DEPARTMENT OF HEALTH SERVICES
714/744 P Street
P. O. Box 942732
Sacramento, CA 94234-7320
(916) 654-8076

February 13, 2001

MMCD Policy Letter No. 01-01
Supersedes POLICY LETTER 92-20

TO:
[x] LOCAL INITIATIVES (LI)
[x] COUNTY ORGANIZED HEALTH SYSTEMS (COHS)
[x[COMMERCIAL PLANS (CP)
[x] GEOGRAPHIC MANAGED CARE (GMC)
[x] PRIMARY CARE CASE MANAGEMENT PLANS (PCCM)

SUBJECT: CORRECTIVE ACTION PLAN (CAP) STANDARDIZED FORMAT

PURPOSE:

The purpose of this letter is to revise the previous Managed Care Policy Branch (MCPB) Letter 92-20, December 1, 1992. This policy letter explains the enclosed format and content of Corrective Action Plans (CAP) responding to deficiencies identified in medical and/or financial audits and contract monitoring reviews, and supersedes previous formats and instructions.

BACKGROUND:

A contracted health plan is required to submit a CAP within 30 days of receiving an audit or a review of the plan that discloses deficiencies. Health plans have been submitting CAPs in various formats and have not always provided the necessary documentation with the CAP for review and approval.

GOAL:

The goal of this policy is to improve the Department of Health Services' ability to respond timely to a health care plan's proposed CAP.

POLICY:

All Medi-Cal managed care contractors are to submit CAPs in accordance with provisions of Policy Letter 92-20, as modified herein, using the enclosed standardized CAP format.

DISCUSSION:

Submission of CAPs in the established standardized format will help ensure that complete information is furnished by contractors in response to reports of audits, monitoring visits, and any other reviews requiring a CAP conducted by, or on behalf of, the Medi-Cal Managed Care Division (MMCD).

Plans are to respond to all deficiencies reported, plus those areas with a rating of "Significant Compliance (Level 4)" or "Substantial Compliance (Level 5)" that include a "recommendation".

By mutual agreement between the plan and MMCD, a plan may submit a CAP by electronic means (e-mail, disk, etc.), to allow for a speedier review by MMCD. The plan still should submit a hard copy of the CAP with the required documentation.

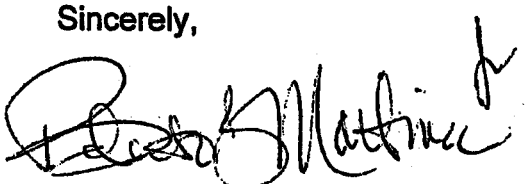
Important elements of the format that are often overlooked are identification of the individuals within the plan who are responsible for correcting cited deficiencies and projected completion dates of proposed actions. Please take particular care to include this information.

This request does not change the way contractors are to submit CAPs. Completion of the CAP in the standard format will aid MMCD in the attempt to more speedily and consistently complete reviews and provide essential feedback to plans. MMCD will take review and provide comment back to the Plan. Within 30 days of receipt of the CAP at MMCD.

The enclosed "Corrective Action Plan Format Guidelines" and sample format provide directions for completing the CAP format.

If you have questions concerning these instructions or CAP requirements in general, please contact your Contract Manager.

Sincerely,



Susanne M. Hughes
Acting Chief
Medi-Cal Managed Care Division

Enclosure

Enclosure

CORRECTIVE ACTION PLAN FORMAT GUIDELINES

Completion of the Corrective Action Plan form must include the following (item numbers correspond to enclosed sample format):

1. **Plan Name:** Name of health care plan.
2. **Review Type:** Indicate "Medical Audit", "Financial Audit", or other (specify).
3. **Review Period:** State the audit period as it appears on the report (from/to).
4. **Deficiencies Identified:** List the individual deficiencies reported in category order :

   a. Title of review/audit section.
   b. Section number identified in the review/audit found to be deficient.
   c. Pertinent regulation or section of contract violated.

5. **Plan Of Action:** The Plan CAP must address each deficiency and include the following details:

   a. How the correction will be accomplished and compliance maintained.
   b. The title or position of the person responsible for the correction.
   c. Description and verification of the monitoring process to prevent recurrence of the deficiencies. For example, for completed actions, submit pertinent instructions to providers, revised protocols, training logs, plan-approved CAPs (for facility site deficiencies); for actions incomplete or proposed at the time of the CAP, provide a projected completion date.

6. **Date of Completion.** List date action was completed or the projected date each correction will be accomplished.

   a. For corrective action identified in the Audit Exit Conference as needing *immediate action, the date should* be no later than ten (10) working days after the review Exit Conference.

   b. For other corrective actions recommended, the CAP is due thirty (30) days after receipt of the audit.

7. **DHS Comments:** Reserved for DHS reviewer comments; will be returned to the health plan after the review.

8. **Submitted By, Title, Date:** Signature and title of person submitting the CAP, and date signed.

Copies of the approved CAP are to be sent to your Medi-Cal Managed Care Division Contract Manager.

CORRECTIVE ACTION PLAN

1. Plan Name _____

2. Review Type _____ 3. Review Period _____

4. DEFIENCIES IDENTIFIED	5. PLAN OF ACTION	6. DATE OF COMPLETION	7. DHS COMMENTS

8. SUBMITTED BY _____ DATE_____

TITLE _____