

MEDICAL REVIEW – SOUTHERN SECTION II  
AUDITS AND INVESTIGATIONS  
DEPARTMENT OF HEALTH CARE SERVICES

**ANTHEM BLUE CROSS  
PARTNERSHIP PLAN**

Contract Numbers: 03-76184, 04-36068,  
07-65845 and 10-87049

Audit Period: October 1, 2015  
Through  
September 30, 2016

Report Issued: June 2, 2017

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## I. INTRODUCTION

This audit report reflects the findings of the Department of Health Care Services (DHCS) audit of Anthem Blue Cross Partnership Plan, Inc. (Anthem or the Plan), a subsidiary of Anthem, Inc. The audit period is October 1, 2015 through September 30, 2016.

Anthem provides medical managed care services to Medi-Cal beneficiaries under the provisions of Welfare and Institutions Code, Section 14087.3 and is licensed in accordance with the provisions of the Knox-Keene Health Care Service Plan Act. Anthem is a full-scope Medi-Cal managed care plan that operates in nine counties during the period. The Plan delivers care to Members under the Two-Plan model in all counties with the exception of Sacramento County, which is a Geographic Managed Care (GMC) model. The Plan delivers care to Members as a commercial plan in Alameda, Contra Costa, Fresno, Kings, Madera, San Francisco and Santa Clara counties. The Plan delivers care as a Local Initiative in Tulare County.

At the local level, many of Anthem's services are provided through Regional Health Centers operated by Anthem. The Regional Health Centers provide access to provider network physicians, members, and community agencies to Anthem's staff.

This report presents the findings of the medical audit of Anthem and its compliance and implementation of four contracts to provide services in the nine counties listed below.

### **03-76184 (Commercial Contract)**

Alameda County  
Contra Costa County  
San Francisco County  
Santa Clara County

### **04-36068 (Local Initiative Contract)**

Tulare County

### **07-65845 (Geographic Managed Care Contract)**

Sacramento County

### **10-87049 (Commercial Contract)**

Fresno County  
Kings County  
Madera County

As of November 2016, the Plan served approximately 610,935 Medi-Cal Members as follows:

- Alameda: 62,851
- Contra Costa: 28,664
- San Francisco: 20,701
- Santa Clara: 76,192
- Tulare: 94,154
- Sacramento: 177,877
- Fresno: 111,882
- Kings: 19,366
- Madera: 19,248

## II. EXECUTIVE SUMMARY

This report presents the audit findings of the Department of Health Care Services (DHCS) medical review audit for the review period of October 1, 2015 through September 30, 2016. The onsite review was conducted from October 31, 2016 through November 10, 2016. The audit consisted of document review, verification studies, and interviews with the Plan personnel.

An Exit Conference was held on April 27, 2017 with the Plan. The Plan was allowed 15 calendar days from the date of the Exit Conference to provide supplemental information addressing the draft audit report findings. On May 12, 2017, the Plan submitted supplemental documentation that is reflected in this report.

The audit evaluated six categories of performance: Utilization Management (UM), Continuity of Care, Access and Availability of Care, Members' Rights, Quality Management (QM), and Administrative and Organizational Capacity.

The prior DHCS medical audit (for the period of November 1, 2014 through October 31, 2015 with onsite review conducted from November 2, 2015 through November 13, 2015) was issued on June 16, 2016. This audit examined documentation for compliance and to determine to what extent the Plan has operationalized their correction action plan (CAP). Repeat findings were identified and appear in the body of the report.

The summary of the findings by category follows:

### **Category 1 – Utilization Management**

There are no findings in this category.

### **Category 2 – Case Management and Coordination of Care**

The Plan did not fulfill responsibilities for ongoing communication as required by its Memorandum of Understanding for coordination of services. However, the Plan is working to ensure and coordinate ongoing communication in 2017.

### **Category 3 – Access and Availability of Care**

In response to a prior year finding, the Plan revised their Member Handbook to include the appointment standards for access and prenatal visits. During the audit, the audit team reviewed the Plan's revised Member Handbook and found it to comply with the requirement.

There are no findings in this category for the current year.

### **Category 4 – Member's Rights**

In the prior year audit, the Plan did not notify and report breach incidents to DHCS within the required timeframe. A verification study of the Plan's privacy breaches were reviewed and the results showed that the Plan consistently reported the breaches to DHCS within the required timeframes. The Plan has also implemented a tracking sheet to monitor timely reporting to DHCS.

There are no findings in this category for the current year.

#### **Category 5 – Quality Management**

There are no findings in this category.

#### **Category 6 – Administrative and Organizational Capacity**

There are no findings in this category.

### **III. SCOPE/AUDIT PROCEDURES**

#### **SCOPE**

This audit was conducted by the Department of Health Care Services (DHCS) Medical Review Branch to ascertain that the medical services provided to Plan Members comply with federal and state laws, Medi-Cal regulations and guidelines, and the State's Two-Plan Contract and Geographic Managed Care Contracts.

#### **PROCEDURE**

The onsite audit of Anthem Blue Cross Partnership Plan (Plan) was conducted from October 31, 2016 through November 10, 2016. The audit included a review of the Plan's contracts with DHCS, its policies for providing services, the procedures used to implement the policies, and verification studies of the implementation and effectiveness of the policies. Documents were reviewed and interviews were conducted with plan administrators and staff.

The following verification studies were conducted:

#### **Category 1 – Utilization Management**

Prior Authorization Requests: 40 medical and 37 pharmacy prior authorization requests were reviewed for timeliness, consistent application of criteria, and appropriate review by the Plan.

Appeals Procedures: 20 prior authorization appeals were reviewed for appropriate and timely adjudication.

#### **Category 2 – Case Management and Coordination of Care**

California Children's Services (CCS): 10 medical records were reviewed for evidence of Coordination of Care between the Plan and CCS Providers.

Individual Health Assessment (IHA): 20 medical records were reviewed for completeness and timely completion.

Complex Case Management (CCM): 5 medical records listed as CCM were reviewed for a coordination of care.

#### **Category 3 – Access and Availability of Care**

Emergency Service Claims: 10 emergency service claims were reviewed for appropriate and timely adjudication.

Family Planning Claims: 10 family planning claims were reviewed for appropriate and timely adjudication.

**Category 4 – Member’s Rights**

Grievance Procedures: 28 grievances were reviewed for timely resolution, response to Complainant, and submission to the appropriate level for review.

**Category 5 – Quality Management**

New Provider Training: 17 new provider training records were reviewed for timely Medical Managed Care program training.

A description of the findings for each category is contained in the following report.



## ❖ COMPLIANCE AUDIT FINDINGS ❖

PLAN: Anthem Blue Cross Partnership Plan

AUDIT PERIOD: October 1, 2015 - September 30, 2016

DATE OF AUDIT: October 31, 2016 – November 10, 2016

### 2.2 CALIFORNIA CHILDREN'S SERVICES (CCS)

#### **California Children's Services (CCS):**

Contractor shall develop and implement written policies and procedures for identifying and referring children with CCS-eligible conditions to the local CCS program....(as required by Contract)

Contractor shall execute a Memorandum of Understanding (MOU) with the local CCS program...for the coordination of CCS services to Members.

GMC/2-Plan Contract A.11.9.A, B

#### **SUMMARY OF FINDINGS:**

##### **2.2.1 Quarterly Meetings with California Children Services (CCS) in Sacramento County**

The Contract requires the Plan to execute a Memorandum of Understanding (MOU) with the local CCS to ensure that children below 21 years old with CCS-eligible condition receive appropriate care and achieve optimal clinical outcome (GMC/2-Plan Contract A.11.9.B).

The MOU specifies the scope and responsibilities between the Plan and CCS Program in the delivery of services to the eligible Members. According to the MOU, the Plan's liaison will meet with the CCS Program Manager at least quarterly to communicate and to resolve operational, administrative and policy issues.

The Plan did not meet quarterly with the local California Children Services as required by its MOU in Sacramento County. There was no documentation of meeting minutes for Sacramento County presented to ensure continuous communication. The Plan's Regulatory Oversight Manager confirmed that they do not hold quarterly meetings with CCS. A meeting held regularly between the Plan and CCS Program Director would allow operational, administrative and policy complications to be discussed and resolved.

#### **RECOMMENDATION:**

- 2.2.1 Strengthen oversight to ensure that provisions of the Sacramento County MOU is followed by holding quarterly meetings with the local CCS to ensure continuous communication and to resolve operational, administrative and policy issues. **This is a repeat finding.**

## ❖ COMPLIANCE AUDIT FINDINGS ❖

PLAN: Anthem Blue Cross Partnership Plan

AUDIT PERIOD: October 1, 2015 - September 30, 2016

DATE OF AUDIT: October 31, 2016 – November 10, 2016

### 2.3 EARLY INTERVENTION SERVICES / DEVELOPMENTAL DISABILITIES

#### Services for Persons with Developmental Disabilities:

- A. Contractor shall develop and implement procedures for the identification of Members with developmental disabilities.
- C. Contractor shall provide all screening, preventive, Medically Necessary, and therapeutic Covered Services to Members with developmental disabilities. Contractor shall refer Members with developmental disabilities to a Regional Center for the developmentally disabled for evaluation and for access to those non-medical services provided through the Regional Centers such as but not limited to, respite, out-of-home placement, and supportive living. Contractor shall monitor and coordinate all medical services with the Regional Center staff, which includes identification of all appropriate services, including Medically Necessary Outpatient Mental Health Services, which need to be provided to the Member.
- E. Contractor shall execute a Memorandum of Understanding (MOU) with the local Regional Centers as stipulated in Exhibit A, Attachment 12, Provision 2 for the coordination of services for Members with developmental disabilities.  
GMC Contract A.11.10.A, C, E
- A. Contractor shall develop and implement procedures for the identification of Members with developmental disabilities.
- C. Contractor shall refer Members with developmental disabilities to a Regional Center for the developmentally disabled for evaluation and for access to those non-medical services provided through the Regional Centers such as but not limited to, respite, out-of-home placement, and supportive living. Contractor shall participate with Regional Center staff in the development of the individual developmental services plan required for all persons with developmental disabilities, which includes identification of all appropriate services, including medical care services, which need to be provided to the Member.
- E. Contractor shall execute a Memorandum of Understanding (MOU) with the local Regional Centers...for the coordination of services for Members with developmental disabilities.  
2-Plan Contract A.11.10.A, C, E

#### Early Intervention Services:

Contractor shall develop and implement systems to identify children under 3 years of age who may be eligible to receive services from the Early Start Program and refer them to the local Early Start Program....Contractor shall collaborate with the local Regional Center or local Early Start Program in determining the Medically Necessary diagnostic and preventive services and treatment plans for Members participating in the Early Start Program. Contractor shall provide case management and care coordination to the Member to ensure the provision of all Medically Necessary covered diagnostic, preventive and treatment services identified in the individual family service plan developed by the Early Start Program, with Primary Care Provider participation.  
GMC Contract A.11.11

Contractor shall develop and implement systems to identify children who may be eligible to receive services from the Early Start program and refer them to the local Early Start program....Contractor shall collaborate with the local Regional Center or local Early Start program in determining the Medically Necessary diagnostic and preventive services and treatment plans for Members participating in the Early Start program. Contractor shall provide case management and care coordination to the Member to ensure the provision of all Medically Necessary covered diagnostic, preventive and treatment services identified in the individual family service plan developed by the Early Start program, with Primary Care Provider participation.  
2-Plan Contract A.11.11

## ❖ COMPLIANCE AUDIT FINDINGS ❖

PLAN: Anthem Blue Cross Partnership Plan

AUDIT PERIOD: October 1, 2015 - September 30, 2016

DATE OF AUDIT: October 31, 2016 – November 10, 2016

### **SUMMARY OF FINDINGS:**

#### **2.3.1 Quarterly Meetings with local Regional Centers**

The Contract requires the Plan to execute a Memorandum of Understanding (MOU) with the local Regional Centers for the coordination of services for Members with developmental disabilities (GMC/2-Plan Contract A.11.10.E)

The MOU specifies the scope and responsibilities between the Plan and Regional Center/Early Start Program in the delivery of services to the eligible Members. According to the MOU, the Plan's liaison will meet with the Regional Center liaison at least quarterly to ensure continuous communication and to resolve operational, administrative and policy issues.

The Plan did not meet quarterly with local Regional Centers as required by its MOU. There was no documentation of meeting minutes presented to ensure continuous communication with local Regional Centers. The Plan's Regulatory Oversight Manager stated that they do not hold quarterly meetings with local Regional Centers. A meeting held regularly between the Plan and Regional Centers would allow operational, administrative and policy complications to be discussed and resolved.

### **RECOMMENDATION:**

- 2.3.1 Strengthen oversight to ensure that provisions of the MOU are followed by holding quarterly meeting with the local Regional Centers to ensure continuous communication and to resolve operational, administrative and policy issues. **This is a repeat finding.**

MEDICAL REVIEW - SOUTHERN SECTION II  
AUDITS AND INVESTIGATIONS  
DEPARTMENT OF HEALTH CARE SERVICES

**ANTHEM BLUE CROSS  
PARTNERSHIP PLAN**

Contract Numbers: 03-75795, 04-36079,  
07-65846 and 10-87053  
State Supported Services

Audit Period: October 1, 2015  
Through  
September 30, 2016

Report Issued: June 2, 2017

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## **INTRODUCTION**

The audit report presents the findings of the contract compliance audit of Anthem Blue Cross Partnership Plan and its implementation of the State Supported Services contract Nos. 03-75795, 04-36079, 07-65846 and 10-87053 with the State of California. The State Supported Services contract covers abortion services for Anthem Blue Cross Partnership Plan.

The onsite audit of the Plan was conducted from October 31, 2016 through November 10, 2016. The audit covered the review period from October 1, 2015 through September 30, 2016 and consisted of a document review of materials provided by the Plan.

An Exit Conference was held April 27, 2017 with the Plan. The Plan was allowed 15 calendar days from the date of the Exit Conference to provide supplemental information addressing the draft audit report findings. No additional information was submitted following the Exit Conference.

| <b>❖ COMPLIANCE AUDIT FINDINGS (CAF) ❖</b>         |   |
|--|---|
| PLAN: Anthem Blue Cross Partnership Plan           |   |
| AUDIT PERIOD: October 1, 2015 - September 30, 2016 | DATE OF AUDIT: October 31, 2016 – November 10, 2016 |

## **STATE SUPPORTED SERVICES CONTRACT REQUIREMENTS**

### **Abortion**

*Contractor agrees to provide, or arrange to provide, to eligible Members the following State Supported Services: Current Procedural Coding System Codes\*: 59840 through 59857  
 HCFA Common Procedure Coding System Codes\*: X1516, X1518, X7724, X7726, Z0336*

*\*These codes are subject to change upon the Department of Health Services' (DHS') implementation of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) electronic transaction and code sets provisions. Such changes shall not require an amendment to this Contract.  
 State Supported Services Contract Exhibit A.1*

### **SUMMARY OF FINDINGS:**

Policy CA\_UMXX\_067, Abortion Services states that Members may access and obtain abortion services. Abortions are required to be provided in accordance with State and Federal law and are considered by the California Department of Health Care Services to be a "sensitive service". Abortion is considered a self-referable service. Anthem reimburses both network and out-of-network providers for abortion procedures. Members are encouraged to remain in-network for these procedures; however, the services will be covered for non-network providers, if necessary.

Policy CMPR\_004 includes all Current Procedural Terminology (CPT) Codes as billable pregnancy termination services according to contractual requirement. However, the billing codes change frequently and this will not be considered as a violation as per Medi-Cal Managed Care Quality and Monitoring Division (MCQMD).

Members have the right to choose and access qualified family planning services including abortion service/pregnancy termination without prior authorization. Members may self-refer to a contracted or non-contracted Provider. The Member Handbook informs Members that minors do not need an adult's consent or referral to access pregnancy termination services. The Provider Manual informs providers of the rights of Members to receive timely access to care for abortion services.

The Plan is in compliance with the contractual requirement.

### **RECOMMENDATION:**

None.