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

JENNIFER KENT
DIRECTOR

EDMUND G. BROWN JR.
GOVERNOR

January 22, 2018

Cathy Lurty
Kaiser Foundation Health Plan
Medi-Cal and State Sponsored Programs
3100 Thornton Avenue, 4th Floor
Burbank, CA 91504

RE: Department of Health Care Services Medical Audit

Dear Ms. Lurty:

The Department of Health Care Services (DHCS), Audits and Investigations Division conducted an on-site Medical Audit of KP Cal, LLC, a Managed Care Plan (MCP), from September 26, 2016 through October 7, 2016. The survey covered the period of September 1, 2015 through August 31, 2016.

On January 11, 2018, the MCP provided DHCS with additional information regarding its Corrective Action Plan (CAP) in response to the report originally issued on March 2, 2017.

All items have been reviewed and found to be in compliance. The CAP is hereby closed. 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) 552-8946 or Lyubov Poonka at (916) 552-8797.

Sincerely,

Jeanette Fong, Chief
Compliance Unit

Enclosures: Attachment A CAP Response Form

cc: Marc Lewis, 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: KP Cal, LLC (GMC and LI/COHS Subcontracts)

Audit Type: Medical Audit and State Supported Services **Review Period: 09/01/15 – 08/31/16**

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* (*anticipated or completed)	DHCS Comments
1. Utilization Management				
1.2.1 Prior authorization decisions and utilization criteria (SCAL Plan Partner Subcontracts) The Plan did not ensure that covered orthotic services and supplies were provided in an	1. Advised all regional managers to reference Medi-Cal Website to verify coverage for DME and P&O items until the Kaiser Permanente (KP) DME Formulary is updated to include all	1. N/A 2. Prosthetic and Orthotic Clinical Criteria 3. Draft Medi-Cal Denial Letter	1. Communicated interim plan to managers and implemented on December 1, 2016. 2. KP DME	**04/13/17 -** MCP submitted the following documentation to support its efforts to correct this finding: - Formulary "Prosthetic and Orthotic Clinical Criteria" (updated April, 2017) that has been

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
amount no less than is offered under the Medi-Cal Fee-For-Service Program. Medi-Cal criteria were not used to determine medical necessity for covered orthotic services and supplies as evidenced by the verification study. The Plan confirmed both orthotics and compression stockings were, and should not have been, denied as Medi-Cal criteria, as indicated in their policy and UM Plan, were not used in these determinations. The Notice of Action (NOA) letters also evidenced a systemic process of not citing Medi-Cal criteria to deny services.	Medi-Cal guidelines. 2. KP DME Formulary will be updated to include all Medi-Cal guidelines. 3. Medi-Cal Denial Letter will be updated. 4. Conduct monthly monitoring of denials using Medi-Cal criteria. Accountable Person: Managing Director, DME Administration	4. DME Performance Improvement Report	Formulary will be updated by April 30, 2017 3. Medi-Cal Denial Letter will be updated and approved by June 30, 2017 4. Monthly monitoring of denials using Medi-Cal criteria to begin July 2017 and continue for 12 months.	updated to incorporate Medi-Cal guidelines. - Draft Template "Notice of Action Denial Letter" (draft 04/12/17) as evidence that the MCP is actively working on revising NOA letters to include medical criteria. MCP states that the draft will be approved by Q.2. - DME Performance Improvement Report (draft) as evidence that the MCP has a tool in place to assess whether MediCal criteria was used for DME denials for MediCal members. MCP stated that implementation of monthly monitoring is scheduled for June 2017. **This finding is closed.**
2. Case Management and Coordination of Care				
2.4.1 Adult preventive services for Initial Health Assessment (GMC Sacramento, GMC San Diego and Plan Partner	**NCAL:** Kaiser Permanente (KP) Physician Leaders in the Northern California region (NCAL) review the clinical effectiveness of numerous	**NCAL:** Attachment 1: NCAL Preventive Care Services for		**03/31/17** - MCP submitted the following documentation to support its efforts to correct this finding: - "Clinical Practice Guidelines

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
Subcontracts) The Plan did not ensure adult IHAs included documentation showing the status of USPSTF “A” and “B” preventive practice recommendations and that written procedures and provider training directed compliance with this requirement. The prior DHCS audit included findings that the Plan did not develop and implement written procedures that directed compliance with IHA requirements. As part of the Corrective Action Plan (CAP) the Plan revised its policies but the revision did not include procedures to ensure that USPSTF “A” and “B” guidance for preventive services was used in the performance of IHA.	preventive guidelines, including USPSTF "A" and "B" preventive services recommendations. KP NCAL develops Clinical Practice Guidelines (CPGs) for Adult Preventive Care Services (attached), which are updated every one to two years, based on the volume and significance of changes to guidelines such as updates or revisions to the USPSTF "A" and "B" preventive services recommendations. CPGs are distributed through provider communications that are used to inform and advise KP providers of adult preventive care services guidelines and changes (attached). KP's CPGs for Adult Preventive Care Services are also used to inform the development of system-level prompts within KP Health Connect. KP NCAL providers are regularly evaluated against a set of	Adults (Age 18-64) and Older Adults (Age 65+) Clinical Practice Guidelines Attachment 2: NCAL Adult Preventive Care Services Guideline Communication (9/12/2016) **SCAL:** Attachment 1: KPSC Preventive Care Guidelines for Adults (Age 18-64) and Older Adults (Age 65+)		(CPG) Preventive Care Services(PCS) for Adults” (updated July, 2016) which incorporates USPSTF A and B preventive services. - Email “Announcing the 2016 Adult Preventive Care Services CPG” (09/12/16) as evidence that the MCP distributed the updated CPGs to the chiefs. Email provides evidence that it is the expectation of the plan for all providers to use this guidance and instructs chiefs to forward the announcement to physicians and clinicians for use. **This finding is closed.** **SCAL:** **03/31/17** - MCP submitted the following documentation to support its efforts to correct this finding: - “Clinical Practice Guidelines (CPG) Preventive Care Services(PCS) for Adults”

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
	internal quality measures on preventive screenings. Any deviations from the specific USPSTF "A" and "B" preventive screening recommendations are based on extensive clinical review by Physician Leaders within KP. **<u>SCAL:</u>** Kaiser Permanente (KP) Physician Leaders in the Southern California region (SCAL) review the clinical effectiveness of numerous preventive guidelines, including USPSTF "A" and "B" preventive services recommendations. KP SCAL develops Clinical Practice Guidelines (CPGs) for Adult Preventive Care Services (attached), which are updated annually, based on the volume and significance of changes to guidelines such as updates or revisions	Attachment 2: SCAL Adult Preventive Care Services Guideline Communication (6/6/16) Attachment 3: Proposed addition to the SCAL Annual Quality Letter (AQL)		(updated July, 2016) - Email "2016 Updated KP Southern California Clinical Guidelines for Preventive Care Services" (06/06/16)as evidence that the MCP distributed the updated CPGs for provider use. -MCP written response "2016 DHCS Compliance Audit Finding 5.4.1 – Adult Preventive Screening for IHAs." This document shows that MCP has proposed an addition to the SCAL Annual Quality Letter (AQL) to inform PCPs of their responsibility for fulfilling all requirements of the IHA, including the provision of preventive services per USPSTF and other guidelines. This annual distribution is scheduled for Q4 2017. **This finding is closed.**

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
	to the USPSTF "A" and "B" preventive services recommendations. CPGs are distributed through provider communications that are used to inform and advise KP providers of adult preventive care services guidelines and changes (attached). KP's CPGs for Adult Preventive Care Services are also used to inform the development of system-level prompts within KP Health Connect. KP SCAL providers are regularly evaluated against a set of internal quality measures on preventive screenings. Any deviations from the specific USPSTF "A" and "B" preventive screening recommendations are based on extensive clinical review by Physician Leaders within KP. KP SCAL will also add information about preventive screening guidelines, including USPSTF recommendations,			

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
	to the Annual Quality Letter, which is distributed annually to SCAL providers (due for distribution in late Q4 2017). Accountable Persons: Managing Director, State Health Programs; Regional Assistant Medical Director & Health Plan Physician Advisor, SCPMG			
3. Access and Availability of Care				
3.1.1 Monitoring prenatal care appointments (NCAL Plan Partner Subcontracts) The Plan did not monitor the time to obtain prenatal appointments for NCAL Plan Partner lines of business. The Plan developed a new policy, Access to Care - Medi-Cal Prenatal Visit/Encounter Access Standard, effective August 10, 2016, establishing the first prenatal appointment standard as a corrective	Kaiser Foundation Health Plan (KFHP) NCAL will generate a Plan Partner prenatal report each year in Q3 and submit this report to the Chiefs of Women's Health. The Plan Partner prenatal report will be presented to local area quality oversight committees annually. Accountable Person: Director, Quality and Operations Support, The Permanente Medical Group		End of Q3 2017	**03/31/17** - MCP submitted the following documentation to support its efforts to correct this finding: -Written response commits MCP to generating a prenatal report in Q3. DHCS provided technical assistance indicating that this finding will be closed based on the plan's commitment towards generating the prenatal report by Q3. DHCS requested a status on collecting this data to ensure that MCP is on track for meeting this Q3 milestone.

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
action for the prior DHCS audit finding. The Plan developed a prenatal care appointment monitoring mechanism only for GMC members that initially measured the prenatal access time frame data from September 2014 thru August 2015. Plan staff indicated that it would present the prenatal monitoring report to the Sacramento Quality Committee starting with the October 2016 meeting. Both the prenatal appointment standard and its monitoring mechanism are only for the GMC Medi-Cal line of business and did not include members from the NCAL Plan Partner lines of business.				**05/19/17** - MCP submitted the following status on progress of CAP implementation: - MCP's written response confirmed that they are on track for generating the prenatal report. The report should be available by mid to end of Q3 2017 as planned. **This finding is closed.**
3.1.2 Monitoring wait times in provider offices (NCAL Plan Partner Subcontracts)	Kaiser Foundation Health Plan (KFHP) NCAL is currently assessing the feasibility of implementing an office wait time audit process		End of Q4 2017	**03/31/17** - MCP provided no supporting documentation at the time of submission. **05/11/17** - DHCS provided

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
Although the Plan began a documented system and plans for evaluating the Sacramento GMC members' office wait times, NCAL Plan Partner members were not included in this system. The Plan indicated that there were no plans to include NCAL Plan Partner members in the monitoring process developed for the Sacramento GMC corrective action as wait time issues can be addressed first and on a clinical level at provider sites including care from an alternate provider. This clinical level monitoring does not include a documented system for monitoring and evaluating accessibility of care for NCAL Plan Partner members beyond the Sacramento GMC area.	to monitor KFHP Medi-Cal member wait times. Once generated, office wait time audit results will be monitored by a regional access committee. Accountable Person: Regional Director, Medi-Cal Strategy and Operations NCAL and Medi-Cal Medical Director, TPMG			technical assistance indicating that although the CAP response indicates that the plan is assessing feasibility of implementation, MCP will need to provide documentation to support that a process has been fully implemented. DHCS requested a more detailed timeline of milestones that will need to be met to ensure full implementation by Q4 2017. **05/19/17** - MCP submitted the following status on progress of CAP implementation: -MCP's written response (05/19/17) confirmed that the MCP is on track for completing the implementation of office wait time reporting. The following milestones were indicated: • May 2017: Design/Develop NCAL Reporting

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
				• June 2017: NCAL Reporting Testing Complete; Roll out plan developed • July 2017: Implementation Begins • Aug/Sep 2017: Implementation Complete; Monitoring & Monthly Reporting Begins **This finding is closed.**
3.1.3 Primary care appointment standard (GMC Sacramento and NCAL Plan Partner Subcontracts) The Plan's maximum appointment/response timeframe to obtain new patient primary care visits for contracted or affiliated primary care practitioners did	Kaiser Foundation Health Plan (KFHP) NCAL will add language to the HMO Provider Manual to clarify KP's non-urgent primary care and new patient appointment time frames. Provider manuals are updated in Q4 of each year and become effective January 1. KFHP NCAL's proposed clarifying language	Draft Revision for KP HMO Provider Manual	January 1, 2018.	**03/31/17** - MCP submitted the following documentation to support its efforts to correct this finding: - "9.10 Access and Availability Guidelines" excerpt from the 2016 NCAL Provider Manual which incorrectly lists the timeframe for a PCP appointment as 30 business days for a new patient visit.

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
not meet the ten business day Contract requirement. The 2016 NCAL HMO Provider Manual for contracted or affiliated providers indicated maximum primary care practitioner appointment timeframe for new patient visits (without differentiating as either urgent or nonurgent) is 30 business days.	will be incorporated into the 2018 NCAL Provider Manual. Attached is a mock-up of the applicable page of the Provider Manual. Accountable Person: Director, Medical Services Contracting (NCR)			**05/16/17** - DHCS provided technical assistance and requested MCP revise the Provider Manual to mirror the timely access standards reflected in the contract (GMC Contract, Exhibit A, Attachment 9(4)(B)(1). The contract does not differentiate "new" from "established" patients. **05/19/17** - MCP submitted the following status on progress of CAP implementation: -MCP's written response (05/19/17) affirms that The Northern California Provider Manual will be updated for Q4 2017 distribution to reflect the Northern California Timely Access Policy. **06/08/17** - MCP submitted the following status on progress of CAP implementation: -MCP's written response (06/08/17) along with a screen shot of "Provider Manual draft

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
				revision" affirming that the modification will be made to the provider manual (line item for 30 day appointment timeframe for new patients has been struck). **This finding is closed.**
3.4.1 Primary Care Physician geographic time and distance standard (GMC Sacramento and NCAL Plan Partner Subcontracts) The Plan's policy requirement that a primary care physician be located within 30 minutes or 15 miles of a member's residence does not meet the Contract requirements. The Contract requires that Primary Care Physicians be located within 30 minutes or 10 miles of a member's residence. The Plan's Availability Standards for Primary Care,	Kaiser Foundation Health Plan (KFHP) NCAL is in the process of developing a regional policy that reflects KFHPs adherence to the Department of Health Care Services' (DHCS') contractual requirement that Primary Care Physicians be located within 30 minutes or 10 miles of a member's residence. KFHP will finalize this policy by end of Q2 2017. Accountable Persons: Director, Quality and Operations Support; The Permanente Medical Group and Group Leader;		End of Q2 2017	**05-19-17** - MCP submitted written response on status update. "KFHP is on track to have the policy in place and through the approving committee by the end of Q2 (June 30, 2017). I will submit the final policy in July 2017 to evidence completion." **06-07-17** - The following additional documentation submitted supports the MCP's efforts to correct this finding: - Revised P&P "Medi-Cal Availability Standards for Primary Care, specialists, Behavioral health Practitioners and Providers" (05/17/17) that requires the MCP to ensure that members have access to a PCP within the required geographic

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
Specialists, Behavioral Health Practitioners and Providers policy states that the Plan will monitor and ensure that 95% of members will have a residence or work within 30 minutes of 15 miles of primary care, hospital and ancillary services. The Plan's GeoAccess survey results determined the geographic distance from a member's residence to a Primary Care Physician according to the Contract standard of 10 miles or 30 minutes. The Plan acknowledged the policy language discrepancy and stated revisions would be forthcoming.	Credentialing and Privileging; Northern California Regional Health Plan Quality.			time and distance standard. **This finding is closed.**
3.4.1 Primary Care Physician geographic time and distance standard (GMC San Diego and SCAL Plan Partner Subcontracts) The Plan's policy requirement that a primary care physician	Kaiser Foundation Health Plan (KFHP) SCAL is developing a policy to meet the DHCS Contract requirement that primary care physicians be located within 30 minutes or 10 miles of a member's residence. KFHP will provide the policy		May 2017	**05/16/17** - MCP submitted the following documentation to support its efforts to correct this finding: - Written response indicating that the policy will be presented to the SCAL Access Committee May 22nd, 2017. Copy of the approved

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
be located within 30 minutes or 15 miles of a member's residence do not meet the Contract requirements. The Contract requires that primary care physicians be located within 30 minutes or 10 miles of a member's residence. The Plan's Availability Standards Definition of Primary Care Practitioners and Specialists and Procedure for Conducting and Documenting Availability Analysis policy states that the Plan will monitor and ensure that 95% of members will have a residence or work within 30 minutes of 15 miles of primary care, hospital and ancillary services. The Plan's GeoAccess survey results determined the geographic distance from a member's residence to a primary care physician according to the Contract standard of 10 miles	to DHCS once approved by the Regional Access Committee. Accountable Person: Assistant Medical Group Administrator, Care Experience, SCPMG			policy will be forwarded to DHCS upon approval. **06/05/17** - MCP submitted the following additional documentation to support its efforts to correct this finding: - Policy & Procedure "Medi-Cal Availability Standards for Primary Care Practitioners and Specialists" (05/22/17) as evidence that the P&P has been revised to indicate that primary care physicians be located within 30 minutes or 10 miles of a member's residence (page 1, "Policy" section). **This finding is closed.**

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
or 30-minutes. A prior audit by a Plan Partner addressed the issue that the Plan's policies and monitoring standards for distance from a member's residence to a primary care physician did not meet the DHCS requirement of 10 miles or 30 minutes. The Plan staff stated the policy was not revised because it was not part of the Plan Partner's Corrective Action Plan.				
3.4.2 Online and printed Provider Directory (GMC Sacramento, GMC San Diego and Plan Partner Subcontracts) The Plan did not maintain a complete provider directory to members in print and online. Instead, members are	Since 2016, Kaiser Foundation Health Plan (KFHP) has been working toward compliance with requirements set forth under Section 1367.27 of California's Health & Safety Code, as enacted by Senate Bill 137 ("SB 137"). KFHP has made significant	Attachment 1: 16-064, Exhibit E-1, Compliance to Section 1367.27 (SB 137) California Provider Directory	End of Q4 2017	**03/31/17** - MCP submitted the following documentation to support its efforts to correct this finding: - Various communications between MCP and DMHC as evidence of MCP's ongoing efforts update its printed and online and provider directories.

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
instructed to contact the Member Services Department to obtain information about primary care, specialty care, ancillary provider and facilities. The Plan's printed provider directory did not include Plan-employed physicians and complete information regarding contracted or affiliated physicians. The Plan maintains a separate Guidebook for each service area informing members of Plan owned medical centers, medical offices, and specialty facilities, in addition to contracted physicians. Information for contracted providers listed in the Guidebooks did not include the National Provider Identifier number, California license number and type of license, and the ability of the contracted providers to	progress toward full compliance with SB 137 requirements, which align with GMC Contract Requirements under Exhibit A, Attachment 6 (6). However, given the complexity of KFHP's provider network, there are segments of the law with which we are not in full compliance at this time. As evidence of KFHPs on-going efforts toward compliance, KFHP is submitting 1) copies of correspondence between KFHP and the Department of Managed Health Care (DMHC) on compliance with SB 137, 2) Exhibit J-14 Provider Directory Policy & Procedure _Redlined, and 3) Exhibit J-15: Provider Directory Worksheet. KFHP will continue to work through the remaining issues identified in the supporting	Attachment 2: 16-064A, Exhibit E-1, Amendment 2, Response to DMHC June 3, 2016 Comment Letter Attachment 3: 16-064B, Exhibit E-1, Amendment 3, Response to DMHC July 29, 2016 Comment Letter Attachment 4: 16-064C, Exhibit E-1, Amendment 4, Response to DMHC November 8,		**05/30/17** - MCP submitted subsequent following documentation to support its efforts to correct this finding: - Written response indicating a status update on revisions to both the printed and online provider directories. The printed provider directory now includes information regarding the plan's exclusively contracted providers. The online directory now includes information regarding certain sub-contracted providers. **05/30/17** – DHCS confirmed that the MCP added contracted and/or affiliated physicians to KFHP online directory (page "Find doctors and locations" page; under "Find Out about Related Links" and "Affiliated Providers" link). Each provider page (Magellan Health care, Beacon Health Options and Autism Services Providers List) includes the required fields (etc. license number, license type, NPI number, accepting new patients).

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
accept new patients. The Plan's online directory did not include the contracted or affiliated physicians. In addition, the printed Guidebooks, separate for each Plan-owned medical center, medical offices, and specialty facilities, are not available online.	documentation until full compliance with SB 137 is achieved. KFHP is working toward a completion date of end of Q4 2017 but that this date is subject to a number of factors, including further clarification from DMHC on expected processes and implementation. Accountable Person: Director, Provider Delivery Systems **Updated 05/30/17:** • In regards to Printed Directory "Per Section 1367.27(d)(1), as of May 2017, the Plan has available a printed provider directory for enrollees, potential enrollees, providers, and members of the public. As the Department of	2016 Comment Letter Attachment 5: 16-064D, Exhibit J-14, Policy and Procedure, Provider Directory Maintenance (non-Medicare) Attachment 6: 16-064D, Exhibit J-15, Provider Directory Worksheet		**09/01/17** - The following additional documentation submitted supports the MCP's subsequent efforts to correct this finding: -Draft Provider Directories (NCAL and SCAL) confirming that the directories now include information regarding the plan's exclusively contracted providers. DHCS also confirmed the presence of provider-specific info (e.g., license number, NPI, accepting new patients, contact information, practitioner type, board certified). -Written response (09/01/17) clarifying that the printed provider directories submitted serve as MCP's official provider directory for members. However, the guidebook will also continue to be available as it contains other information. **This finding is closed.**

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
	Managed Health Care was previously made aware, the Plan had been using the Plan's "Your Guidebook to Kaiser Permanente's Services" ("Guidebook") to meet this requirement. The Plan's printed provider directory includes information regarding the Plan's exclusively contracted providers within The Permanente Medical Group, Inc. ("TPMG") and Southern California Medical Group ("SCPMG"), as well as information regarding certain sub-contracted providers." • In regards to Online Directory "The Plan's			

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
	online directory now includes information regarding certain sub-contracted providers. The Plan contracts directly with American Specialty Health Plans, Inc. ("ASHP") for the provision of covered chiropractic services (statewide), and acupuncture services in Southern California. There is a link on kp.org under "affiliated providers" which will take the user to ASHP's online provider directory for a list of ASHP's providers and the required information regarding these providers. For behavioral health services, TPMG contracts with Beacon and Magellan			

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
	medical groups for additional provider capacity, and SCPMG contracts with Beacon and PsyCare medical groups for additional capacity. For applied behavioral analysis (autism) services, the Plan contracts with Easter Seals and other smaller entities. For information related to these external professionals and paraprofessionals, there is a searchable PDF on kp.org which the user can download and it lists these providers, along with their requisite information. This can be found on kp.org under “doctors and locations” and then “affiliated providers,” which is			

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
	located at the bottom of the webpage."			
3.4.3 Provider Directory for Medi-Cal Members (GMC Sacramento, GMC San Diego and Plan Partner Subcontracts) The Plan's online provider directory did not identify whether a provider was available to Medi-Cal members. The Plan's online provider directory encompasses all Kaiser employed providers for all lines of business. The online provider directory stated, under each individual physician's profile, that providers listed are available to most members. Plan staff indicated, during the onsite interviews, that any member may seek treatment through	In October 2016, Kaiser Foundation Health Plan (KFHP) removed from its online directory disclaimer language instructing members to call Member Services to ensure a specific provider is accepting Medi-Cal. Please see attached screen shot for the latest verbiage featured on the KP Online directory. As stated in attachment 16-064C SB 137Exh E-1_Resp to DMHC_Comm Ltr.Final_121916.doc, page 6 of 11, Item 8, KFHP affirms that all Permanente Medical Group and Kaiser Foundation Hospital providers are available to members in all product lines of business. In 2017, KFHP	Attachment 1: Updated language for KP Online Directory (3/27/17) Attachment 2: 16-064C, Exhibit E-1, Amendment 4, Response to DMHC November 8, 2016 Comment Letter	End of Q4 2017	**03/31/17** - MCP submitted the following documentation: - Screen shot (03/27/16) of KPOnline Directory to support the evidence of removed disclaimer language instructing Medi-Cal members to call Member Services to find out if they can be seen by a specific provider. **09/01/17 –** MCP submitted the following additional documentation to support its efforts to correct this finding: - Written response (09/01/17) indicating that MCP is in the process of removing affiliation language from the "Find doctors and locations" page. DHCS confirmed that the statement "Some providers may not be available if you have one of the

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
any Plan physician, regardless of line of business. In contrast, the online provider directory indicated that Medi-Cal members are instructed to call Member Services to ensure a specific provider is accepting Medi-Cal.	will indicate the product line of business for subcontractors listed in the Plan's provider directory. Accountable Persons: Director, Provider Delivery Systems			following plan types:…"Medi-Cal" has been removed. **09/15/17** - The following additional documentation submitted supports the MCP's subsequent efforts to correct this finding: - Written response (09/15/17) containing a proposed language change to on-line directory, which will further clarify that Medi-Cal members will have access to all of the providers in Kaiser Permanente provide directory. The proposed changes will go in effect in two weeks. **09/28/17** – DHCS confirmed that the MCP added additional language to KFHP online directory (page "My Doctor Online" under "Plan Affiliation"). **This finding is closed.**

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
3.5.1 Claims processing timeliness (GMC Sacramento, GMC San Diego and Plan Partner Subcontracts) The Plan did not ensure the payment of 99% of all clean claims within 90 days. The Plan's Medi-Cal Reference Guide, claims operating procedures manual, stated standard was "At least 95% of all claims must be paid or denied within 45 working days". The reference guide lists claims processing standards for each Medi-Cal line of business. The claims processing timeliness standards for all NCAL Plan Partners and two SCAL Plan Partners did not agree with the Contract requirements. The Plan staff stated that the	Kaiser Foundation Health Plan (KFHP) has implemented the following controls to ensure timeliness of contractual calendar days by the end of March 2017: 1. Conduct daily inventory monitoring meetings and swiftly address at risk aged claims identified in claim timeliness reporting. 2. Claim timeliness reporting to reflect Plan Partner timeliness guidelines to be updated by the end of Q2 2017. 3. All claim payment turnaround time issues will be remediated by the end of March 2017. 4. Adjust staffing resources on a daily basis (as needed) to ensure timely claim inventory processing is maintained. 5. Medi-Cal Reference Guide claims processing	1, 3, 4 Medi-Cal Control Report High Level Process Flow 5. Updated Medi-Cal Reference Guide, Plan Specific Requirements (3/24/17)	#'s 1, 3, 4, 5 – Q1 2017 2. End of Q2 2017	**06/30/17** - MCP submitted the following documentation: -An excel spreadsheet (June 2017) that measures TAT for NCAL, SCAL, and subcontractors. Similar to the "Medi-Cal Plan Specific Requirements" document above, this document also shows the plan is inconsistently monitoring for different standards for claims processing. **07/12/17** - DHCS provided technical assistance indicating that the plan needs to make sure that both their P&P and monitoring reports should be aligned with the following contractual requirements for NCAL, SCAL, and all subcontractors: • 90% within 30 calendar days • 99% within 90 calendar days • All within 45 working days

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
timeliness guidelines listed are as directed and contracted by each Plan Partner. Review of the Plan Partner policies, provider manuals, and delegation agreements found that the Plan Partner's stated claims timeliness standards meet DHCS Contract requirements but differ from the Plan's listed standards. The Plan monitored whether 99.75% of claims are paid within 60 days for all Medi-Cal lines of business.	timeliness standards for all NCAL Plan Partners and two SCAL Plan Partners were updated effective March 2017. Accountable Persons: Executive Director, National Claims Administration; Senior Operations Leader, California Claims Administration			**09/15/17** - The following additional documentation submitted supports the MCP's subsequent efforts to correct this finding: - MCP resubmitted its excel spreadsheet (09/01/17-09/14/17) that now measures TAT for NCAL, SCAL, and subcontractors for both federal and state requirements. **09/21/17** - MCP submitted the following additional documentation to support its efforts to correct this finding: - MCP resubmitted "Medi-Cal Plan Specific Requirements" (revised 09/20/17). P&P now is aligned with its monitoring report and has the following contractual requirements for NCAL & SCAL: • 90% within 30 calendar days • 99% within 90 calendar days

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
				• All within 45 working days **This finding is closed.**
3.5.2 Family Planning claim denials (GMC Sacramento and NCAL Plan Partner Subcontracts) The Plan did not ensure Family Planning claims were adjudicated without requiring prior authorization. The Plan's current electronic claims processing system automatically denied out of network Family Planning claims. These claims required a manual override by a claims processor.	Kaiser Foundation Health Plan (KFHP) established a control in the third quarter of 2016 to review Family Planning and State Supported Service Medi-Cal claims in our legacy claims system to ensure the claims are processed appropriately. 1. The control report is reviewed daily to ensure claims are not being denied for authorization or medical necessity. The control report is reviewed daily by a highly trained claims expert. The expert reviews any possible outliers on the report and conducts root cause analysis. If an issue is identified and the expert	1, 2. Medi-Cal Control Report High Level Process Flow. NCAL Medi-Cal Control Report Output 3. Desk Level Procedure, NCAL Family Planning Services (12/13/16)	1. Legacy control report was established in Q3 2016. Tapestry A/P system control report was established on March 9, 2017. 3. Document updated December 13, 2016	**03/31/17** - MCP submitted the following documentation to support its efforts to correct this finding: - "High Level Process – MediCal Control" flow-chart that shows MCP's process for claims adjudication. MCP's process includes applying filters to include a review of denials for no prior auth as well as a validation that all identified errors have been remediated. - A sample daily "NCAL Medi-Cal Control Report Output" as evidence that MCP has the capacity to run daily reports which include a review of family planning claims. Written response (see CAP response "Action Taken" column) commits MCP to a daily review of the control

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
	can address, the remediation is done immediately. If the remediation requires assistance from another team it is forwarded to that team for resolution. The reports are stored in a central repository and are summarized weekly into a dashboard. Management has access to the central repository and is made aware of any issues immediately. The weekly summary is shared with the CA claims leadership team. Refresher training is provided as needed if a claim adjudicator has repeat errors. 2. Any claims requiring correction are corrected. 3. Desk level procedures are in place to ensure that prior authorization requirements not be applied to Emergency Services, Minor Consent Services, family planning			report. Ensuring that the claims are not being denied for authorization or medical necessity. **08/19/17** - MCP submitted the following additional documentation to support its efforts to correct this finding: -Written response (08/19/17) indicating that MCP is currently running a daily report to analyze all Family Planning denied claims. The claims analysis is reviewed in a daily meeting with management. **08/28/17** – MCP submitted the following additional documentation to support its efforts to correct this finding: - Three (3) randomly selected recent samples of Family Planning daily reports "SCAL Medi-Cal Control Report Family Planning" (08/08/17, 08/17/17 and 08/18/17). These samples demonstrate that MCP has fully implemented its process of

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
	services, preventive services, basic prenatal care, sexually transmitted disease services, and HIV testing. Accountable Persons: Executive Director, National Claims Administration; Senior Operations Leader, California Claims Administration			running daily reports to review family claims to ensure they are properly adjudicated. **This finding is closed.**
4. Members' Rights				
4.1.1 Member grievance notification (NCAL and SCAL Plan Partner Subcontracts) The Plan did not have sufficient monitoring and oversight to ensure that written notifications were sent to members for unresolved grievances within 30 days. The Plan's grievance notification policy was not implemented as evidenced by the verification study. A total of 109 grievances files were reviewed; eight of which were	To remediate this deficiency, Kaiser Foundation Health Plan (KFHP) has implemented additional system changes, increased operational oversight, and reinforced requirements with our staff. KFHP monitors this requirement through quality oversight and audit reviews on a consistent basis. 1. <u>Mandatory staff meetings held to reinforce requirements</u>: Staff	1. 50-2M Policy and Procedure: "Grievance Process for Resolution of Managed Medi-Cal Member Issues" 3. Email	1. Mandatory Staff Meetings in November 2016 (completed) 2. Communication to Managers in November 2016 (completed) 3. System Enhancement in October	**03/31/17** - MCP provided no supporting documentation at the time of submission to validate efforts to remediate this finding. **06/08/17**- MCP submitted the following documentation to support its efforts to correct this finding: -Written response (06/08/17) affirming that training was conducted on 06/01/17 for all staff who process Medi-Cal grievances.

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
not resolved within 30 days. Written notifications were not sent for all eight: six NCAL (sent within 32-159 days) and two SCAL (60 and 110 days).	meetings were held with staff who process Medi-Cal grievances in November 2016. Discussions involved review of the delay notification requirement as outlined in policies and procedures and in accordance with contract requirements. Additionally, staff were provided instructions on how to monitor grievance due dates in the system in order to ensure that they are able to readily identify cases that may require the issuance of a delay letter and provide this letter in a timely fashion. 2. <u>Instructional Guidance on utilizing reporting tools:</u> In November 2016, all management staff were educated on how to utilize reporting tools to better monitor cases that may require written	communication, "CIWRS Updates Scheduled for 10/06/2015"	2015 (completed)	-"CA Member Services CAP Refresher Training" (06-01-17) and corresponding attendance sheet as evidence that MCP delivered a powerpoint presentation reminding staff that delay letters must be sent anytime grievances are not processed within 30 calendar days (slide 8). The training also educates staff on the new system enhancement which auto-populates to prompt the reviewer to send out the delay letter 3 days prior to resolution (slide 9). -Written response (06/08/17) indicating that the plan has been monitoring compliance with grievance delay letter as of January 2017. Results indicate that 72.2% of delay letters are sent (an improvement from 2016). -Technical assistance was provided to the MCP to indicate that although the plan is actively monitoring compliance now, further follow-up action should be taken to ensure that the rate of

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
	notification of delay. 3. System Enhancements: In October of 2015, a system enhancement was implemented to provide a system reminder to staff of when a written notification of delay should be sent. Staff were refreshed on this functionality in November 2016. Accountable Person: Executive Director, Grievance Operations			compliance continues to increase as staff have now been re-trained. **This finding is closed.**
4.3.1 Breach incident reporting timeframes (GMC Sacramento, GMC San Diego and Plan Partner Subcontracts) The Plan did not immediately report breach incidents and provide investigation reports within the required timeframes. The Plan's procedures did not include	Upon discovery that a Medi-Cal patient is involved in a breach of PHI, Kaiser Foundation Health Plan procedures, Reference Grid and Incident Response Overview, requires that we will immediately notify DHCS and follow-up with a written report of initial findings within 24 hours. Accountable Persons: NCAL		March 27, 2017	**03/31/17** – MCP's original CAP response indicates that the MCP waits to confirm that a breach involves a Medi-Cal member prior to reporting the breach to DHCS. **07/07/17** – Written technical assistance was provided to MCP. MCP must still report breaches to DHCS within all required timeframes (i.e., 24hrs, 72hrs, 10 working days). If the MCP wants to confirm that a Medi-Cal

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
immediate notification and submission of investigative reports within 72 hours. DHCS was not immediately notified, and investigative reports were not submitted within 72 hours of discovery for all six breach incidents reviewed. Based on the DHCS breach log, these cases were initially reported one to 15 days after discovery, and investigative reports were submitted six to 26 days after discovery. The Plan submitted documentation to verify submission of investigative reports but did not provide documentation to verify initial notification.	Regional Privacy & Security Officer; SCAL Director Privacy & Security Compliance			member has been impacted, the timeframes still must be met from date of ***discovery*** and not the date that the Medi-Cal affected member was confirmed. **08/2017** – DHCS' Office of Legal Services (OLS) held a phone conference with MCP to discuss reporting breaches timely. MCP to revise P&P and resubmit for review. **09/28/17** – MCP submitted revised P&Ps for "Notifications Regarding Breaches of Protected Health Information": 1) NCAL-PRIV/SEC-025 2) SC.RCO.PS.025 DHCS still has concerns that language implies that the plan is still confirming Medi-Cal affected members which may delay reporting. **12/15/17** – DHCS' OLS held another phone conference with MCP to discuss necessary

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
				revisions to the NCAL and SCAL P&Ps. MCP clarified that if it can immediately confirm whether a Medi-Cal member was affected, the breach will be reported to DHCS as appropriate. However, if it cannot be immediately determined that a Medi-Cal member was affected, MCP to report the breach to DHCS immediately, regardless of unconfirmed line of business for affected members. MCP to revise P&Ps to make this clear and resubmit by end of the year. **12/28/17** - MCP and DHCS OLS held an additional conference call to discuss revisions made to the Breach Notification P&P. -NCAL-PRIV/SEC-025 (proposed revisions 12/27/17) incorporates language to Section 5.3.2.1 (page 10) to clearly delineate it's process for reporting breaches timely to DHCS if it can immediately confirm that a Medi-Cal member has been affected. However, if it cannot be

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
				immediately determined that a Medi-Cal member was affected, MCP to report the breach to DHCS immediately, regardless of unconfirmed line of business for affected members. **01/11/18** – MCP submitted two finalized P&Ps with revised language that has been approved: 1) NCAL-PRIV/SEC-025 (01/08/18) 2) SC.RCO.PS.025 (01/08/18) - "NCAL-PRIV/SEC-025" (revised 01/05/18). Section 5.3.2 (page 10) commits MCP towards reporting breaches immediately regardless of MCP's choosing to confirm Medi-Cal affiliation of an affected member. - "SC.RCO.PS.025" (Revision effective date 10/04/17). Section 5.18.2. (page 20) commits MCP towards reporting breaches immediately regardless of MCP's choosing to confirm Medi-Cal affiliation of an affected member.

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
				DHCS will continue to monitor full implementation of this CAP to ensure the timely reporting of all breaches in subsequent audits. **This finding is closed.**
4.3.2 Breach incident reporting requirements (GMC Sacramento, GMC San Diego and Plan Partner Subcontracts) The Plan did not report breach incident notification and investigative reports to all required DHCS entities. The Plan developed a Reference Grid and Incident Response Overview as a corrective action for the prior DHCS audit finding. The Reference Grid identifies the Contracts requirements but only lists Sacramento and San Diego GMC lines of business.	Kaiser Foundation Health Plan's Reference Grid and Incident Response Overview has been updated to ensure that all three (3) DHCS entities, DHCS Medi-Cal Managed Care Division (MMCD) Contracting Officer, the DHCS Privacy Officer and the DHCS Information Security Officer will be notified as per our contracted time frames. Accountable Persons: NCAL Regional Privacy & Security Officer; SCAL Director Privacy & Security Compliance	Plan Partner HIPAA and Fraud/Abuse Contract Reference Grid	March 27, 2017	**SCAL** **07/28/17** – MCP submitted the following additional documentation to support its efforts to correct this finding: - Documentation for all four privacy breach incidents (09/01/16 -08/08/17). The MCP submitted various emails showing evidence of reporting to 3 DHCS entities at each of the 24hrs, 72hrs, and 10 working days reporting junctures. - MCP's written communication (07/28/17) that explains that the Director of the Privacy and Security Compliance team

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
The Plan did not have a system in place to maintain the necessary documentation to support whether all six cases were reported to all three DHCS entities. Four out of six cases had no documentation showing that all three DHCS entities were initially notified. In the two cases that had documentation in the DHCS breach log and related notification documentation: one was reported to the DHCS Privacy Officer, but there was no record of reporting to the DHCS Information Security Office and Contract Manager; the other case was reported to the DHCS Privacy Officer and Contract Manager, but not the DHCS Information Security Office.				reviews each DHCS reportable breach to ensure that the proper DHCS notification protocols are being followed. **08/11/17** – MCP submitted "Breach Incident Monitoring Report (09/01/16 through 08/08/17) as evidence of implementation of monitoring procedure to ensure and document breach reporting to all required DHCS entities at each of the reporting junctures (24hrs, 72hrs, 10 working days). **08/19/17** – MCP's written communication (08/11/17) documents MCP's commitment to stay on track with monitoring procedures by using the submitted tracking sheet tool, as well as commitment to quarterly periodic reviews/audits of monitoring reports. **This finding is closed.** **NCAL**

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
				08/23/17 – MCP submitted the last three privacy breaches reported to DHCS (February and May 2017). MCP did not consistently report these to all three DHCS entities at the required 24hr, 72hr, and 10-working day intervals. On 08/31/17, DHCS held a telephone conference with MCP to provide technical assistance and discuss options for monitor compliance with this requirement through use of a tracking sheet. **09/06/17** – MCP submitted a template-tracking sheet "DHCS Breach Incident Monitoring Spreadsheet 2017" (09/05/17) as evidence that MCP has created a tool to monitor reporting to the 3 DHCS entities at each of the 24hr, 72hr, and 10-working day reporting junctures. **This finding is closed.**
5. Quality Management				

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
5.2.1 Training for newly contracted providers (GMC Sacramento and NCAL Plan Partner Subcontracts) The Plan did not provide training for non-physician providers during the audit period. The prior DHCS audit included findings that training was not conducted for all providers. As part of the corrective action plan, the Plan implemented a Medi-Cal managed care provider training process in June 2016 for all newly hired physicians to receive the provider training within ten days of hire. The Plan conducted provider training for new physicians but not for non-physicians. According to the Plan, provider training for newly hired non-physician providers will be implemented by the first quarter of 2017.	Kaiser Foundation Health Plan (KFHP) has completed a gap analysis and is currently engaging stakeholders to refine the process for Medi-Cal training for non-physician and contracted providers. KFHP plans to leverage the existing Medi-Cal Provider Training (with minor edits) and attestation form. The attached document includes a status update and detailed timelines for the Non-physician and contracted Medi-Cal training project. Accountable Person: Regional Director, Medi-Cal Strategy and Operations, NCAL	Project Status Update: Non-Physician and Contracted Provider Training Implementation NCAL	Non-physician & Contracted: Implementation by March 31, 2018	Through numerous communications spanning from March – December 2017, DHCS has monitored the MCP's progress towards remediation of this finding on no less than on a monthly basis. On 12/13/17, DHCS received a status update demonstrating sufficient progress made towards implementation of the CAP. MCP has implemented separate processes to ensure ***non-physician*** training for both TPMG (Kaiser) and contracted (non-Kaiser) providers: **TPMG Providers:** MCP is using KP Learn to assign all TPMG new hires to online training. MCP's system will have the capability to track and report who took the training, including the date of training. A sample report was provided to DHCS demonstrating the type of information MCP will collect from the system once fully implemented. Full implementation

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
				is expected by the end of the year 2017. **<u>Contracted Providers:</u>** For outside contracted providers, language has been added to contracts to ensure that the provider has completed the required training. Execution of the contact, as indicated by the providers' signature, acknowledges completion of the training. This requirement will be effective 01/01/18. **DHCS will continue to closely monitor MCP's continued progress towards full implementation as well as the effectiveness of the CAP in the subsequent 2017 audit.** **This finding is closed.**
5.2.1 Training for newly contracted providers (GMC **San Diego** and SCAL Plan Partner Subcontracts) The Plan did not implement	Physician Training: The new physician training and attestation process officially launched November 1, 2016. New physicians receive KP SCAL's Medi-Cal	Benefits and Services of KP's Medi-Cal Managed Care Members: Provider Quick	Physician: Completed November 1, 2016 Non-physician &	Through numerous communications spanning from March – December 2017, DHCS has monitored the MCP's progress towards remediation of this finding on no less than on a

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
Medi-Cal managed care training for the following new providers during the audit period: 1) **New physicians (SCAL Plan Partners**); 2) **New non-physicians (San Diego GMC and SCAL Plan Partners).** The verification study found five of six new SCAL Plan Partner physicians did not receive provider training. The Plan confirmed that there was no Medi-Cal managed care provider training process for new SCAL Plan Partner physicians during the audit period.	Quick Reference Guide (QRG) and attestation form in their new hire packet (pre-hire). Signed attestation forms are scanned in by the local HR department and assigned a unique PeopleSoft form ID. Kaiser Foundation Health Plan (KFHP) is able to monitor compliance by pulling reports based on the unique form identifier. Non-physician Training (SCPMG & Contracted): KFHP has completed a gap analysis and is currently engaging stakeholders to refine the process for Medi-Cal training for non-physician and contracted providers. KFHP plans to leverage the existing Medi-Cal QRG (with minor edits) and attestation form. The attached document includes a status update and detailed timelines for all 3 phases of the Medi-Cal training project:	Reference Guide New Provider Quick Reference Guide Attestation Form Project Status Update: New Provider Training Implementation SCAL	Contracted: Implementation by December 31, 2017	monthly basis. On 12/13/17, DHCS received a status update demonstrating sufficient progress made towards implementation of the CAP. MCP has implemented separate processes to ensure both ***physician*** and ***non-physician*** training for SCPMG (Kaiser) and contracted (non-Kaiser) providers: **<u>SCPMG Providers:</u>** • **Physician:** Physicians receive KP SCAL's Medi-Cal Quick Reference Guide (QRG) and attestation form in their new hire packet (pre-hire). Signed attestation forms are scanned in by the local HR department and assigned a unique PeopleSoft form ID. MCP is able to monitor compliance by pulling reports based on the unique form identifier. MCP produced "SCPMG Medi-Cal Training attestation Submission rates" (03/01/17-

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
	Physician (completed), Non-physician, and Contracted. Accountable Persons: Regional Assistant Medical Director & Health Plan Physician Advisor, SCPMG; Managing Director, Medi-Cal State Programs, Charitable Care and Coverage			05/31/17) as evidence that MCP is generating monitoring reports. While reports reveals low compliance ratings, MCP's indicated that this is partly attributed to one to two new physicians in some of the medical groups which skewed the compliance rate. Once the training has been streamlined, MCP will then look to identify any gaps/trends. • **Non-Physician:** MCP is using KP Learn to assign all SCPMG new hires to online training. MCP's system will have the capability to track and report who took the training, including the date of training. A sample report was provided to DHCS demonstrating the type of information MCP will collect from the system once fully implemented. Full implementation is expected by the end of the year 2017. **Contracted Providers:**

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
				For outside contracted providers (both physicians and non-physicians), language has been added to contracts to ensure that the provider has completed the required training. Execution of the contact, as indicated by the providers' signature, acknowledges completion of the training. This requirement will be effective 01/01/18. **DHCS will continue to closely monitor MCP's continued progress towards full implementation as well as the effectiveness of the CAP in the subsequent 2017 audit.** **This finding is closed.**
5.2.2 Newly contracted provider training timeframe (GMC Sacramento and NCAL Plan Partner Subcontracts) The Plan did not conduct Medi-Cal managed care provider training for newly contracted providers **within**	On June 1, 2016, Kaiser Foundation Health Plan (KFHP) NCAL implemented a new physician training process in which new physicians are provided with a Medi-Cal orientation as part of the new-hire process. The two new physicians	TPMG HR: Medi-Cal Provider Training Attestation Guideline	n/a	**03/31/17** - MCP submitted the following documentation to support its efforts to correct this finding: -MCP's written response clarifies that the two deficient files cited in the report were prior to implementation of the new

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
ten working days after being placed on active status. The results of the verification study found two out of nine new physicians did not receive provider training within the required timeframe. The two new physicians completed the training in 84 and 99 days. According to the Plan, the human resource department was responsible for administering provider training and maintaining training attestation records. The Plan however did not have policies or procedures to track provider training completion timeliness.	noted by DHCS as having completed training in 84 and 99 days were hired prior to the implementation of the new training process. KFHP NCAL is resubmitting the Medi-Cal Physician Training Attestation_guide.docx which outlines the implementation and monitoring procedure for providers to receive the Medi-Cal Orientation within ten days of hire. Accountable Person: Regional Director, Medi-Cal Strategy and Operations, NCAL			training process. -"Medi-Cal Provider Training Attestation Form Guideline" (May 2016) outlines MCP's new process for training providers effective June 1, 2016. The guideline indicates that the Medi-Cal Provider Training Attestation form is sent to physicians with the new hire packet prior to his/her first day of employment and that the signed attestation form must be returned to HR no later than 10 days of hire. **This finding is closed.**
6. Administrative and Organizational Capacity				
6.3.1 Suspected fraud and abuse case reporting (GMC Sacramento, GMC San Diego and Plan Partner Subcontracts) The Plan did not complete and report the results of	Kaiser Foundation Health Plan's (KFHP's) FWA reporting workflow was reviewed and updated to reflect the urgency of the identification of Plan members. That workflow is attached to this response. Additionally, we have	Medi-Cal Fraud Referral Reporting Process	March 27, 2017	**07/17//17** - MCP submitted the following documentation to support its efforts to correct this finding: -"Combined Regional Medi-Cal Fraud Referral Scorecard" Q1 2017 & Q2 2017) as evidence that MCP is monitoring compliance

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
preliminary investigations to DHCS within ten working days. A total of twenty suspected fraud and abuse incidents were reported to DHCS during the audit period. All twenty included preliminary and final investigation and reporting. Eight (three NCAL, five SCAL) preliminary investigations were not conducted and reported to DHCS within ten working days. Reporting of these cases ranged from 48-86 days (Sacramento GMC and NCAL Plan Partners) and 14-33 days (San Diego GMC and SCAL Plan Partners).	implemented a supplementary layer of activity to more quickly identify member types in potential FWA matters through a weekly member type data pull from our case management system. National Compliance Office, NSIU (Tamara Neiman) will be responsible for overseeing the reporting on behalf of Kaiser. Timely reporting will be monitored by the Regional Compliance Offices (Sue Preston and Alex Perez) until sustained 3 quarters established. Accountable Persons: SCAL Regional Director, Healthcare Delivery Compliance; NCAL Regional Director, Compliance Program and Operations			with timely notification of FWA referrals to DHCS. NCAL and SCAL showed 100% compliance for both Q1 and Q2 of 2017. **07/28/17** - MCP submitted the following additional documentation to support its efforts to correct this finding: -MCP's written response (07/28/17) confirming that MCP understands contractual requirement to report the preliminary investigation within 10 working days form the date the plan first becomes aware of the activity. **This finding is closed.**

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
7. State Supported Services				
SSS.1 State Supported Service claim denials (GMC Sacramento and NCAL Plan Partner Subcontracts) The Plan did not ensure that State Supported Service claims were adjudicated without requiring prior authorization. The Plan's current electronic claims processing system automatically denied State Supported Service claims. These claims required a manual override by a claims processor.	Kaiser Foundation Health Plan (KFHP) established a control in the third quarter of 2016 to review Family Planning and State Supported Service Medi-Cal claims in our legacy claims system to ensure the claims are processed appropriately. 1. The control report is reviewed daily to ensure claims are not being denied for authorization or medical necessity. The control report is reviewed daily by a highly trained claims expert. The expert reviews any possible outliers on the report and conducts root cause analysis. If an issue is identified and the expert can address, the remediation is done immediately. If the remediation requires assistance from another	1, 2. Medi-Cal Control Report High Level Process Flow. NCAL Medi-Cal Control Report Output 3. Desk Level Procedure, NCAL Family Planning Services (12/13/16)	1. Legacy control report was established in Q3 2016. Tapestry A/P system control report was established on March 9, 2017. 3. Document updated December 13, 2016	**03/31/17** - MCP submitted the following documentation to support its efforts to correct this finding: -Desktop procedure, "Family Planning Services – Northern California" (12/13/16), which provides guidance to staff on how to override prior authorization requirements for family planning claims. **04/13/17** -MCP submitted the following additional documentation to support its efforts to correct this finding: -Written response (04/13/17) stating: "The control report is reviewed daily by a highly trained claims expert. The expert reviews any possible outliers on the report and conducts root cause analysis. If an issue is identified and the expert can address, the remediation is done immediately.

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
	team it is forwarded to that team for resolution. The reports are stored in a central repository and are summarized weekly into a dashboard. Management has access to the central repository and is made aware of any issues immediately. The weekly summary is shared with the CA claims leadership team. Refresher training is provided as needed if a claim adjudicator has repeat errors. 2. Any claims requiring correction are corrected. 3. Desk level procedures are in place to ensure that prior authorization requirements not be applied to Emergency Services, Minor Consent Services, family planning services, preventive services, basic prenatal care, sexually transmitted			If the remediation requires assistance from another team it is forwarded to that team for resolution. The reports are stored in a central repository and are summarized weekly into a dashboard. Management has access to the central repository and is made aware of any issues immediately. The weekly summary is shared with the CA claims leadership team. Refresher training is provided as needed if a claim adjudicator has repeat errors." -Sample "NCal Medi-Cal Control Report Output" as evidence that the plan runs a control report on a daily basis. **This finding is closed.**

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
	disease services, and HIV testing. Accountable Persons: Executive Director, National Claims Administration; Senior Operations Leader, California Claims Administration			
SSS.1 State Supported Service claim denials (GMC San Diego and SCAL Plan Partner Subcontracts) The Plan did not ensure that State Supported Service claims were adjudicated without requiring prior authorization.	Kaiser Foundation Health Plan (KFHP) established a control in the third quarter of 2016 to review Family Planning and State Supported Service Medi-Cal claims in our legacy claims system to ensure the claims are processed appropriately. 4. The control report is reviewed daily to ensure claims are not being denied for authorization or medical necessity. The control report is reviewed daily by a highly trained claims expert. The expert	1, 2. Medi-Cal Control Report High Level Process Flow. SCAL Medi-Cal Control Report Output 3. Desk Level Procedure, SCAL Family Planning and Sensitive	1. Legacy control report was established in Q3 2016. Tapestry A/P system control report was established on March 9, 2017. 3. Document updated December 6, 2016	**03/31/17** - MCP submitted the following documentation to support its efforts to correct this finding: - Desktop procedure, "Family Planning and Sensitive Services – Southern California" (12/06/16), which provides guidance to staff on how to override prior authorization requirements for family planning claims. **04/13/17** -MCP submitted the following additional documentation to support its efforts to correct this finding:

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
	reviews any possible outliers on the report and conducts root cause analysis. If an issue is identified and the expert can address, the remediation is done immediately. If the remediation requires assistance from another team it is forwarded to that team for resolution. The reports are stored in a central repository and are summarized weekly into a dashboard. Management has access to the central repository and is made aware of any issues immediately. The weekly summary is shared with the CA claims leadership team. Refresher training is provided as needed if a claim adjudicator has repeat errors. 5. Any claims requiring correction are corrected. 6. Desk level procedures are in place to ensure that	Services (12/6/16)		-Written response (04/13/17) stating: "The control report is reviewed daily by a highly trained claims expert. The expert reviews any possible outliers on the report and conducts root cause analysis. If an issue is identified and the expert can address, the remediation is done immediately. If the remediation requires assistance from another team it is forwarded to that team for resolution. The reports are stored in a central repository and are summarized weekly into a dashboard. Management has access to the central repository and is made aware of any issues immediately. The weekly summary is shared with the CA claims leadership team. Refresher training is provided as needed if a claim adjudicator has repeat errors."

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
	prior authorization requirements not be applied to Emergency Services, Minor Consent Services, family planning services, preventive services, basic prenatal care, sexually transmitted disease services, and HIV testing. Accountable Persons: Executive Director, National Claims Administration; Senior Operations Leader, California Claims Administration			-Sample SCAL Medi-CAL Control Report (03/20/17) as evidence that the plan runs a control report on a daily basis. For each plan partner, the report tracks how many cases were reviewed, the number of errors noted, calculates the percentage of accuracy, and comments on remediation status. **This finding is closed.**

Submitted by: Tiffany Weisberg **Date: March 31, 2017**
Title: Manager, CA Medi-Cal & State Sponsored Programs