Children's Services (CCS)
- Street Medicine

4. **Are other Blue Shield of California members impacted by this change?**

No. The Stance Health Solutions DME capitation agreement is being implemented only for Blue Shield Promise members. The DME provider network for Blue Shield of California plans remains unchanged and is not impacted by this Stance Health Solutions DME capitation agreement limited to Blue Shield Promise membership.

5. **How will this change impact Blue Shield Promise members?**

Members will continue to have access to medically necessary equipment and supplies. However, if current services are being provided by a provider other than Stance Health Solutions, and if DME is covered under capitation, these members will need to be transitioned to care under Stance Health Solutions. Stance Health Solutions will be responsible for all member communications informing them of the need to change, in addition to provider and referral source communications, advising them of the arrangement and requirements for compliance.

- For members currently receiving supplies, monthly shipments will continue without interruption. Stance Health Solutions will call these members to verify supply type, delivery date and delivery address, and will work with applicable delegated party for authorization, as appropriate.
- For members who currently utilize or rent equipment, they may (1) continue using their equipment without interruption or (2) receive a call from Stance Health Solutions staff to coordinate a switch out of your equipment.

6. **Will this impact members' Blue Shield Promise enrollment?**

No, Blue Shield Promise member plan enrollment will not be impacted by this agreement.

7. **Can members seek services from another DME provider?**

Procedure codes under the scope of this capitation agreement need to be sought through Stance Health Solutions. For all other DME not listed in the attachment it remains FFS and can be obtained from any contracted Blue Shield Promise DME provider that can dispense.

8. How will this agreement impact current DME providers providing services for Medi-Cal membership?

Stance Health Solutions will provide instructions to outline referral processes and protocols for current Medi-Cal DME providers that are impacted. Any fee-for-service claims received for DOS after 7/1/2025 are subject to denial.

9. How will this impact Medi-Cal Independent Physician Associations (IPAs) providing services for Medi-Cal membership?

Medi-Cal IPAs that are delegated for authorization, but not the financially responsible party for DME (under DOFR) are required to comply with this update, and direct care to Stance Health Solutions, as applicable. Medi-Cal IPAs that are the financially responsible party for DME are not included in this capitation agreement and may utilize their own provider network, per their discretion.

10. How will split DME risk be handled (where above \$X it is Blue Shield and below that it is provider)?

Stance Health Solutions will reference the Medi-Cal fee schedule to determine pricing of the applicable item, which will therefore determine if the item falls under or above thresholds that determine Blue Shield Promise risk (and under capitation) or if the item falls under IPA risk (and billable to IPA).

Specific to IPAs, Stance Health Solutions has processes in place to determine which DME is included under capitation, based on specific thresholds as defined by IPA DOFRs. If Stance Health Solutions finds that DME is not a Blue Shield Promise risk, and excluded from capitation, Stance Health Solutions will advise the ordering party accordingly, and at that point, the IPA can coordinate with Stance Health Solutions or their network providers per their discretion.

11. How will members and providers be notified of this change?

Members and providers/IPAs will be notified of this change via co-branded letters sent from Stance Health Solutions. A notification will also be shared on the Provider Connection Portal.

12. Do Blue Shield Promise members have to take any action?

Members are expected to comply with applicable changes resulting from this capitation arrangement. We ask that members provide the necessary information to Stance Health Solutions during the transition of care process, as applicable, to ensure a seamless transition and continued uninterrupted use of DME. Stance Health Solutions has a dedicated team to manage the transition of care process. Their phone number is: (800) 891-3661 and operating hours are 9:00 AM – 5:30 PM PT, Monday through Friday.

Members that are currently utilizing rental equipment, included in the attached list, will be transitioned to care under Stance Health Solutions. Members that are currently receiving ongoing shipments of supplies, included in the attached list, will have orders/authorizations updated to reflect Stance Health Solutions as the applicable service provider.

13. How will the transition of DME for members with rent-to-own long-term DME rentals be handled?

In these cases, generally after 13 months of rental, the item converts to purchase/member owned. Stance Health Solutions will identify members that are receiving DME on a rent-to-own basis and then determine how much of the rental cycle has already been exhausted to inform the appropriate transition of care. There will be no gaps in access to members' equipment.

For members with 5 or fewer rental months accumulated, these members would be transitioned to Stance Health Solutions, with the rental cycle being reset. In this scenario, Stance Health Solutions

would either work with the existing provider to acquire the equipment or coordinate pick-up of existing equipment and drop-off of new Stance Health Solutions equipment for the applicable member.

For members with 6 or more rental months accumulated, these members would remain with existing providers, until the item converts to purchase. Once equipment is member-owned, any supplies needed to support the equipment can be ordered through Stance Health Solutions.

14. Will the members see any interruption to their medical services due to this provider change?

Members should not expect any interruption in their care due to this provider change. Stance Health Solutions is actively reaching out to impacted membership via letter and phone call campaigns to transition care and equipment. Stance Health Solutions has a dedicated team responsible for the transition of care of impacted members.

15. Whom should members reach out to for more information?

To find out if transition of care is appropriate, and for any other questions related to that process, members are asked to direct any questions or concerns to Stance Health Solutions Customer Service staff at (800) 891-3661. Operating hours are 9:00AM – 5:30 PM PT Monday through Friday.

16. Do members have access to any appeal process?

There is not an appeals process specific to this agreement. Members should be instructed to utilize the Member Grievance process for any appeals or grievances.

17. Whom should providers reach out to for more information?

Providers are asked to direct questions to Haig Youredjian, Senior Vice President. He can be reached at HYouredjian@stancehealthsolutions.com. Alternatively, providers may call (619) 704-3112.