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

MICHELLE BAASS
DIRECTOR

GAVIN NEWSOM
GOVERNOR

December 2, 2022

Tyler Haskell, Interim Compliance Officer
Santa Clara Family Health Plan
6201 San Ignacio Ave.
San Jose, CA 95119

RE: Department of Health Care Services Medical Audit

Dear Mr. Haskell,

The Department of Health Care Services (DHCS), Audits and Investigations Division conducted an on-site Medical Audit of Santa Clara Family Health Plan, a Managed Care Plan (MCP), from March 8, 2021 through March 19, 2021. The audit covered the period of March 1, 2020 through February 28, 2021.

All items have been evaluated and DHCS accepts the MCP's submitted Corrective Action Plan (CAP). The CAP is hereby closed. The enclosed documents will serve as DHCS' final response to the MCP's CAP. Closure of this CAP does not halt any other processes in place between DHCS and the MCP regarding the deficiencies in the audit report or elsewhere, nor does it preclude the DHCS from taking additional actions it deems necessary regarding these deficiencies.

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

If you have any questions, please reach out to CAP Compliance personnel.

Sincerely,

[Signature on file]

Oksana Meyer, MPA

Chief, CAP Compliance & FSR Oversight Section
Managed Care Quality & Monitoring Division
Department of Health Care Services

Enclosures: Attachment A (CAP Response Form)

cc: Lyubov Poonka, Chief
CAP Compliance Unit
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Department of Health Care Services

Diana O'Neal, Lead Analyst
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ATTACHMENT A
Corrective Action Plan Response Form

Plan: Santa Clara Family Health Plan **Review Period: 03/01/2020-02/28/2021**

Audit Type: Medical Audit **On-site Review: 03/09/2021-03/19/2021**

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				
1.3.1 Provider Manual Accuracy The Plan's Provider Manual contained inaccurate filing timeframes and omitted Appeal assistance and Member Rights information. • The Provider Manual guidance on how to file an Appeal incorrectly provided two timeframes for filing an Appeal, 60 days and 90 days. The correct timeframe should be 60 days for filing an Appeal. The Provider Manual omitted instructions and contact information about the Plan's availability of assistance in filing an Appeal and the member's right to request continuation of benefits during an Appeal or State Fair Hearing.	The Provider Manual was updated to reflect the accurate filing timeframes and Appeal assistance andMember Rights.	1. 20180412_MC Provider Manual_V7 (Clean) 2. 20180412_MC Provider Manual_V7 (Redline)	August 2021	The following additional documentation supports the MCP's efforts to correct this finding: **Supporting Documentation** MCP Provider Manual revised to reflect correct appeal filing timeframe and provide instructions regarding appeal process. **The Corrective Action Plan for Finding 1.3.1 is accepted.**

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1.5.1 Compliance with Medi-Cal, State, and Federal Laws The Plan did not ensure that the delegate's policies and procedures accurately described the NOA process, contained updated guidelines for medical necessity determination, and provided correct information about the Appeal process. Review of delegate's policies and procedures revealed the following deficiencies: • Delegate Policy, *UM 50.0 Notice of Action Letters, Deferred, Denied and Modified (12/07/2020)*, did not accurately describe the NOA process. The policy included a template letter (Attachment A), which allows ten days, instead of 14 days, and did not specify the anticipated date when a decision will be rendered as required.	1. Delegate policy, UM 50.0 has been updated to describe the Notice of Action (NOA) process. 2. Delegate policy, UM 52.0 has been revised to show the correct guidelines used when determining medical necessity. 3. The Delegate's "Your Rights" attachment hasbeen updated to show the	1. Policy UM 50.0 Notice of Action Letters, Deferred, Denied and Modified 2. Policy UM 52.0 *Review Criteria and Decision Making Process* 3. See "VHP_Your Rights_109_Denial-Member_InsertsforMCMC."	1. May 2021 2. July 2021 3. August 2021	The following additional documentation supports the MCP's efforts to correct this finding: **Policies & Procedures** - Updated P&P, "UM 50.0: Notice of Action Letters" which has been updated to reflect that the UM Supervisor ensures that standard 6th grade language requirements are being adhered to, member's written language preference is selected, and all required attachments "Your Rights Under Medi-Cal Managed Care", "Non-discrimination Notice", and Language Assistance Services" are included with the NOA letters (UM 50.0 Notice of Action Letters Deferred, Denial and Modified_2021_signed). - Updated P&P, "UM 52.0: Review Criteria and Decision Making Process" which has been updated to include using Milliman Clinical Guidelines (MCG) to determine medical necessity (UM 52.0 Review Criteria and Decision Making Process, Page 2). **Implementation** - Letter Templates, "PCNC Denial" and "VHP Denial" as evidence that the MCP has updated their letter templates. The letter templates now include 1. A clear and concise explanation of the reasons for the decision; 2. A description of the criteria or guidelines used, including a reference to the specific regulations or plan authorization procedures that support the action; and 3. The clinical reasons for the decision regarding medical necessity. (1.5.1_PCNC_UML_SCM_DENIAL_ENG 9-26-22) (1.5.1_VHPDenialMemberEnglish 11.8.21 9-26-22) (1.5.1_PMG Denial Sample)

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Additionally, the "Your Rights", Attachment E, did not include accurate information on the Appeal process. The attachment did not inform members that they will need to exhaust the Plan's internal Appeal process prior to requesting a State Hearing or Independent Medical Review in accordance with *APL 17-006*. • Delegate Policy, *UM 52.0 Review Criteria and Decision Making Process (12/4/2020)*, was not updated to include the delegate's change in the guidelines used to determine medical necessity. The delegate's policy and procedure listed InterQual as its first criteria to determine medical necessity. The delegate utilized InterQual until December	120 calendar day requirements that members have to file a State Fair Hearing.			- Updated, "Your Rights" Attachment in which the MCP has updated to show the 120 calendar day requirements that members have to file a State Fair Hearing (VHP_Your Rights_109_Denial - Member (002) Inserts for MCMC). - Updated, "Your Rights" NOA Attachment which informs members that they will need to exhaust the Plan's internal Appeal process prior to requesting a State Hearing or Independent Medical Review (1.5.1 NOA Attachments, Page 2). **Monitoring** - Written response from the MCP (11/10/22) which confirms that the MCP has a self-monitoring procedure. On a monthly basis, the MCP conducts a sample review of delegate NOA letters to ensure the correct template version and attachments are being used. The review of the delegate letters are also included in the annual delegate audit (11-10-22 MCP Response). - "2020 Delegation Audit Final Report" and "2021 Delegation Audit Report" as evidence that the MCP oversees the delegate's performance of delegated activities by conducting an annual oversight audit, which includes ongoing review of policies as they are revised. The review of the delegate letters are also included in the annual delegate audit (2020 Delegation Audit Final Report, 2021 Delegation Audit Final Report). **The Corrective Action Plan for Finding 1.5.1 is accepted.**

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2019; the criteria were phased out and are no longer used by the delegate as of June 2020. The delegate uses Milliman Clinical Guidelines to determine medical necessity. The delegate's policies and procedures were not updated to include the delegate's guidelines. The Plan did not ensure the delegate's policies and procedures were updated to reflect the change in the criteria and decision making process used by its delegate. • Delegate *Utilization Management Policy and Procedure Operating Manual (02/2011)*, provided incorrect information on the Appeal process. The "Your Rights" attachment stated that a State Hearing can be initiated within 90 days of a				

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decision. *APL-17-006* specifies that federal regulations require members to request a State Hearing within 120 calendar days from the date of the Notice of Appeal Resolution. Furthermore, *APL 20-004,* extended the timeframe allowing an additional 120 days.				
3. Access and Availability of Care				
3.8.1 Medi-Cal Enrollment of NEMT and NMT Providers The Plan failed to monitor the transportation providers' enrollment and screening process, to ensure that all transportation providers were enrolled in the Medi-Cal Program as required by *APL 19-004*.	The Plan has discussed and followed-up with two transportation providers, Yellow Cab and Green Cab. Both transportation providers have agreed to workwith DHCS andthe Plan to be successfully enrolled in the Medi-Cal Program.		July 2021	The following additional documentation supports the MCP's efforts to correct this finding: The Plan has worked with the two providers cited during the audit period – Yellow Cab [CHHS ID: 209606] & Green Cab [CHHS ID: 250563] – & both have since been enrolled in the Medi-Cal program. CHHS website has been verified to ensure enrollment. **Policies & Procedures** The Plan updated P&Ps to address the gap that contributed to the deficiency: • Updated P&P "PN.03.01 Transportation Oversight & Monitoring_v2", which has been amended to highlight the Plan is responsible for fulfilling the terms & conditions as set forth in the contract with DHCS, including all statutory, legal, & regulatory requirements. [PN.03.01 P&P, Procedure Section – II.A, Page 1]

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				Implementation/Oversight & Monitoring The Plan demonstrated an internal auditing process to continuously self-monitor to detect and prevent future non-compliance: • SCFHP Transportation Roster "SCFHP Transportation Roster_09.2022" demonstrates the Plan is tracking enrollment of transportation providers. The roster reflects the Plan's transportation providers are enrolled in Medi-Cal & have been verified. • CS.14.01 NEMT & NMT_v6 o The Plan monitors & reports on a daily basis all transportation requests ensuring all NEMT & NMT requests are entered correctly. [Procedure Section – II.E, Page 4] • PN.03.01 Transportation Oversight & Monitoring_v2 o The Plan oversees enrollment of transportation providers by requiring that the transportation vendors produce proof of successfully completing Medi-Cal registration by no later than the 120th day from the contract effective date. [PN.03.01 P&P, Procedure Section – II.A.3, Page 2] o The Provider Network Operations will report transportation activities to the Transportation Workgroup on a bi-monthly basis. [PN.03.01 P&P, Procedure Section – II.D.2] o Additionally, the Plan conducts annual audits with its transportation providers, requesting current roster of drivers employed or contracted with the transportation provider. [PN.03.01 P&P, Procedure Section – II.B.1.a]

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*Short-Term, Long-Term)	DHCS Comments
				The Corrective Action Plan for Finding 3.8.1 is accepted.

Submitted by: [Plan's signature on file] **Date: July 19, 2021**
Title: Tyler Haskell, Interim Compliance Officer