



JENNIFER KENT  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

October 1, 2018

Amy Turnipseed, Senior Director of External and Regulatory Affairs  
Partnership HealthPlan of California  
4665 Business Center Drive  
Fairfield, CA 94534

RE: Department of Health Care Services Medical Audit

Dear Ms. Turnipseed:

The Department of Health Care Services (DHCS), Audits and Investigations Division conducted an on-site Medical Audit of Partnership HealthPlan of California, a Managed Care Plan (MCP), from January 29, 2018 through February 8, 2018. The survey covered the period of January 1, 2017 through December 31, 2017.

On September 27, 2018, the MCP provided DHCS with additional information regarding its Corrective Action Plan (CAP) in response to the report originally issued on August 10, 2018.

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) 345-7831 or Farzaneh Aflatooni at (916) 345-7832.

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Sincerely,

[Signature on file]

Hannah Robins, Chief  
Compliance Unit

Enclosures: Attachment A CAP Response Form

cc: Janelle Gilmore, 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: Partnership HealthPlan of California**

**Audit Type:** Medical/SPD/RE Audit

**Review Period:** 01/01/2017 through 12/31/2017

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 via email in word format which 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 long term corrective action or a period of time longer than 30 days to remedy or operationalize, 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.

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* <small>(*anticipated or completed)</small>	DHCS Comments
<b>4. Members' Rights</b>				
<b>4.3.1 Timely Reporting of HIPAA Incidents</b> The Plan did not send notifications and Privacy Incident Reports (PIR) for HIPAA incidents to	<ul style="list-style-type: none"> <li>PHC began looking into implementing an electronic incident intake system mid-2017 to improve the privacy intact process and effectiveness of our case management. PHC</li> </ul>	<ul style="list-style-type: none"> <li>See attached PHC4ME Highlights – New RAC Incident Reporting and</li> </ul>	<ul style="list-style-type: none"> <li>Completed January 1, 2018</li> </ul>	<b>09/12/18</b> – The following documentation supports the MCP's efforts to correct this finding:  -On 01/01/2018 PHC launched EhticsPoint which is a third-party comprehensive and

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
<p>DHCS within the time requirements in the contract.</p>	<p>selected and implemented EthicsPoint to make these improvements as well as provide visibility for management to monitor the caseload to ensure HIPAA incidents are reported to DHCS in a timely manner.</p> <ul style="list-style-type: none"> <li>• Due to increased number of HIPAA incidents and forecasting into caseload trends, PHC increased its Regulatory Affairs &amp; Compliance (RAC) unit staff from 1 FTE to 3 FTEs to ensure it is properly staffed to meet the Plan's projected caseload.</li> <li>• Education and training has been updated to emphasize the importance of timely reporting of privacy</li> </ul>	<p>PowerPoint training</p> <ul style="list-style-type: none"> <li>• See attached updated RAC Org Chart</li> <li>• See attached: <ul style="list-style-type: none"> <li>○ New Hire Training</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Completed August 27, 2018</li> <li>• See below: <ul style="list-style-type: none"> <li>○ Updates Completed</li> </ul> </li> </ul>	<p>confidential incident reporting tool to report privacy incidents, fraud, waste, abuse and other misconduct. MCP believes this system will be able to collect relevant data online rather than manually.</p> <p>In addition, the EthicsPoint system is used as the monitoring system to ensure all HIPAA cases are reported timely through the use of daily reports and system case priority features. (Screenshot of the system was submitted)</p> <p>-Evidence of an online mandatory training (12/29/2017) on EthicsPoint Incident Reporting system provided for all employees.</p> <p>MCP has provided ongoing trainings and educational meetings emphasizing on the importance of timely reporting of privacy incidences.</p> <p><b>This finding is closed.</b></p>

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* <small>(*anticipated or completed)</small>	DHCS Comments
	<p>related incidents as well as understanding the types of cases that are reportable. Updates included the following:</p> <ul style="list-style-type: none"> <li>○ New Hire Training</li> <li>○ Annual Training</li> <li>○ Compliance Week Activities</li> </ul>	<ul style="list-style-type: none"> <li>○ Annual Training</li> <li>○ Compliance Week Activities</li> </ul>	<p>August 2018 training is ongoing</p> <ul style="list-style-type: none"> <li>○ Anticipated completion October 28, 2018</li> <li>○ Completed November 2017</li> </ul>	

**Submitted by: Elizabeth Gibboney**  
**Title: Chief Executive Officer**

**Date: September 10, 2018**