



BRADLEY P. GILBERT, MD, MPP
DIRECTOR

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



GAVIN NEWSOM
GOVERNOR

April 20, 2020

Deanna Eaves, Director, Compliance
Health Net Community Solutions, Inc.
1740 Creekside Oaks Drive, Suite 200
Sacramento, CA 95833

RE: Department of Health Care Services Medical Audit

Dear Ms. Eaves:

The Department of Health Care Services (DHCS), Audits and Investigations Division conducted an on-site Medical Audit of Health Net Community Solutions, Inc., a Managed Care Plan (MCP), from May 21, 2019 through May 31, 2019. The survey covered the period of May 1, 2018 through April 30, 2019.

On February 13, 2020, the MCP provided DHCS with additional information regarding its Corrective Action Plan (CAP) in response to the report originally issued on September 25, 2019.

All items have been reviewed and DHCS accepts the MCP's submitted CAP. The CAP is hereby closed. Full implementation of the CAP will be monitored on the subsequent audit. The enclosed report will serve as DHCS' final response to the MCP's CAP.

Please be advised that in accordance with Health & Safety Code Section 1380(h) and the Public Records Act, the final report will become a public document and will be made available on the DHCS website and to the public upon request.

If you have any questions, feel free to contact me at (916) 345-7829 or Anthony Martinez at (916) 345-7828.

Page 2

Sincerely,

Original Signed by

Michael Pank, Chief
Compliance Unit

Enclosures: Attachment A CAP Response Form

cc: Mary Cobb, Contract Manager
Department of Health Care Services
Medi-Cal Managed Care Division
P.O. Box 997413, MS 4408
Sacramento, CA 95899-7413

**ATTACHMENT A
Corrective Action Plan Response Form**



Plan: Health Net

Review Period: 5/01/2018-04/30/2019

Audit Type: Medical Audit and State Supported Services

Onsite Review: 05/21/2019-05/31/2019

MCPs are required to provide a CAP and respond to all documented deficiencies within 30 calendar days, unless an alternative timeframe is indicated in the letter. MCPs are required to submit the CAP in word format that will reduce turnaround time for DHCS to complete its review.

The CAP submission must include a written statement identifying the deficiency and describing the plan of action taken to correct the deficiency, and the operational results of that action. For deficiencies that require short-term corrective action, implementation should be completed within 30 calendar days. For deficiencies that require long-term corrective action or a period longer than 30 calendar days for implementation, the MCP must demonstrate it has taken remedial action and is making progress toward achieving an acceptable level of compliance. The MCP will be required to include the date when full compliance is expected to be achieved. **Policies and procedures submitted during the CAP process must still be sent to the MCP’s Contract Manager for review and approval in accordance with existing requirements.**

DHCS will maintain close communication with the MCP throughout the CAP process and provide technical assistance to ensure the MCP provides sufficient documentation to correct deficiencies. Depending on the volume and complexity of deficiencies identified, DHCS may require the MCP to provide weekly updates, as applicable.

| Deficiency Number and Finding | Action Taken | Supporting Documentation | Implementation Date* (*Short-Term, Long-Term) | DHCS Comments |
|----------------------------------|--------------|--------------------------|--|---------------|
| 1. Utilization Management | | | | |
| N/A | | | | |

| Deficiency Number and Finding | Action Taken | Supporting Documentation | Implementation Date* (*Short-Term, Long-Term) | DHCS Comments |
|--|--|---|--|---|
| 2. Case Management and Coordination of Care | | | | |
| <p>2.4.1 Non-Emergency Medical Transportation (NEMT) Physician Certification Statement (PCS) The Plan did not ensure subcontractors completed the DHCS approved PCS form.</p> | <p>1. A new NEMT audit tool element for review of PCS form completeness will be included in the annual audit of LogistiCare.</p> <p>2. LogistiCare has updated the policy and procedure for reporting pending and expired PCS forms to Health Net.</p> <p>3. Implementation of a monthly PCS form report to identify pending/expired PCS forms. The report will be utilized by the Plan to contact the provider to obtain a signed PCS form.</p> <p>4. PCS form receipts/ reporting has been added as a standing agenda item for the quarterly Joint Oversight Committee (JOC) meetings and monthly Vendor Oversight Committee (VOC) meetings.</p> | <p>1. NEMT Audit Tool</p> <p>2. LogistiCare Pending/Expired PCS Process P&P</p> <p>3. Pending PCS Form Report Template</p> <p>4. LOGISTICARE 2019 Q4 JOC AGENDA and LOGISTICARE VOC AGENDA TEMPLATE</p> | <p>1. October 2019; audit results expected by January 2020</p> <p>2. Policy updated October 2019</p> <p>3. Monthly report November 2019</p> <p>4. VOC - October 2019 JOC - December 2019</p> | <p>10/28/19 – The following documentation supports the MCP’s efforts to correct this finding:</p> <p>- “NEMT Audit Tool” which has been created by the MCP in order to track and monitor the completion of PCS forms. The NEMT Audit Tool tracks, level of service requested, whether PCS form was received or is on file, if reasonable attempts were made to collect the PCS form, and if level of service matches request on PCS form. Initial audit results expected by January 2020.</p> <p>- Updated P&P, “LogistiCare Circulation Pending/Expired PCS Process” (October 2019) which details that the MCP’s subcontractor will run a once a week report to identify providers who have not returned a completed PCS form for pending PCS forms and another report for PCS forms that are set to expire. An exceptions specialist will reach out to providers to request a completed PCS form for pending</p> |

| Deficiency Number and Finding | Action Taken | Supporting Documentation | Implementation Date* (*Short-Term, Long-Term) | DHCS Comments |
|-------------------------------|--------------|--------------------------|--|--|
| | | | | <p>requests and request a new PCS form for those that are expired. Providers identified with two or more requests for completed PCS forms will be reported to MCP on the Pending/Expired report.</p> <p>- “Pending PCS Form Template” which has been created by the MCP in order to track and monitor the start date and end date of the NEMT and NMT services.</p> <p>- “Health Net Vendor Oversight Committee Logisticare Agenda” (October 2019) and “Health Net Logisticare Joint Oversight Committee Agenda” (December 2019) as evidence that the MCP is documenting discussion regarding the status of the receipt and reporting of PCS forms by making this item as a standing agenda item.</p> <p>11/20/19 – The following documentation supports the MCP’s efforts to correct this finding:</p> <p>- Vendor Oversight Committee</p> |

| Deficiency Number and Finding | Action Taken | Supporting Documentation | Implementation Date* (*Short-Term, Long-Term) | DHCS Comments |
|---|--|---|---|---|
| | | | | <p>Logisticare Meeting Minutes (10/28/19) which provides evidence of documented review and discussion of the PCS Process and Pending PCS Report. The MCP is working on a report to identify those providers who are not responding to the requests to complete a PCS form. The MCP will organize a team to identify the non-responding providers and will make contact with the providers to facilitate receiving the completed PCS form. Updates will be reported out at future meetings on the status of the process and the report (page 7-8).</p> <p>This finding is closed.</p> |
| <p>2.5.1 Continuity of Care for Out-of-Network Providers The Plan improperly denied requests for continuity of care with out of network providers.</p> | <p>1. The Plan has updated the policy and procedures to implement and maintain a process to deliver continuity of care services according to contract and APL requirements.</p> <p>2. Review and training will be provided to staff with responsibility for processing</p> | <p>1. Updated Policy Number: MS1228-15444, Dated 10/16/2019</p> <p>2. Updated Work Processes dated 10/9/2019:</p> | <p>1. The updated Policy will be implemented 11/1/2019</p> <p>2. The Work Processes were implemented on</p> | <p>10/25/19 -The following documentation supports the MCP's efforts to correct this finding:</p> <p>- Updated P & P, Policy Number MS1228-15444: Continuity of Care with Terminated/Non-Contracted Providers – Medi-Cal (10/23/19), has been amended to comply with the continuity of care requirements</p> |

| Deficiency Number and Finding | Action Taken | Supporting Documentation | Implementation Date* (*Short-Term, Long-Term) | DHCS Comments |
|-------------------------------|---|---|--|--|
| | <p>COC requests.</p> <p>3. Monitoring of out of network COC requests will be included in the monthly Prior Authorization audit.</p> | <ul style="list-style-type: none"> • CA.LTSS.05.01 • PA CA SHP 37 | <p>10/9/2019 Training will be initiated on 11/4/2019</p> <p>3. November 2019</p> | <p>which includes the additions of EPSDT, COC Request Completion, and timeliness to support decisions. (Pages 6, 7, and 8). In addition to a COC guideline for pre-existing relationships for out of network providers. (Page 2)</p> <p>-Updated Work Process, CA.LTSS.05.01: continuity of Care for Medi-Cal (10/09/2019) has been amended to include timeframes and entry paths related to COC. Work Process outlines workflow for processing COC requests for FFS Medi-Cal beneficiaries who transition into the MCP including qualifications and processing of COC requests.</p> <p>Additionally, PPGs cannot deny COC request or direct members to an in network provider if COC request meets all necessary qualifications. Should a COC request that meets all necessary qualifications be denied, it is escalated to the MCP's Public Program Manager.</p> |

| Deficiency Number and Finding | Action Taken | Supporting Documentation | Implementation Date* (*Short-Term, Long-Term) | DHCS Comments |
|-------------------------------|--------------|--------------------------|--|--|
| | | | | <p>- Updated Work Process, PA CA SHP 37; Continuity of Care (10/9/19) which has been amended to include request and turnaround details as it related to the COC request.</p> <p>11/22/19 -The following additional documentation supports the MCP's subsequent efforts to correct this finding:</p> <p>- The following Webinars, PowerPoints, and Sign-in Sheets serve as evidence that the MCP has provided training in multiple business areas responsible for COC:</p> <ul style="list-style-type: none"> - PPG Training Webinar and Sign-in Sheet (11/20/19) - Public Programs COC Training Agenda and Sign-in Sheets (11/12/19) - Non-Clinical Continuity of Care Training and Sign-in Sheets (11/2019) |

| Deficiency Number and Finding | Action Taken | Supporting Documentation | Implementation Date* (*Short-Term, Long-Term) | DHCS Comments |
|---|---|---|--|---|
| | | | | <ul style="list-style-type: none"> - Clinical Continuity of Care Agenda and Attendee List (10/29/19) - CCC COC PowerPoint Presentation and Sign in Sheets (11/2019) - Monitoring/Audit Log “MM-OC- November” and “Public Programs COC July -September” as evidence of the MCP’s efforts to monitor new and existing members requests within the MCP for COC. This is being performed by multiple R.N.’s within the MCP and overseen by three Clinical Managers/V.P’s. The monthly audit report is being used to monitor COC requests, timeliness and improper denials. <p>This finding is closed.</p> |
| <p>2.5.2 Initiation of Continuity of Care (COC) Process The Plan did not process COC</p> | <p>1. The Plan has updated the Policy and procedures to clearly state required processing timeframes.</p> | <p>1. Updated Policy Number: MS1228-15444, Dated 10/16/2019</p> | <p>1. The updated Policy will be implemented 11/1/2019</p> | <p>10/28/19 -The following documentation supports the MCP’s efforts to correct this finding:</p> <ul style="list-style-type: none"> - Updated P & P, Policy Number |

| Deficiency Number and Finding | Action Taken | Supporting Documentation | Implementation Date* (*Short-Term, Long-Term) | DHCS Comments |
|--|--|---|--|--|
| requests within the required timeframes. | <p>2. Review and training will be provided to staff with responsibility for processing COC requests.</p> <p>3. Timeliness will be monitored via the monthly Prior Authorization audit.</p> | <p>2. Updated Work Processes dated 10/9/2019:</p> <ul style="list-style-type: none"> • CA.LTSS.05.01 • PA CA SHP 37 | <p>2. The Work Processes were implemented on 10/9/2019 Training will be initiated on 11/4/2019</p> <p>3. November 2019</p> | <p>MS1228-15444 (10/23/19), which has been amended to comply with the continuity of care requirements which includes the additions of EPSDT, COC Request Completion, and timeliness to support decisions. (Pages 6,7, and 8)</p> <p>- Updated P & P, CA.LTSS.05.01: Continuity of Care for Medi-Cal (10/2019) which has been amended to include timeframes and entry paths related to COC.</p> <p>- Updated Work Process, PA CA SHP 37; Continuity of Care (10/9/19) which has been amended to include request and turnaround details as it related to the COC request.</p> <p>11/22/19 - The following additional documentation supports the MCP's subsequent efforts to correct this finding:</p> <p>- The following Webinars, PowerPoints, and Sign-in Sheets serve as evidence that the MCP has provided training in multiple</p> |

| Deficiency Number and Finding | Action Taken | Supporting Documentation | Implementation Date* (*Short-Term, Long-Term) | DHCS Comments |
|-------------------------------|--------------|--------------------------|--|---|
| | | | | <p>business areas responsible for COC:</p> <ul style="list-style-type: none"> - PPG Training Webinar and Sign-in Sheet (11/20/19) - Public Programs COC Training Agenda and Sign-in Sheets (11/12/19) - Non-Clinical Continuity of Care Training and Sign-in Sheets (11/2019) - Clinical Continuity of Care Agenda and Attendee List (10/29/19) - CCC COC PowerPoint Presentation and Sign-in Sheets (11/2019) <p>- Monitoring/Audit Log “MM-OC- November” and “Public Programs COC July -September” is evidence of the MCP’s efforts to monitor new and existing members request within the plan for COC. This is being performed by multiple R.N.’s within the MCP and overseen by three</p> |

| Deficiency Number and Finding | Action Taken | Supporting Documentation | Implementation Date* (*Short-Term, Long-Term) | DHCS Comments |
|---|--|---|---|--|
| | | | | <p>Clinical Managers/V.P's. In addition to monitoring out of network COC requests, the monthly audits include reviews for processing COC request within the required timeframes.</p> <p>This finding is closed.</p> |
| <p>2.5.3 Continuity of Care for Serious Chronic Conditions The Plan improperly denied continuity of care for serious chronic conditions.</p> | <p>1. The Plan has updated the policy and procedures to:</p> <ul style="list-style-type: none"> • Clearly define "Serious Chronic Condition". • Clearly state that Health Net will provide for the Completion of Covered Services for Serious Chronic Conditions. • Have all continuity of care (COC) requests initially reviewed by a nurse to screen for: Medical Appropriateness, Member Needs, and Qualifying Medical Condition. <p>2. Review and training will be provided to staff with responsibility for processing COC requests.</p> | <p>1. Updated Policy Number: MS1228-15444, Dated 10/16/2019</p> <p>2. Updated Work Processes dated 10/9/2019:</p> <ul style="list-style-type: none"> • CA.LTSS.05. | <p>1. The updated Policy will be implemented 11/1/2019</p> <p>2. The Work Processes were implemented on 10/9/2019</p> | <p>10/28/19 - The following documentation supports the MCP's efforts to correct this finding:</p> <ul style="list-style-type: none"> - Updated P & P, Policy Number MS1228-15444 (10/23/19), which has been amended to comply with the continuity of care requirements which includes the additions of EPSDT, COC Request Completion, and timeliness to support decisions. (Page 6,7, and 8) - Updated P & P, CA.LTSS.05.01: continuity of Care for Medi-Cal (10/2019) which has been amended to include timeframes and entry paths related to COC. - Updated Work Process, PA CA SHP 37; Continuity of Care (10/9/19) |

| Deficiency Number and Finding | Action Taken | Supporting Documentation | Implementation Date* (*Short-Term, Long-Term) | DHCS Comments |
|-------------------------------|---|--------------------------|---|---|
| | 3. Monitoring of COC requests for improper denials will be included in the monthly Prior Authorization audit. | 01 • PA CA SHP 37 | Training will be initiated on 11/4/2019 3. November 2019 | which has been amended to include request and turnaround details as it related to the COC request. 11/22/19 - The following additional documentation supports the MCP's subsequent efforts to correct this finding: - The following Webinars, PowerPoints, and Sign-in Sheets serve as evidence that the MCP has provided training in multiple business areas responsible for COC: - PPG Training Webinar and Sign-in Sheet (11/20/19) - Public Programs COC Training Agenda and Sign-in Sheets (11/12/19) - Non-Clinical Continuity of Care Training and Sign-in Sheets (11/2019) - Clinical Continuity of Care Agenda and Attendee List (10/29/19) |

| Deficiency Number and Finding | Action Taken | Supporting Documentation | Implementation Date* (*Short-Term, Long-Term) | DHCS Comments |
|---|---|---|--|---|
| | | | | <ul style="list-style-type: none"> - CCC COC PowerPoint Presentation and Sign in Sheets (11/2019) - Monitoring/Audit Log “MM-OC-November” and “Public Programs COC July -September” as evidence of the MCP’s efforts to monitor new and existing members request within the plan for COC. This is being performed by multiple R.N.’s within the MCP and overseen by three Clinical Managers/V.P’s. The monthly audit is used as a monitoring tool to ensure improper denials are not occurring. <p>This finding is closed.</p> |
| 3. Access and Availability of Care | | | | |
| <p>3.1.1 Accessibility to Providers The Plan does not ensure that members receive appointments within the required timeframes. The Plan’s policy and</p> | <p>1. The Customer Contact Center (CCC) will send a communication to all CSRs instructing them to utilize all resources available to secure a member appointment to ensure timely access standards are met.</p> | <p>1. Network Adequacy Standards_v2</p> | <p>1. 11/30/2019</p> | <p>10/28/19 - The following documentation supports the MCP’s efforts to correct this finding:</p> <ul style="list-style-type: none"> - Network Adequacy Standards accurately reflects the timeframes for appointment availability. |

| Deficiency Number and Finding | Action Taken | Supporting Documentation | Implementation Date* (*Short-Term, Long-Term) | DHCS Comments |
|---|--|---------------------------------|---|---|
| <p>procedures conflicted with appointment timeframe requirements.</p> | <p>2. The CCC is in the process of updating the Accessibility of Providers P&P to ensure members receive appointments within the required timeframes. The CSR will follow the below steps to ensure appointments are secured within appropriate standards:</p> <ul style="list-style-type: none"> • Contact the existing provider to secure an appointment within standards. • If unsuccessful, the associate will locate an alternate in-network provider by utilizing all available tools and resources, and within reasonable geographic distance standards, to secure an appointment. • If an in-network provider is not available, the CSR will coordinate care from an out-of-network provider and secure an appointment. • The CSR will also offer to | | <p>2. 11/30/2019</p> | <p>02/13/20 - The following additional documentation supports the MCP's efforts to correct this finding:</p> <ul style="list-style-type: none"> - Customer Service Document from the Knowledgebase Management Database provides step-by-step instructions for the CSR to instruct CSRs on utilizing resources to obtain appointments within the required timeframe. - Policy CA.HNT.MBRS.27 Accessibility of Providers was updated to instruct CSRs when there is no provider availability to use the step-by-step Guide to assisting members with accessibility of providers. <p>Sign-in sheets for training on Accessibility of Providers serve as evidence CSRs were trained on the updated policy.</p> <ul style="list-style-type: none"> - Policy CA.NM.05 Appt Access Comm & SHP (10/10/19) was updated to reflect the two-week standard for first prenatal visits. |

| Deficiency Number and Finding | Action Taken | Supporting Documentation | Implementation Date* (*Short-Term, Long-Term) | DHCS Comments |
|-------------------------------|---|--------------------------|--|---|
| | <p>make transportation arrangements to accommodate the member's needs, if needed.</p> <ul style="list-style-type: none"> • If the member is expressing dissatisfaction about the inability to access their provider and we are able to resolve the issue, the CSR will capture the grievance, and log on the Exempt Grievance log, as required. • If the CSR is unable to resolve the member's issue by the end of the next business day, the CSR will forward the expression of dissatisfaction about the inability to access their provider to the Appeals and Grievances team for written acknowledgment and resolution; the CCC will continue to work on the member's issue until an appointment is secured within appropriate standards. | | | <p>- HNCS Provider Operations Manual (page 8) was updated to reflect the correct two week timeframe for first prenatal visit.</p> <p>This finding is closed.</p> |

| Deficiency Number and Finding | Action Taken | Supporting Documentation | Implementation Date* (*Short-Term, Long-Term) | DHCS Comments |
|--|--|---|--|---|
| | <p>3. The CCC CSRs will be trained on the revised policy.</p> <p>4. HNCS will update P&P “CA.NM.05 Appointment Access for Commercial and SHP” to ensure that the First Prenatal Visit standard, reflects “2 weeks”.</p> <p>5. The Plan will update the HNCS Provider Operations Manual to reference the two weeks appointment standard for First Prenatal Visit.</p> | | <p>3. 11/30/2019</p> <p>4. 11/30/2019</p> <p>5. 11/30/2019</p> | |
| <p>3.3.1 Emergency and Family Planning Claims Processing The Plan did not meet contract requirements to pay 90% of all clean claims within 30 days of the date of receipt and 99% of all clean claims within 90 days.</p> | <p>1. The Plan has created a weekly report that shows current inventory of claims for Emergency Room and Family Planning claims to monitor claims aging according to required turn-around times.</p> <p>2. The Plan implemented a monitoring process via a monthly report to capture all clean Emergency and Family Planning claims to ensure turn-around times are being met.</p> | <p>1. MCL_INVENTO RY_WKLY_Template</p> <p>2. FP and ER TAT Monthly Report</p> | <p>1. 9/23/2019</p> <p>2. 9/1/2019</p> | <p>10/28/19 - The following documentation supports the MCP’s efforts to correct this finding:</p> <ul style="list-style-type: none"> - MCL Inventory Weekly Template used by MCP to monitor claims aging according to required turnaround time. - Family Planning and Emergency Room Turn-around-Time Monthly Monitoring Report to capture all clean emergency and family planning claims to ensure turnaround times |

| Deficiency Number and Finding | Action Taken | Supporting Documentation | Implementation Date* (*Short-Term, Long-Term) | DHCS Comments |
|---|--|---|--|---|
| | 3. Additional staff was hired in June 2019 to support claims processing. | | 3. June 2019 | <p>are being met.</p> <p>11/19/19 - The following additional documentation supports the MCP's efforts to correct this finding:</p> <p>- MCL Inventory Report from 11/11/19 serves as evidence that the MCP is currently monitoring claims aging according to turn-around time.</p> <p>This finding is closed.</p> |
| 4. Member Rights | | | | |
| <p>4.1.1 Potential Quality Issues (PQI) Related to Grievances</p> <p>The Plan's grievance system process did not consistently collect, aggregate, and analyze grievance data for QI by the organization. The Plan's system did not ensure a control mechanism for addressing grievance</p> | <p>The Plan updated policies to reflect clearly defined oversight, monitoring and controls used to ensure PQIs are collected and analyzed systematically. The process includes feedback and follow up with contractors and delegates.</p> <p>The Plan will conduct more in-depth analysis of QI reviews as follows on a semiannual or more frequent basis:</p> <ul style="list-style-type: none"> • Systematic review of cases involving chaperone, site, | <p>HN.PR.02_PEE R REVIEW COMMITTEE POLICY</p> <p>HN.QI.01_Follow-up on Quality of Care Concerns</p> | <p>1/1/2020</p> <p>1/1/2020</p> | <p>10/28/19 – The following documentation supports the MCP's efforts to correct this finding:</p> <ul style="list-style-type: none"> - Updated P&P, “HN.PR.02: Peer Review Committee Policy” (10/2019) which has been amended to include clear oversight, monitoring, and controls used to ensure that PQIs are collected and analyzed systematically. QOC issues and providers/practitioners with QOC/QOS trends will be |

| Deficiency Number and Finding | Action Taken | Supporting Documentation | Implementation Date* (*Short-Term, Long-Term) | DHCS Comments |
|---|---|--------------------------|--|---|
| related PQI information for follow-up and integration within the network for process improvement. | <p>and medical record non-compliance/non-responsiveness.</p> <ul style="list-style-type: none"> • Special handling review of assigned practitioners and/or providers, including focused track and trend with follow up provided to other internal departments (i.e., PNM, Delegation Oversight, Contracting, SIU, etc.), as applicable. • Analysis of reported low-level (0 & 1) PQIs, QOCs, QOS and exempt grievances; identifying the top 10 practitioner/provider outliers for reporting to the Peer Review Sub-Committee for determination and action which may include a corrective action plan or escalation to the main committee. Additional, affected internal departments will be advised if a process improvement opportunity is identified. | | | <p>reviewed, addressed, and have action taken by a Peer Review Committee (PRC). In-depth analysis of QI reviews will be over the course of a rolling six-month period.</p> <ul style="list-style-type: none"> - Updated P&P, “HN.QI.01: Follow-Up Quality of Care Concerns” (10/2019) which has been amended to include in any case, regardless of leveling, may be escalated for PRC presentation as determined by Appeals & Grievances (A&G), internal Medical Directors or other Health Net health care professional. <p>11/15/19 – The following additional documentation submitted supports the MCP’s subsequent efforts to correct this finding:</p> <ul style="list-style-type: none"> - Tracking Report template, “OC_PR_Tracking Report_DHCS_HNCS_Submittal” as evidence that the actions described in policies |

| Deficiency Number and Finding | Action Taken | Supporting Documentation | Implementation Date* (*Short-Term, Long-Term) | DHCS Comments |
|-------------------------------|--|--------------------------|--|---|
| | Staff training for the updated review and analysis procedures will be conducted. | | 1/1/2020 | <p>are executed on an ongoing and consistent basis.</p> <ul style="list-style-type: none"> - An email (11/15/19) which includes a description of the tracking report stated above. The first tab of the spreadsheet “details how and when incoming cases are received and assigned, demographic information, as well as, case classifications, case leveling, Peer Review Committee and other actions taken.” The subsequent tabs of Track & Trend Review, Low-Level Review, Quarterly Review LL, Special Handling Review, and Six-Month Review were added to “ensure robust and focused analysis of trended data and the Peer Review Committee Interventions.” - Training materials, “2020 Policy Training” (11/12/19) and sign-in sheets as evidence that staff received training. The training materials address |

| Deficiency Number and Finding | Action Taken | Supporting Documentation | Implementation Date* (*Short-Term, Long-Term) | DHCS Comments |
|-------------------------------|--------------|--------------------------|--|---|
| | | | | <p>the policies and procedures that have been updated to outline the changes that will ensure continued compliance with state and federal regulatory requirements.</p> <p>12/13/19 – The following additional documentation submitted supports the MCP’s subsequent efforts to correct this finding:</p> <ul style="list-style-type: none"> - Written narrative, “Health Net Peer Review Committee – Advisement Letter Process” that describes the advisement letter process. This process is to “address practitioners and providers who have received member complaints, per internal Medical Director review, do not warrant review by the PRC, but do require written advisement.” - Tracking report, “OC_PR_TRACKING REPORT DHCS for HNCS” that includes open and closed cases of PQI and QOC issues. |

| Deficiency Number and Finding | Action Taken | Supporting Documentation | Implementation Date* (*Short-Term, Long-Term) | DHCS Comments |
|-------------------------------|--------------|--------------------------|--|---|
| | | | | <ul style="list-style-type: none"> • Case #OC-478 is an open case which is a case management referral. Once case is closed, it will be reported to the committee as a closed case. • Case #OC-558 is a closed case. The case was escalated from an advisement letter request to a peer review case (#PR-1837). Case #PR-1837 is an open case. • Case #OC-626 is a closed case. <p>- Peer Review Sub-Committee and Peer Review Committee meeting minutes (05/08/19 and 05/30/19) which provide evidence of documented review and discussion of case #OC-558/#PR-1837 and #OC-626 are being followed up by the Peer Review Committee. Minutes show how the case/advisement letter is presented to the committee after it is closed and how</p> |

| Deficiency Number and Finding | Action Taken | Supporting Documentation | Implementation Date* (*Short-Term, Long-Term) | DHCS Comments |
|---|--|--------------------------|--|---|
| | | | | <p>review and approval of the advisement letter report is documented in the meeting minutes.</p> <p>01/22/20 – The following additional documentation submitted supports the MCP’s subsequent efforts to correct this finding:</p> <ul style="list-style-type: none"> - An email (01/22/20) as evidence that MCP confirmed they have implemented the revised process on 01/01/2020. <p>This finding is closed.</p> |
| 5. Quality Management | | | | |
| <p>5.1.1 Community Provider Participation Review of attendance indicates minimal involvement and attendance by community providers which is not sufficient to achieve Plan’s</p> | <p>In order to recruit additional community physicians to participate in our UM/CI committee, we instituted the following initiatives:</p> <p>1. The Plan invited participation from IPA physicians in our network. Two community physicians from a large IPA in</p> | | <p>1. 9/1/2019</p> | <p>11/20/19 – The following documentation supports the MCP’s efforts to correct this deficiency:</p> <ul style="list-style-type: none"> - MCP UM/CI Committee oversight encompasses the following lines of business: Medi-Cal, Cal MediConnect, and Medi-Cal Managed Dental Program and includes practitioners, institutional |

| Deficiency Number and Finding | Action Taken | Supporting Documentation | Implementation Date* (*Short-Term, Long-Term) | DHCS Comments |
|---------------------------------------|---|---------------------------------|---|--|
| objectives for accountability and QI. | <p>Los Angeles County have expressed interest and we are finalizing logistical details to ensure their participation.</p> <p>2. The Plan invited participation from FQHC physicians in our network. One community physician from a San Joaquin County FQHC has agreed to join starting with the first 2020 meeting.</p> <p>3. The Plan reached out to the CMO of CalViva Health seeking community physician referrals from the Madera, Fresno, and Kings County area.</p> | | <p>2. 9/30/2019</p> <p>3. 10/1/2019</p> | <p>providers, health delivery organizations, ancillary providers and all subcontractors.</p> <p>Voting members are appointed by the Chair (Chief Medical Officer) from California. Voting member criteria includes:</p> <ul style="list-style-type: none"> • Willingness to serve and actively participate • Commitment to attend all meetings • Absence of any conflict of interest <p>- 2019 UM/QI Committee Charter, "Health Net Community Solutions UM/QI Committee" (02/07/19) as evidence that the MCP's voting membership includes at least four (4) external network physicians. The 2020 Charter will be reviewed for edits to Section VI in order to increase external network physician membership to at least six (6).</p> <p>- Written email (11/20/19) advising that MCP has recruited three additional community physicians to</p> |

| Deficiency Number and Finding | Action Taken | Supporting Documentation | Implementation Date* (*Short-Term, Long-Term) | DHCS Comments |
|--|---|---|--|---|
| | | | | <p>join the MCP's UMQI Committee. New members are to begin participation on 02/13/20.</p> <p>-UM/QI Community Meeting Agenda and meeting minutes (02/13/20) as evidence that new community physicians have been recruited as voting members.</p> <p>This finding is closed.</p> |
| <p>5.1.2 Potential Quality Improvement (PQI) Issues The Plan did not conduct a complete QI review and did not follow up with providers.</p> | <p>The Plan updated policies to clearly define the process to ensure comprehensive PQI reviews; including practitioner/provider follow up.</p> <p>The Peer Review Criteria were revised to emphasize the ability of Medical Directors and Investigations Team members to escalate cases as necessary.</p> <ul style="list-style-type: none"> Any practitioner or provider case that is leveled 0, 1 or 2 and is determined to require an advisement letter, corrective action plan, or | <p>HN.PR.02_PEE R REVIEW COMMITTEE POLICY</p> <p>HN.QI.01_Follow-up on Quality of Care Concerns</p> | <p>1/1/2020</p> | <p>10/28/19 – The following documentation supports the MCP's efforts to correct this deficiency:</p> <p>- P&P, "HN.PR.02: Peer Review Quality Improvement" (10/20/19) with an effective date of 01/01/20, outlines the MCP's processes for receiving, reviewing, investigating, intervening, and documenting interventions relating to identified Potential Quality Issues (PQIs) and Quality of Care and Service (QOC/QOS) issues. The policy has been amended to include that any practitioner or provider case determined to require an advisement letter, a corrective action plan, or</p> |

| Deficiency Number and Finding | Action Taken | Supporting Documentation | Implementation Date* (*Short-Term, Long-Term) | DHCS Comments |
|-------------------------------|--|--------------------------|--|---|
| | <p>further review by a Medical Director, will be referred to the Investigations Team , and submitted to the Peer Review Committee for review, determination and/or additional action.</p> <p>More in-depth analysis of QI reviews will be conducted as follows on a semiannual or more frequent basis:</p> <ul style="list-style-type: none"> Analysis of reported low-level (0 & 1) PQIs, QOCs, QOS and exempt grievances; identifying the top 10 practitioner/provider outliers for reporting to the Peer Review (PR) Sub-Committee for determination and action. Action taken by the PR Sub-Committee may include direct follow up with practitioners/providers and/or involvement of other internal departments (i.e., PNM, Delegation | | | <p>further review by a Medical Director will be referred to the Investigations Team for investigation and submitted to the Peer Review Committee (PRC) for review, determination, and/or appropriate action.</p> <p>Actions include requests for additional information about a practitioner’s involvement, issuance of an education letter, issuance of a letter of concern, or imposition of corrective action. P&P includes contracted entities contractual obligations, as well as potential penalties for failure to respond, which may include termination from the MCP network.</p> <p>- P&P, “HN.QI.01: “Follow Up on Quality of Care Concerns” (10/20/19) with an effective date of 01/01/20, has been amended to include that the MCP’s Quality Management Program, monitors and evaluates the care provided to its enrollees by the MCP’s network of practitioners, providers and other contracting entities. Through review of Member</p> |

| Deficiency Number and Finding | Action Taken | Supporting Documentation | Implementation Date* (*Short-Term, Long-Term) | DHCS Comments |
|--------------------------------------|---|---------------------------------|---|---|
| | <p>Oversight, Contracting, SIU, etc.), as applicable.</p> <p>The Plan will conduct staff training for the updated review and analysis procedures.</p> | | 1/1/2020 | <p>Appeals and Grievances, provider complaints, review of practitioner and provider performance and site visits, evaluation of utilization of services and facilities, and referrals from member satisfaction activities, as well as through the MCP's internal quality assessment process, addresses quality of care issues.</p> <p>Action is taken to improve care where deficiencies are identified and follow-up is planned where indicated. The process is designed to address all contracting practitioners, providers and entities. The system's oversight is provided by Health Net's Medical Directors with participation from the MCP's contracting practitioners and providers.</p> <p>-Staff training and sign-in sheets as evidence staff was trained on the revised PQI review process. Training was conducted on 11/12/19, 11/21/19, and 12/19/19. Revised policies and desktop procedure became effective 01/01/20.</p> |

| Deficiency Number and Finding | Action Taken | Supporting Documentation | Implementation Date* (*Short-Term, Long-Term) | DHCS Comments |
|---|---|--------------------------|--|---|
| | | | | This finding is closed. |
| 6. Administrative and Organizational Capacity | | | | |
| <p>6.2.1 Fraud and Abuse Policies and Procedures The Plan's Policy and Procedure did not include the contract requirement of reporting to DHCS all cases of suspected abuse.</p> | <p>The Plan amended the language in policy CC.COMP.16 to align with the contractual requirements of reporting cases of suspected abuse to the Department.</p> | <p>CC.COMP.16</p> | <p>10/1/2019</p> | <p>12/05/19 – The following documentation supports the MCP's efforts to correct this finding:</p> <ul style="list-style-type: none"> - Updated Policy and Procedure "CC.COMP.16" (Attachment E, rev. December 2019, pp 29, 42). The P&P was updated to include contract language from the current signed contract with DHCS. ("Prompt referral of any potential Fraud, Waste, or Abuse that Contractor identifies to the DHCS Audits and Investigations Intake Unit. Contractor shall conduct, complete, and report to DHCS, the results of a preliminary investigation of the suspected fraud and/or abuse within 10 working days of the date Contractor first becomes aware of, or is on notice of, such activity." (Reference to the contract signed by Health Net on 11/26/19) <p>This finding is closed.</p> |

| Deficiency Number and Finding | Action Taken | Supporting Documentation | Implementation Date* (*Short-Term, Long-Term) | DHCS Comments |
|---------------------------------|--------------|--------------------------|--|--|
| | | | | <p>“Acknowledgement Corporate Compliance Guidelines” affirming that the SIU investigators will complete the form (MC 609) upon opening a case for suspected FWA.</p> <p>Results of proposed CAP will be evaluated in the consecutive audit.</p> <p>The finding is closed.</p> |
| State Supported Services | | | | |
| N/A | | | | |

Submitted by: Christy Bosse
Title: Vice President and Medi-Cal Compliance Officer

Date: 10/28/2019