

**DEPARTMENT OF HEALTH CARE SERVICES  
AUDIT APPEALS PROCESS**

The Office of Administrative Hearings and Appeals (OAHA), provides an audit appeal process for the Department of Health Care Services (DHCS). This is the process used to appeal financial findings that involve Drug Medi-Cal (DMC) funds or both DMC and non-DMC funds.

An appeal may be filed with OAHA if a county or a direct service provider disagrees with any financial audit finding.

If an appeal is filed with OAHA, an informal review will be scheduled by OAHA to resolve the facts and issues in dispute. The results of the informal review will be provided to both parties in the form of a written Report of Findings and will be considered as final unless a request for a formal hearing is filed with OAHA.

In formal hearings conducted by OAHA, a hearing officer will consider all pertinent legal issues through oral and written testimony of the parties. Subsequently, a proposed decision by the hearing officer will be issued for consideration and approval of the Director of DHCS.

The procedures that govern an appeal are contained in Welfare and Institutions Code, Section 14171, and California Code of Regulations, Title 22, Section 51022.

The following process is required to initiate an appeal process:

1. A written request of disagreement and a copy of the audit report's cover letter must be sent to each of the following within 60 calendar days from the date you receive this letter:

Chief  
Department of Health Care Services  
Office of Administrative Hearing and Appeals  
1029 J Street, Suite 200  
Sacramento, CA 95814  
(916) 322-5603

**United States Postal Service (USPS)**

Assistant Chief Counsel  
Department of Health Care Services  
Office of Legal Services, MS 0010  
PO Box 997413  
Sacramento, CA 95899  
(916) 440-7700

**Courier (UPS, FedEx, etc.)**

Assistant Chief Counsel  
Department of Health Care Services  
Office of Legal Services, MS 0010  
1501 Capitol Avenue, Suite 71.5001  
Sacramento, CA 95814  
(916) 440-7700

2. The notice (referred to as a Statement of Disputed Issues) need not be formal, but it must be specific as to the issues in dispute, stating the specific grounds upon which objection to the specific item is based, and the estimated amount each issue involves.
3. The notice may incorporate by reference or paraphrase written disputes submitted to the county by a subrecipient/provider audited by DHCS. If incorporated by reference, a copy of the subrecipient/provider's written disputes should be attached.
4. The notice must be signed by an individual with the authority to represent the county or direct service provider, and the mailing address of that individual must be identified.
5. The Audit Appeals Coordinator will be responsible for further arrangements after receipt of the request.
6. A written Notice of Hearing of the time and place of the appeal proceedings will be mailed to each party at least thirty (30) calendar days before the date of these proceedings.