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

MICHELLE BAASS
DIRECTOR

GAVIN NEWSOM
GOVERNOR

April 19, 2022

Richard Golfin III, Chief Compliance Officer
Alameda Alliance for Health
1240 S Loop Road
Alameda, CA 94502

RE: Department of Health Care Services Medical Audit

Dear Mr. Golfin:

The Department of Health Care Services (DHCS), Audits and Investigations Division conducted a Focused Audit of Alameda Alliance for Health, a Managed Care Plan (MCP), beginning on November 10, 2020. The audit covered the period of October 1, 2018 through September 30, 2020.

On October 15, 2021, the MCP provided DHCS with additional information regarding its Corrective Action Plan (CAP) in response to the report originally issued on March 1, 2021.

All items have been evaluated and DHCS accepts the MCP's submitted CAP. The CAP is hereby closed.

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) 345-7825 or Joshua Hunter at (916) 345-7830.

Sincerely,

[Signature on file]

Lyubov Poonka, Chief
Compliance Unit
Managed Care Quality and Monitoring Division
Department of Health Care Services

Enclosures: Attachment A, CAP Response Form

cc: Tia Elliot, 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: Alameda Alliance for Health **Review Period: 10/1/18 – 9/30/20**

Audit Type: Focused Audit **Onsite Review: 11/10/20**

CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES

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
Medically Necessary Covered Services				
1. Medically Necessary Covered Services The Plan denied	1. The Plan and Kindred Hospital renegotiated its hospital agreement with an effective date of February 1, 2021. The Alliance and Kindred agreed to	1. Alameda Alliance and Kindred Hospital Amendment 3.	1. 2/1/2021	**4/6/21** - The following documentation supports the MCP's efforts to correct this finding:

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payment to a contracted hospital for continued treatment of Plan members with chronic medical conditions. Hence, the Plan did not provide for all medically necessary covered services for members. The Plan placed medical necessity limits on long term acute care (LTAC) services for members with ongoing or chronic conditions. When the members no longer met medical necessity criteria for LTAC services but continued to have ongoing needs, the Hospital continued to provide the needed care but the Plan denied payment. Members remained	a step down approach where Alliance will authorize care at the appropriate level and work in conjunction with hospital toward an appropriate discharge. The rate paid by Plan will be equal to the medical surgical rate. Please see *Section 3.6 Utilization Management* of the Alameda Alliance and Kindred Hospital Contract Amendment. 2. The Plan and Kindred have a meeting set up for April 6, 2021 at 3:30 PM. The goal of this meeting is to finalize the cases in arbitration and any other outstanding claims.		2. In progress, 2021	- AAH and Kindred Hospital Amendment 3 serves as documentation the MCP and Kindred Hospital have renegotiated its hospital agreement for the hospital and the MCP to cooperate to facilitate and coordinate discharge planning of the patient to the care of a participating provider in the MCP's network appropriate to the patients care requirements. In the event, the Plan is unable to find an appropriate provider willing to accept responsibility for the patient's care pending discharge from Kindred Hospital, the MCP will continue to reimburse Hospital for the services at the agreed reimbursement rate. **9/1/21** - The following additional documentation supports the MCP's efforts to correct this finding: - Email communication received

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hospitalized because more appropriate level of care could not be arranged for days or months later due to multiple barriers to placement.				from MCP on 9/1/21 confirmed all outstanding claims have been resolved between the MCP and Kindred. **This finding is closed.**
Concurrent Reviews				
1. Written Criteria for Concurrent Review Decisions The Plan did not apply written criteria for each concurrent review of continued long term acute care (LTAC) services throughout members' hospital stays.	1. The Plan reviewed and revised the following P&P: a. UM-003 Concurrent Review and Discharge Planning Process to reflect frequency of reviews throughout the members' hospital stay, including after a NOA is sent, and the use of standard Utilization Review procedures. Policy and Procedure will be approved at the HCQC on 5/20/2021. b. The Plan's standard review procedures include applying written criteria for each review. The Plan's standard utilization review procedures are reflected in Plan's P&P UM-057 and in	1. List of P&Ps: a. UM-003 Concurrent Review and Discharge Planning. b. UM-057 Authorization Service Request and UM-054 Notice of Action.	1. 4/1/2021	**4/6/21** - The following documentation supports the MCP's efforts to correct this finding: - Policy UM-003 was updated to reflect the frequency of reviews throughout the member's stay at the hospital. The minimum review frequency is 2 weeks or when the member's condition changes. NOAs are sent to members and requesting providers. Qualified physicians review all denials of continued, acute and long-term acute care services throughout members' hospital stay. - Policy UM-054 and Policy UM-057 describe the MCP's

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	UM-054 Notice of Action. 2. The Plan will train its Utilization Management staff involved in the Concurrent Review process of the change. The training will be documented with training materials and attendance records. 3. The Plan will audit the Concurrent review process after Q2 2021 to ensure that process are followed and implemented accordingly. 4. The Plan will report the results of the Concurrent review process to the UM Committee on a quarterly basis, starting Q4 2021.	2. Training on Review Frequency and Process and Workflow for IP Reviews and Denial NOAs Frequency	2. 5/1/2021 3. 7/1/2021 4. 10/1/2021	procedures for using written criteria for medical decisions. - Post Denial Review Process Training and Workflow for IP reviews identifies and describes the process for continued stay review of admissions in denied status. Including the use of written criteria **5/24/21** - The following additional documentation supports the MCP's efforts to correct this finding: - Training on Review Frequency and Process and meeting invite demonstrate that the MCP conducted its concurrent review training for UM staff involved in the concurrent review process. **7/16/21** - The following additional documentation supports the MCP's efforts to correct this finding:

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				- Email communication from 7/16/21 and audit tool from May – June 2021 Inpatient NOA demonstrate the MCP conducted its internal audit of it concurrent review process as planned. The application of written criteria was included in the audit. The data from the tool the MCP achieved 100% compliance. - Email communication from 7/16/21, MCP confirmed audit results will be reported at the UM Committee Meeting on 7/30/21 and on a quarterly basis thereafter. **This finding is closed.**
2. Concurrent Review Denial by Physician The Plan did not document that qualified physicians reviewed all denials of	1. The Plan reviewed and revised the following P&P: a. UM-003 Concurrent Review and Discharge Planning Process to reflect frequency of reviews throughout the members' hospital stay, including	1. List of P&Ps: a. UM-003 Concurrent Review and Discharge Planning. b. UM-057	1. 4/1/2021	**4/6/21** - The following documentation supports the MCP's efforts to correct this finding: - Policy UM-003 was updated to reflect the frequency of reviews throughout the member's stay

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continued long term acute care (LTAC) services throughout members' hospital stays.	after a NOA is sent, and the use of standard Utilization Review procedures. Policy and Procedure will be approved at the HCQC on 5/20/2021. b. The Plan's standard review procedures include the requirement that qualified physicians review all denials of care. The Pan's standard utilization review procedures are reflected in the Plan's P&P UM-057 and in UM-054 Notice of Action. 2. The Plan will train its Utilization Management staff involved in the Concurrent Review process of the change. The training will be documented with training materials and attendance records. 3. The Plan will audit the Concurrent review process	Authorization Service Request and UM-054 Notice of Action. 2. Training on Review Frequency and Process and Workflow for IP Reviews and Denial NOAs Frequency	2. 5/1/2021 3. 7/1/2021	at the hospital. The minimum review frequency is 2 weeks or when the member's condition changes. NOAs are sent to members and requesting providers. Qualified physicians review all denials of continued, acute and long-term acute care services throughout members' hospital stay. - Policy UM-054 and Policy UM-057 state that qualified medical physicians review all denials. - Post Denial Review Process Training and Workflow for IP reviews identifies and describes the process for continued stay review of admissions in denied status. Including the use of a medical director to review all denials. **5/24/21** - The following additional documentation supports the MCP's efforts to correct this finding:

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	after Q2 2021 to ensure that process are followed and implemented accordingly. 4. The Plan will report the results of the Concurrent review process to the UM Committee on a quarterly basis, starting Q4 2021.		4. 10/1/2021	- Training on Review Frequency and Process and meeting invite demonstrate that the MCP conducted its concurrent review training for UM staff involved in the concurrent review process. **7/16/21** - The following additional documentation supports the MCP's efforts to correct this finding: - Email communication from 7/16/21 and audit tool from May – June 2021 Inpatient NOA demonstrate the MCP conducted its internal audit of it concurrent review process as planned. Confirming MD denial dates was included in the audit tool data. - Email communication from 7/16/21, MCP confirmed audit results will be reported at the UM Committee Meeting on 7/30/21 and on a quarterly basis thereafter.

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				This finding is closed.
3. Notice of Action and "Your Rights" Notifications The Plan did not notify members and the hospital of continued denial of long term acute care (LTAC) services through NOA letters and "Your Rights" attachments for each concurrent review throughout the members' hospital stays.	1. The Plan reviewed and revised the following P&P: a. UM-003 Concurrent Review and Discharge Planning Process to reflect frequency of reviews throughout the members' hospital stay, including after a NOA is sent, and the use of standard Utilization Review procedures. Policy and Procedure will be approved at the HCQC on 5/20/2021. b. The Plan's standard review procedures include the requirement that members and providers are notified of denial by being given a NOA letter with the "Your Rights" attachments. The Plan's standard utilization review procedures are reflected in UM-057 and in UM-054 Notice of Action. 2. The Plan will train its	1. List of P&Ps: a. UM-003 Concurrent Review and Discharge Planning. b. UM-057 Authorization Service Request and UM-054 Notice of Action. 2. Training on	1. 4/1/2021 2. 5/1/2021	**4/6/21** - The following documentation supports the MCP's efforts to correct this finding: - Policy UM-003 was updated to reflect the frequency of reviews throughout the member's stay at the hospital. The minimum review frequency is 2 weeks or when the member's condition changes. NOAs are sent to members and requesting providers. Qualified physicians review all denials of continued, acute and long-term acute care services throughout members' hospital stay. - Policy UM-054 and Policy UM-057 to include the requirement that members and providers are notified of denial by being given a NOA letter with the "Your Rights" attachments. **5/24/21** - The following

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	Utilization Management staff involved in the Concurrent Review process of the change. The training will be documented with training materials and attendance records. 3. The Plan will audit the Concurrent review process after Q2 2021 to ensure that process are followed and implemented accordingly. 4. The Plan will report the results of the Concurrent review process to the Utilization Management Committee on a quarterly basis, starting Q4 2021.	Review Frequency and Process and Workflow for IP Reviews and Denial NOAs Frequency	3. 7/1/2021 4. 10/1/2021	additional documentation supports the MCP's efforts to correct this finding: - Training on Review Frequency and Process and meeting invite demonstrate that the MCP conducted its concurrent review training for UM staff involved in the concurrent review process. **7/16/21** - The following additional documentation supports the MCP's efforts to correct this finding: - Email communication from 7/16/21 and audit tool from May – June 2021 Inpatient NOA demonstrate the MCP conducted its internal audit of it concurrent review process as planned. Date of sent NOAs was included in the audit data. - Email communication from 7/16/21, MCP confirmed audit results will be reported at the UM Committee Meeting on

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				7/30/21 and on a quarterly basis thereafter. **This finding is closed.**
4. Notice of Action Content The Plan provided unclear information about the Plan's decision for denial of long term acute care (LTAC) services in the only NOA letters that were issued to members and the Hospital. Letters contained inaccurate information about denied dates and requesting providers.	1. The automated section of the NOA letter generated by the Plan's system of record, TruCare, was incorrectly configured and displayed inaccurate information about the requesting LTAC provider and the dates of denial. The Plan's system of record, TruCare, was re-configured to display the correct dates and correct requesting provider in the automated portion of the NOA letters. 2. The Plan's In-Patient Utilization Management Leadership will continue to audit the NOA letters to ensure that they contain accurate information and meet the regulatory requirements. 3. The Plan will report the results	1. Redacted NOA example after reconfiguration	1. 12/12/2020 2. 5/1/2020 3. 7/1/2020	**4/6/21** - The following documentation supports the MCP's efforts to correct this finding: - Example of NOA letter after re-configuration of TruCare. The NOAs produced by the re-configured system now display accurate dates and requesting provider information. **7/16/21** - The following additional documentation supports the MCP's efforts to correct this finding: - Email communication from 7/16/21, MCP confirmed audit results at the UM Committee Meeting on 7/30/21. - Audit Tool from 5/1/21 – 6/30/21 demonstrated the Plan

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	of NOA letter audit at Utilization Management Committee on a quarterly basis, starting Q3 2021.			is actively monitoring its NOA content. The Plan updated the configuration of its system of record TruCare to display the correct dates and correct requesting provider in the automated portion of the NOA letters. They submitted an example of a NOA after the re-configuration. The UM team audits NOA letters to ensure they contain accurate info. The Plan submitted an example of their completed audit templates from 5/1/21 – 6/30/21 **This finding is closed.**
Delegation of Utilization Management				
1. Delegation Oversight of Concurrent Reviews The Plan did not ensure the Delegate	1. The Plan's revised policy UM-003 Concurrent Review and Discharge Planning Process and the revised process expectations were shared with Delegate on 3/26/2021.	1. UM-003 Concurrent Review and Discharge Planning.	1. 3/26/2021	**4/6/21** - The following documentation supports the MCP's efforts to correct this finding: - Policy UM-003 was updated to

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met standards set forth by the Plan and DHCS. The Delegate did not ensure that concurrent review denials were reviewed and made by a qualified physician. It did not send NOA letters with "Your Rights" information for denial of services that occurred after initial denial. It did not include the decision-maker's name in the initial and only NOA sent to providers.	2. The Plan will require the Delegate to do the following: a. Adopt the Plan's policies, to reflect that the concurrent review denials are reviewed and made by a qualified physician, that the clinical case is reviewed using the regulatory requirements on a regular cadence after the initial denial, that NOA letters with "Your Rights" information are sent after every subsequent review, and that the decision-maker's name is on each NOA. b. Provide evidence of policy and procedure approval. c. Train its staff on the new Concurrent review process. d. Provide evidence of the training, including the training materials and the attendance records.		2a. 6/1/2021 2b. 6/8/2021 2c. 7/1/2021 2d. 7/13/2021	reflect the frequency of reviews throughout the member's stay at the hospital. The minimum review frequency is 2 weeks or when the member's condition changes. NOAs are sent to members and requesting providers. Qualified physicians review all denials of continued, acute and long-term acute care services throughout members' hospital stay. This policy was provided to the delegates on 3/26/21. **9/3/21** - The following additional documentation supports the MCP's efforts to correct this finding: - CHCN Policy UM23 updates to contain MCP's policy language - CHCN Training and attestation confirming training took place on 6/23/21 **10/15/21** - The following

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	3. The Plan will audit the Delegate on a quarterly basis to ensure that the process is implemented, starting at the end of Q3 2021, and report the results of the audit at the Plan's UM Committee on a quarterly basis. 4. At annual Delegate oversight audits, concurrent reviews and letters will be examined to ensure compliance.		3. 9/30/2021 4. 10/29/2021	additional documentation supports the MCP's efforts to correct this finding: - Q3 2021 Focused Audit Report of CHCN demonstrates that the MCP monitors its delegate to ensure. • Concurrent review denials are being reviewed and decisions are made by a qualified physician. • Clinical cases are being reviewed using the regulatory requirements on a regular cadence, after the initial denial. • NOA letters with "Your Rights" information are being sent after every subsequent review. • The decision-maker's name is on each NOA. The Plan revised its Concurrent

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				Review policy UM-003 and required the delegate to adopt them. The revised policies require the delegate to ensure concurrent review denials are made by a qualified physician and that NOAs are sent after every subsequent review. The Plan submitted evidence that the delegate accepted the policy and that training had occurred. The Plan began conducting quarterly focused audits to ensure the delegate's new process was implemented. The Q3 results were provided. The Plan has shown that it has a process in place to monitor its delegates concurrent review process. **This finding is closed.**

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2. Delegated Oversight of Medically Necessary Services The Plan did not ensure the Delegate met standards set forth by the Plan and DHCS. The Delegate denied medically necessary services.	1. The Plan's revised policy UM-003 Concurrent Review and Discharge Planning Process and the revised process expectations were shared with Delegate on 3/26/2021. 2. The Plan will require the Delegate to do the following: a. Adopt the Plan's policies, to reflect that the concurrent review denials are reviewed and made by a qualified physician, that the clinical case is reviewed using the regulatory requirements on a regular cadence after the initial denial, that NOA letters with "Your Rights" information are sent after every subsequent review, and that the decision-maker's name is on each NOA. b. Provide evidence of policy and procedure approval. c. Train its staff on the new	1. UM-003 Concurrent Review and Discharge Planning.	1. 3/26/2021 2a. 6/1/2021 2b. 6/8/2021 2c. 7/1/2021 2d. 7/13/2021	**4/6/21** - The following documentation supports the MCP's efforts to correct this finding: Policy UM-003 is confirmed to be updated. **9/3/21** - The following additional documentation supports the MCP's efforts to correct this finding: - CHCN Policy UM23 updates to contain MCP's policy language - CHCN Training and attestation confirming training took place on 6/23/21 Q3 2021 Focused Audit Report of CHCN demonstrates that the MCP monitors its delegate to ensure. • Concurrent review denials are being reviewed and decisions

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	Concurrent review process. d. Provide evidence of the training, including the training materials and the attendance records. 3. The Plan will audit the Delegate on a quarterly basis to ensure that the process is implemented, starting at the end of Q3 2021, and report the results of the audit at the Plan's UM Committee on a quarterly basis. 4. At annual Delegate oversight audits, concurrent reviews and letters will be examined to ensure compliance.		3. 9/30/2021 4. 10/29/2021	are made by a qualified physician. • Clinical cases are being reviewed using the regulatory requirements on a regular cadence, after the initial denial. • NOA letters with "Your Rights" information are being sent after every subsequent review. • The decision-maker's name is on each NOA. The Plan revised its Concurrent Review policy UM-003 and required the delegate to adopt them. The revised policies require the delegate to ensure concurrent review denials are made by a qualified physician and that NOAs are sent after every subsequent review. The Plan submitted evidence that the delegate accepted the policy and that training had occurred. The Plan began

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				conducting quarterly focused audits to ensure the delegate's new process was implemented. The Q3 results were provided. The Plan has shown that it has a process in place to monitor its delegates concurrent review process. **This finding is closed.**

Submitted by: Scott Coffin **Date: April 5, 2021**

Title: Chief Executive Officer