



RICHARD FIGUEROA  
ACTING DIRECTOR

State of California—Health and Human Services Agency  
Department of Health Care Services



GAVIN NEWSOM  
GOVERNOR

January 27, 2020

Sent via e-mail to: milleras@co.monterey.ca.us

Amie Miller, Director  
Monterey County Behavioral Health  
1270 Natividad Rd., Ste. 107-108  
Salinas, CA 93906

SUBJECT: Annual County Compliance Report

Dear Director Amie Miller:

The Department of Health Care Services (DHCS) is responsible for monitoring compliance to the requirements of the Drug Medi-Cal Organized Delivery System (DMC-ODS) Waiver and the terms of the Intergovernmental Agreement operated by Monterey County.

The County Compliance Unit (CCU) within the Audits and Investigations Division (A&I) of DHCS conducted a review of the County's compliance with contract requirements based on responses to the monitoring instrument, discussion with county staff, and supporting documentation provided by the County.

Enclosed are the results of Monterey County's State Fiscal Year 2019-20 DMC-ODS compliance review. The report identifies deficiencies, required corrective actions, new requirements, advisory recommendations, and referrals for technical assistance.

Monterey County is required to submit a Corrective Action Plan (CAP) addressing each compliance deficiency (CD) noted to the Medi-Cal Behavioral Health Division (MCBHD), Plan and Network Monitoring Branch (PNMB), County Monitoring Unit (CMU) Analyst by 2/27/2020. Please use enclosed CAP plan form when completing the CAP. CAP and supporting documentation to be e-mailed to the CMU analyst at [MCBHDMonitoring@dhcs.ca.gov](mailto:MCBHDMonitoring@dhcs.ca.gov).

If you have any questions regarding this report or need assistance, please contact me.

Sincerely,

Jessica Jenkins  
(916) 713-8577  
[jessica.jenkins@dhcs.ca.gov](mailto:jessica.jenkins@dhcs.ca.gov)

Audits and Investigations Division  
Medical Review Branch  
Behavioral Health Compliance Section  
County Compliance Unit  
1500 Capitol Ave., MS 2305  
Sacramento, CA 95814  
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Distribution:

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[MCBHDMonitoring@dhcs.ca.gov](mailto:MCBHDMonitoring@dhcs.ca.gov), County and Provider Monitoring Unit  
Andrew Heald, Substance Abuse Disorder Program Administrator

<b>Lead CCU Analyst:</b> Jessica Jenkins	<b>Date of Review:</b> January 2020  <b>Date of DMC-ODS Implementation:</b> 7/1/2018
<b>County:</b> Monterey	<b>County Address:</b> 1270 Natividad Rd., Ste. 107-108 Salinas, CA 93906
<b>County Contact Name/Title:</b> Andrew Heald/Substance Use Disorder Program Administrator	<b>County Phone Number/Email:</b> (831) 755-6383 HealdAB@co.monterey.ca.us
<b>Report Prepared by:</b> Jessica Jenkins	<b>Report Approved by:</b> Mayumi Hata

## REVIEW SCOPE

- I. Regulations:
  - a. Special Terms and Conditions (STCs) for California's Medi-Cal 2020 section 1115(a) Medicaid Demonstration STC, Part X: Drug Medi-Cal Organized Delivery System
  - b. Code of Federal Regulations, Title 42, Chapter IV, Subchapter C, Part 438; section 438.1 through 438.930: Managed Care
  
- II. Program Requirements:
  - a. State Fiscal Year (SFY) 2019-20 Intergovernmental Agreement (IA)
  - b. Mental Health and Substance Use Disorders Services (MHSUDS) Information Notices

**SUMMARY OF SFY 2019-20 COMPLIANCE DEFICIENCIES (CD)**

<b>Section:</b>	<b>Number of CD's:</b>
<b>1.0 Administration</b>	<b>1</b>
<b>2.0 Member Services</b>	<b>0</b>
<b>3.0 Service Provisions</b>	<b>0</b>
<b>4.0 Access</b>	<b>0</b>
<b>5.0 Coordination of Care</b>	<b>1</b>
<b>6.0 Monitoring</b>	<b>4</b>
<b>7.0 Program Integrity</b>	<b>4</b>
<b>8.0 Compliance</b>	<b>3</b>

**CORRECTIVE ACTION PLAN**

Pursuant to the Intergovernmental Agreement, Exhibit A, Attachment I, Part II, Section EE, 2 each CD identified must be addressed via a CAP. The CAP is due within thirty (30) calendar days of the date of this monitoring report. Advisory Recommendations (AR) are not required to be addressed in the CAP.

Please provide the following within the completed SFY 2019-20 CAP:

- a) A statement of the CD.
- b) A list of action steps to be taken to correct the CD.
- c) A date of completion for each CD.
- d) The name of the person who will be responsible for corrections and ongoing compliance.

The CMU liaison will monitor progress of the CAP completion.

## 1.0 ADMINISTRATION

A review of the administrative trainings, policies, and procedures was conducted to ensure compliance with applicable regulations and standards. The following deficiency in administration requirements was identified:

### COMPLIANCE DEFICIENCY:

#### **CD 1.6:**

#### Intergovernmental Agreement Exhibit A, Attachment I, 5, i, a, i-ii

- i. The Contractor shall follow the state's established uniform credentialing and re-credentialing policy that addresses behavioral and substance use disorders, outlined in DHCS Information Notice 18-019.
- ii. The Contractor shall follow a documented process for credentialing and re-credentialing of network providers.

#### MHSUDS Information Notice: 18-019

Attestation: For all network providers who deliver covered services, each provider's application to contract with the Plan must include a signed and dated statement attesting to the following:

1. Any limitations or inabilities that affect the provider's ability to perform any of the position's essential functions, with or without accommodation;
2. A history of loss of license or felony conviction;
3. A history of loss or limitation of privileges or disciplinary activity;
4. A lack of present illegal drug use; and
5. The application's accuracy and completeness

**Finding:** The Plan did not provide signed copies of credentialing attestations from three (3) of the Plan's network providers.

## 5.0 COORDINATION OF CARE

The following deficiency in Coordination of Care for regulations, standards, or protocol requirements was identified:

### COMPLIANCE DEFICIENCY:

#### **CD 5.21:**

#### Intergovernmental Agreement Exhibit A, Attachment I, II, G, 1

1. In addition to meeting the coordination and continuity of care requirements set forth in Article II.E.3, the Contractor shall develop a care coordination plan that provides for seamless transitions of care for beneficiaries with the DMC-ODS system of care. Contractor is responsible for developing a structured approach to care coordination to ensure that beneficiaries successfully transition between levels of SUD care (i.e. withdrawal management, residential, outpatient) without disruptions to services.

**Finding:** The Plan has not developed a care coordination plan that provides for seamless transitions of care for beneficiaries within the DMC-ODS system of care.



## 6.0 MONITORING

The following deficiencies in monitoring were identified:

### COMPLIANCE DEFICIENCIES:

#### **CD 6.24:**

Intergovernmental Agreement Exhibit A, Attachment I, III, OO, 1, i, d

1. Monitoring

i. Contractor's performance under this Exhibit A, Attachment I, shall be monitored by DHCS annually during the term is the Agreement. Monitoring criteria shall include, but not be limited to:

d. Contractor shall conduct annual onsite monitoring reviews of services and subcontracted services for programmatic and fiscal requirements. Contractor shall submit copy of their monitoring and audit reports to DHCS within two weeks of issuance. Reports should be sent by secure, encrypted e-mail to:

sudcountyreports@dhcs.ca.gov

Alternatively, mail to:

Department of Health Care Services  
SUD - Program, Policy and Fiscal Division  
Performance & Integrity Branch  
PO Box 997413, MS-2627  
Sacramento, CA 95899-7413

**Finding:** The Plan did not provide evidence of conducting onsite monitoring for fiscal requirements.

#### **CD 6.26**

Intergovernmental Agreement Exhibit A, Attachment I, III, OO, 1, i, d

1. Monitoring

i. Contractor's performance under this Exhibit A, Attachment I, shall be monitored by DHCS annually during the term is the Agreement. Monitoring criteria shall include, but not be limited to:

d. Contractor shall conduct annual onsite monitoring reviews of services and subcontracted services for programmatic and fiscal requirements. Contractor shall submit copy of their monitoring and audit reports to DHCS within two weeks of issuance. Reports should be sent by secure, encrypted e-mail to:

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PO Box 997413, MS-2627  
Sacramento, CA 95899-7413

**Finding:** The County did not submit any DMC-ODS fiscal monitoring reports to DHCS within two weeks of report issuance.

**CD 6.28**

Intergovernmental Agreement Exhibit A, Attachment I, III, EE, 2 & 5

2. If significant deficiencies or significant evidence of noncompliance with the terms of the DMC-ODS waiver, or this Agreement, are found in a county, DHCS shall engage the Contractor to determine if there are challenges that can be addressed with facilitation and technical assistance. If the Contractor remains noncompliant, the Contractor shall submit a CAP to DHCS. The CAP shall detail how and when the Contractor shall remedy the issue(s). DHCS may remove the Contractor from participating in the Waiver if the CAP is not promptly implemented.
5. The Contractor shall monitor and attest compliance and/or completion by providers with CAP requirements (detailed in Article III.DD) of this Exhibit as required by any PSPP review. The Contractor shall attest to DHCS, using the form developed by DHCS that the requirements in the CAP have been completed by the Contractor and/or the provider. Submission of DHCS Form 8049 by Contractor shall be accomplished within the timeline specified in the approved CAP, as noticed by DHCS.

**Finding:** The Plan did not submit Form 8049 attesting to compliance with CAPs by network providers regarding Post Service Post Payment.

**CD 6.35**

Intergovernmental Agreement Exhibit A, Attachment I, II, E, 3, iii, a-f

- iii. The Contractor shall implement procedures to deliver care to and coordinate services for all of its beneficiaries. These procedures shall meet Department requirements and shall do the following:
  - a. Ensure that each beneficiary has an ongoing source of care appropriate to his or her needs and a person or entity formally designated as primarily responsible for coordinating the services accessed by the beneficiary. The beneficiary shall be provided information on how to contact their designated person or entity.
  - b. Coordinate the services the Contractor furnishes to the beneficiary:
    - i. Between settings of care, including appropriate discharge planning for short-term and long-term hospital and institutional stays;
    - ii. With the services the beneficiary receives from any other managed care organization;
    - iii. With the services the beneficiary receives in FFS Medicaid; and
    - iv. With the services the beneficiary receives from community and social support providers.
  - c. Make a best effort to conduct an initial screening of each beneficiary's needs, within 90 calendar days of the effective date of enrollment for all new beneficiaries, including subsequent attempts if the initial attempt to contact the beneficiary is unsuccessful.

- d. Share with the Department or other managed care organizations serving the beneficiary, the results of any identification and assessment of that beneficiary's needs to prevent duplication of those activities.
- e. Ensure that each provider furnishing services to beneficiaries maintains and shares, as appropriate, a beneficiary health record in accordance with professional standards.
- f. Ensure that in the process of coordinating care, each beneficiary's privacy is protected in accordance with the privacy requirements in 45 CFR parts 160 and 164 subparts A and E and 42 CFR Part

**Finding:** The Plan's coordination of care procedures are not finalized and missing the following elements:

- Ensure that each beneficiary has an ongoing source of care...
- A person or entity responsible for coordinating the services.
- The beneficiary provided information on how to contact the designated person.
- Coordinate the services the Contractor furnishes to the beneficiary:
  - Between settings of care,
  - With the services the beneficiary receives from any other managed care organization.
  - With the services the beneficiary receives in FFS.
  - With the services the beneficiary receives from community and social support providers
  - Make a best effort to conduct an initial screening within 90...
  - Share with the Department results of any identification and assessment...
  - Ensure that each provider furnishing services to beneficiaries maintains and shares beneficiary health record...
  - Ensure beneficiary's privacy is protected in accordance with the privacy requirements in 45 CFR

## 7.0 PROGRAM INTEGRITY

The following deficiencies in quality regulations, standards, or protocol requirements were identified:

### COMPLIANCE DEFICIENCIES:

#### **CD 7.41:**

##### Intergovernmental Agreement Exhibit A, Attachment I, II, H, 5, ii, b & g

- ii. The arrangements or procedures shall include the following:
  - a. Provision for prompt reporting of all overpayments identified or recovered, specifying the overpayments due to potential fraud, to the Department.
  - g. Provision for the prompt referral of any potential fraud, waste, or abuse that the Contractor identifies to the Department Medicaid program integrity unit or any potential fraud directly to the State Medicaid Fraud Control Unit.

**Finding:** The Plan did not provide evidence of ensuring the prompt reporting of all overpayments to DHCS.

#### **CD 7.42:**

##### Intergovernmental Agreement Exhibit A, Attachment I, II, H, 5, v, b

- v. Treatment of recoveries made by the Contractor of overpayments to providers.
  - b. The Contractor shall have a mechanism for a network provider to report to the Contractor when it has received an overpayment, to return the overpayment to the Contractor within 60 calendar days after the date on which the overpayment was identified, and to notify the Contractor in writing of the reason for the overpayment.

**Finding:** The Plan did not provide evidence of ensuring that network providers properly report overpayments made by the Plan.

#### **CD 7.43:**

##### Intergovernmental Agreement Exhibit A, Attachment I, II, H, 5, v, c

- v. Treatment of recoveries made by the Contractor of overpayments to providers.
  - c. The Contractor shall annually report to the Department on their recoveries of overpayments.

#### MHSUD Information Notice 19-022

Consistent with Exhibit A, Attachment I of the Intergovernmental Agreement (IA), DMC-ODS counties must submit a completed and signed certification statement on county letterhead to ODSSubmissions@dhcs.ca.gov. The certification is required with each submission of the following data, documentation, and information:

- Annual report of overpayment recoveries;

The certification statement must be on county letterhead and conform to the following requirements:

- Indicate the current month during which all data, information, and documentation submitted to DHCS, as described above, is certified;
- Reference, with specificity, all types of data, information, and documentation described in the bulleted list above; and
- State that the data, information, and documentation to which the certification statement applies is “accurate, complete, and truthful” to the declarant’s “best information, knowledge, and belief.”

The Chief Executive Officer (CEO), the Chief Financial Officer (CFO), or an individual who reports to the CEO or CFO with the delegated authority to sign for the CEO or CFO, so that the CEO or CFO is ultimately responsible for the certification, must sign the certification statement. The attached DMC-ODS County Certification template includes the requirements described above.

**Finding:** The Plan did not provide evidence that they are ensuring overpayments are properly communicated to DHCS.

**CD 7.46:**

Intergovernmental Agreement Exhibit A, Attachment I, III, AA, 1-2 iv

1. In addition to complying with the subcontractual relationship requirements set forth in Article II E 8 of this Agreement, the Contractor shall ensure that all subcontracts require that the Contractor oversee and is held accountable for any functions and responsibilities that the Contractor delegates to any subcontractor.
2. Each subcontract shall:
  - iv. Ensure the Contractor monitors the subcontractor’s performance on an ongoing basis and subject it to an annual onsite review, consistent with statutes, regulations, and Article III.PP.

Intergovernmental Agreement Exhibit A, Attachment I, III, FF, 4, i, c-f

- i. The CalOMS-Tx business rules and requirements are:
  - c. Electronic submission of CalOMS-Tx data shall be submitted by Contractor within 45 days from the end of the last day of the report month.
  - d. Contractor shall comply with data collection and reporting requirements established by the DHCS CalOMS-Tx Data Collection Guide (Document 3J) and all former Department of Alcohol and Drug Programs Bulletins and DHCS Information Notices relevant to CalOMS-Tx data collection and reporting requirements.
  - e. Contractor shall submit CalOMS-Tx admission, discharge, annual update, resubmissions of records containing errors or in need of correction, and “provider no activity” report records in an electronic format approved by DHCS.
  - f. Contractor shall comply with the CalOMS-Tx Data Compliance Standards established by DHCS identified in (Document 3S) for reporting data content, data quality, data completeness, reporting frequency, reporting deadlines, and reporting method.

**Finding:** The following CalOMS Tx reports are non-compliant:

- Open Admissions Report
- Open Providers Report

## 8.0 COMPLIANCE

The following program integrity deficiencies in regulations, standards, or protocol requirements were identified:

### COMPLIANCE DEFICIENCIES:

#### **CD 8.50**

##### Intergovernmental Agreement Exhibit A, Attachment I, III, Y, 8, ii, v, a

- a. The Contractor agrees to cure transactions errors or deficiencies identified by DHCS, and transactions errors or deficiencies identified by an enrolled provider if the Contractor is acting as a clearinghouse for that provider. If the Contractor is a clearinghouse, the Contractor agrees to properly communicate deficiencies and other pertinent information regarding electronic transactions to enrolled providers for which they provide clearinghouse services.

**Finding:** The Plan has not resolved the following previous deficiencies identified by DHCS in SFY 2018-19 CD #4.26

#### **CD 8.52**

##### Intergovernmental Agreement Exhibit A, Attachment I, III, Y, 8, ii, v, a

- a. The Contractor agrees to cure transactions errors or deficiencies identified by DHCS, and transactions errors or deficiencies identified by an enrolled provider if the Contractor is acting as a clearinghouse for that provider. If the Contractor is a clearinghouse, the Contractor agrees to properly communicate deficiencies and other pertinent information regarding electronic transactions to enrolled providers for which they provide clearinghouse services.

**Finding:** The Plan has not resolved the following previous deficiencies identified by DHCS in SFY 2018-19 CD #7.43

#### **CD 8.53**

##### Intergovernmental Agreement Exhibit A, Attachment I, III, Y, 8, ii, v, a

- a. The Contractor agrees to cure transactions errors or deficiencies identified by DHCS, and transactions errors or deficiencies identified by an enrolled provider if the Contractor is acting as a clearinghouse for that provider. If the Contractor is a clearinghouse, the Contractor agrees to properly communicate deficiencies and other pertinent information regarding electronic transactions to enrolled providers for which they provide clearinghouse services.

**Finding:** The Plan has not resolved the following previous deficiencies identified by DHCS in SFY 2018-19 CD # 7.50

**TECHNICAL ASSISTANCE**

The County did not request Technical Assistance.