



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



GAVIN NEWSOM
GOVERNOR

July 17, 2019

Mark Bontrager, Director of Regulatory Affairs and Program Development
Partnership HealthPlan of California
4665 Business Center Drive
Fairfield, CA 94534

RE: Department of Health Care Services Medical Audit

Dear Mr. Bontrager:

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 February 4, 2019 through February 8, 2019. The survey covered the period of January 1, 2018 through December 31, 2018.

On June 21, 2019, the MCP provided DHCS with additional information regarding its Corrective Action Plan (CAP) in response to the report originally issued on May 8, 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 Cristelyn Rebuyon at (916) 345-7832.

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Sincerely,

Michael Pank, Chief
Compliance Unit

Enclosures: Attachment A CAP Response Form

cc: Stephanie Issertell, 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 Audit and State Supported Services **Review Period:** 01/01/18 through 12/31/18

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 may respond by using the DHCS Secure File Transfer Protocol (SFTP) by placing the submission into the folder marker 'Medical Audit CAP.' MCPs may also submit the CAP via email to MCQMD_CAPs@dhcs.ca.gov in Word format.

The CAP response must include a written statement identifying the deficiency and describing a plan of action to correct deficiencies, and the projected operational results expected from that action. For deficiencies that require a long-term correction or more than 30 days to remedy and operationalize, the MCP must demonstrate an interim short-term solution and provide a timeline toward achieving an acceptable level of compliance. The MCP is required to include a projected date to achieve full compliance. Any policy and/or procedure submitted during the CAP process must 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.

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

Deficiency Number and Finding	Action Taken	Supporting Documentation	Short-Term Implementation Date	Long-Term Implementation Date	DHCS Comments
2. Case Management and Coordination of Care					
N/A					
3. Access and Availability of Care					
N/A					
4. Member's Rights					
<p>4.3.1 Timely Reporting of HIPAA Incidents</p> <p>The Plan did not send notification and PIRs for HIPAA incidents to DHCS within the time requirements in the contract.</p> <p>The Plan's HIPAA training program did not ensure that all Plan employees follow</p>	<ul style="list-style-type: none"> Updated HIPAA Privacy and Security Overview training to include the immediate reporting to the PHC Regulatory Affairs & Compliance (RAC) unit. PHC's Privacy case management system EthicsPoint 	<ul style="list-style-type: none"> HIPAA Privacy and Security Overview EthicsPoint Incident Reporting 	<ul style="list-style-type: none"> Training was launched short term for all new hires on or after 11/28/2018. Training was launched 12/15/18 to 	<ul style="list-style-type: none"> Training will be launched to all employees on an annual basis during PHC's Compliance Week. EthicsPoint Upgrade was implemented 	<p>05/24/19 – The following documentation supports the MCP's efforts to correct this finding:</p> <ul style="list-style-type: none"> - PowerPoint training, "HIPAA Privacy and Security Overview" has been updated to address that all potential and confirmed incidents must be reported to PHC Regulatory Affairs & Compliance (RAC) immediately.

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<p>through with the requirement of immediate and accurate reporting of potential HIPAA incidents. This resulted in HIPAA incidents not being reported timely to DHCS.</p>	<p>was enhanced to include a custom reporting form. This custom form streamlined the process of completing an incident report form</p> <ul style="list-style-type: none"> • Department specific trainings were held for top 5 reporting departments to introduce the EthicsPoint enhancements as well as reiterate the importance of immediate reporting. • CMP-18: Update Policy "Reporting Privacy Incident" by removing 24 hours for staff to 	<ul style="list-style-type: none"> • EthicsPoint Incident Reporting PowerPoint for Claims, Grievance, Member Services, Pharmacy and QI • CMP-18 - Draft 	<p>all PHC employees</p> <ul style="list-style-type: none"> • 12/20/18: Member Services & Pharmacy • 01/31/19: Grievance • 02/19/19: QI • 03/06/19: NR Claims • N/A 	<p>01/01/2019</p> <ul style="list-style-type: none"> • Training is launched for all new hires - ongoing • Additional department specific trainings, as applicable • Effective upon approval of Compliance Committee – Next Meeting 	<ul style="list-style-type: none"> - PowerPoint training, "EthicsPoint Incident Reporting", a tool that allows PHC management and employees to understand the process of completing an incident report form. - PowerPoint training, "EthicsPoint Incident Reporting for Claims, Grievance, Member Services, Pharmacy and QI" as evidence that training was held for the top 5 reporting departments. The training materials address the process of completing an incident report form and importance of immediate reporting. - Updated P&P, "CMP-18: Reporting Privacy Incidents" which has been amended to state that reporting of incidents

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	<p>report, and require immediate reporting.</p> <ul style="list-style-type: none"> Using EthicsPoint system enhanced premium analytics, it was identified that a large number of untimely submissions were related to claims errors resulting in paid claims to an unintended provider (CE). Claims Department to update desktop procedures to include process for immediately reporting potential privacy incidents to the RAC Unit. 	<ul style="list-style-type: none"> Claims Ops Memo or Desktop 	<ul style="list-style-type: none"> N/A 	<p>schedule for 08/15/2019</p> <ul style="list-style-type: none"> 6/25/19 	<p>should be done immediately, removing the language “ 24 hours to report” (page 3).</p> <ul style="list-style-type: none"> Compliance Week Launch Flier (2018) that informs staff members to complete mandatory Privacy trainings. <p>06/21/19 – The following additional documentation submitted supports the MCP’s subsequent efforts to correct this finding:</p> <ul style="list-style-type: none"> Desktop procedure, “Privacy Incident Investigation & Reporting” (06/01/17) as evidence that staff receive guidance on how to receive, investigate, and report Privacy Incidents. Procedure includes reports should be sent to DHCS Program Contract Manager, DHCS Privacy

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	<ul style="list-style-type: none"> • Compliance Week activities included identifying potential privacy incidents and how to report them. • Newsletter by Privacy Officer on PHC4me to remind all employees of their responsibility to immediately report potential privacy incidents to RAC Unit per CMP-18. 	<ul style="list-style-type: none"> • Compliance Week Launch Flier 2018 • Copy of Newsletter 	<ul style="list-style-type: none"> • 9/17/18 – 9/21/18 • N/A 	<ul style="list-style-type: none"> • Ongoing, annual activity during Compliance Week • July 2019 	<p>Officer, and DHCS Information Security Officer.</p> <p>- Privacy Investigation Checklist that is used for staff members when investigating all privacy cases. The checklist is used for staff when investigating all privacy cases ensuring the completion of 24 hour initial email notification and/or 72 hour initial Privacy Incident Report (PIR).</p> <p>DHCS provided technical assistance (07/16/19) to MCP regarding the “Privacy Investigation Checklist.” DHCS recommends MCP to update the corresponding email of current DHCS Program Contract Manager.</p> <p>This finding is closed.</p>

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5. Quality Management					
N/A					
6. Administrative and Organizational Capacity					
N/A					
State Supported Services					
N/A					

Submitted by: Mark Bontrager

Date: 5/23/2019

Title: Director of Regulatory Affairs and Program Development