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

JENNIFER KENT
DIRECTOR

EDMUND G. BROWN JR.
GOVERNOR

May 8, 2018

Mary Beth Corrado
Chief Compliance Officer
CalViva Health
7625 North Palm Avenue, Suite 109
Fresno, CA 93711

RE: Department of Health Care Services Medical Audit

Dear Ms. Corrado:

The Department of Health Care Services (DHCS), Audits and Investigations Division conducted an on-site Medical Audit of CalViva Health, a Managed Care Plan (MCP), from April 17, 2017 through April 27, 2017. The survey covered the period of April 1, 2016 through March 31, 2017.

On April 18, 2018, the MCP provided DHCS with additional information regarding its Corrective Action Plan (CAP) in response to the report originally issued on February 27, 2018.

All items have been reviewed and DHCS accepts the MCP's submitted CAP. The CAP is hereby closed. Full implementation of the CAP will be monitored on the subsequent audit. The enclosed report will serve as DHCS' final response to the MCP's CAP.

Please be advised that in accordance with Health & Safety Code Section 1380(h) and the Public Records Act, the final report will become a public document and will be made available on the DHCS website and to the public upon request.

If you have any questions, feel free to contact me at (916) 552-8946 or Michael Pank at (916) 552-8945.

Sincerely,

Hannah Robins, Chief
Compliance Unit

Enclosures: Attachment A CAP Response Form

cc: Mary Cobb, 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: CalViva Health

Audit Type: Medical Audit and State Supported Services **Review Period: April 1, 2016 – March 31, 2017**

MCPs are required to provide a CAP and respond to all documented deficiencies within 30 calendar days, unless an alternative timeframe is indicated in the letter. MCPs are required to submit the CAP via email in word format which will reduce turnaround time for DHCS to complete its review.

The CAP submission must include a written statement identifying the deficiency and describing the plan of action taken to correct the deficiency, and the operational results of that action. For deficiencies that require long term corrective action or a period of time longer than 30 days to remedy or operationalize, the MCP must demonstrate it has taken remedial action and is making progress toward achieving an acceptable level of compliance. The MCP will be required to include the date when full compliance is expected to be achieved.

DHCS will maintain close communication with the MCP throughout the CAP process and provide technical assistance to ensure the MCP provides sufficient documentation to correct deficiencies. Depending on the volume and complexity of deficiencies identified, DHCS may require the MCP to provide weekly updates, as applicable.

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*anticipated or completed)	DHCS Comments
3. Access and Availability of Care				
3.4.1 Specialist and Specialty Services Specialist and Specialty Services referrals is a delegated function.	The Plan conducts rigorous oversight of Delegate's network to maintain adequate number and type of specialists within the network.	Kings County Specialty Access CAP Summary	5/31/17	**04/02/18** – The following documentation supports the MCP's efforts to correct this deficiency: -Sample report, "CalViva Health Kings County Specialty Access CAP

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The Plan is required to provide oversight to ensure that the Delegate is maintaining an adequate number of specialists in the provider network. The Plan recognizes the specialist shortage in Kings County. According to the most current Network Adequacy Report (Q4 2016), submitted by the Plan to DHCS, there were network deficiencies in Kings County for hematology/oncology, rheumatology, infection diseases, neonatology, and radiology. The Delegate was unable to maintain adequate number and types of specialists in Kings County. The Plan has	**<u>Network Availability Analysis</u>** Implemented two approaches to address deficiencies through direct contract network activities and participating provider group (PPG) involvement. Outreach and contracting efforts to close targeted network gaps listed in DHCS audit findings were implemented in May 2017. **<u>Contracting</u>** The Plan/PPGs completed contracting for available specialty access in Kings County for: • Hematology, • Oncology, • Infectious Disease, • Neonatology, • Rheumatology, • Radiology Since some of the zip codes in Kings County are in remote, rural area where there are no available specialists, members	Kings County Specialty Access CAP Summary CVH Specialist Access Improvement - CAP Report March 2018 CVH Specialist Access Improvement March 2018 SPC attachment Kings County Specialty Access CAP Summary	3/1/18 3/6/18 3/28/18 QI/UM Workgroup 3/6/18 and ongoing	Summary" (03/28/18 – QI/UM Workgroup Meeting) as evidence that the MCP has implemented processes to improve network specialty access. Efforts to identify specialty gaps and identify specialists that can be evaluated for potential interest in contracting with the MCP's delegate through its direct network and delegated PPGs. Specialists and providers in identified specialty areas (see audit report) have been contracted with or credentialing has been initiated. Note: Two specialty areas (Infectious Disease and Neonatology) were found to not be available in Kings County, but specialists have been identified in neighboring counties. -Sample report, "Specialist Access Improvement Correction Action Plan" (03/06/18) presented to the MCP's Management Oversight meeting. The report describes progress of actions taken to improve specialist network shortages. Outreach and contracting efforts to close network gaps and increase access to network

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addressed the shortages with the Delegate and issued a corrective action plan to the Delegate (DCAP) on April 13, 2017. The Plan's specialist shortages may result in members in Kings County not receiving medical services timely. **RECOMMENDATION** Conduct rigorous oversight of the Delegate to ensure necessary actions are taken to maintain an adequate number of specialists in Kings County.	must travel for specialty care in contiguous counties. **Monitoring** The Plan provides oversight and ongoing monitoring of specialty access improvement efforts through review of monthly reports and updates at monthly CalViva Health Management Oversight Meetings with Health Net, quarterly reports at the Access Workgroup and updates at the QI/UM Workgroup. The reports started in April 2017 and will continue on an ongoing basis to address any new specialty access issues that may develop. The *Kings County Specialty Access CAP Summary* addressing resolution of the targeted network gaps was reviewed by the Plan's QI/UM Workgroup on March 28, 2018. The *CVH Specialist Access Improvement - CAP Report March 2018* reviewed at the	CVH Specialist Access Improvement - CAP Report March 2018 CVH Specialist Access Improvement March 2018 SPC attachment		specialists through both direct network and delegated PPGs. Direct network specialists were identified and contracting efforts have begun. Between direct network and PPG network capacity specialty gaps identified in last two audits have been closed. DHCS will continuously evaluate the MCP's delegation oversight in subsequent audits to ensure the MCP is maintaining an adequate number of specialists in its service area. **This deficiency is closed.**

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	March 6, 2018 Management Oversight Meeting also addresses the resolution of the six (6) Kings County targeted network gaps.			
3.5.1 Emergency Services Claims Processing The Plan improperly denied claims with potential CCS eligibility and the service providers who should have been paid did not receive payment. **RECOMMENDATION** Monitor procedures to ensure proper processing of emergency room claims with potential CCS eligibility.	**Desktop Procedure Presentation & Training** Meeting with MRU team to discuss the CCS risk reviews and review procedures and related templates. CCS risk reviews will no longer include contesting the claim for medical records to determine if the child meets CCS referral criteria or the claim is related to a current CCS diagnosis. **Monitoring Activities** **Quality Monitoring** Conduct quality monitoring of CCS risk. A score of at least 90% must be achieved. Corrective action is initiated as needed. **CVH Focus Audit** CalViva conducted a focus	5.11.17 Revised_CCS_Template_jg 5.11.17 Revised EOC Codes CCS template 5.12.17 CCS Process Meeting Minutes CCS Quality Monitoring Template 11-28-17	Completed 5/12/2017 Monthly 11/28/17	**04/02/18** – The following documentation supports the MCP's efforts to correct this deficiency: -MRU meeting minutes (05/12/17) which provide evidence of documented review and discussion of CCS risk review process changes that include no longer contesting claims for medical records or current CCS diagnosis. Note: MCP made corrections during post-onsite with implementation of new CCS claims processing instructions and corrected approximately 223 improperly denied claims. -Sample monitoring template, "CCS Quality Monitoring Template" as evidence the MCP is conducting monthly reviews of CCS risk identification. Corrective action

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	audit in November 2017. CalViva selected the entire population of out of network ER CCS related denied claims during the time period of July 2017 – September 2017 (i.e. 19 claims). Per review of the supporting documentation, an approved SAR was provided for each of the samples selected (noting that the approved SAR covered the dates of service for each claim). As such, no additional CAP was required. See focus audit summary attached. **2018 Annual Claims Oversight Audit** In addition, to ensure that Health Net's processes for adjudicating CCS related claims are in compliance with policies and procedures, as part of CalViva's annual claims oversight audit (for 2018), CalViva selected numerous CCS denied claims to test if claims were being processed correctly.	Focused Audit Summary of CCS Claims	The annual audit is expected to be completed by June 2018. Ongoing	required if score below 90% achieved. -Sample audit report, "CalViva Health Audit Review Findings" (11/28/17) in which the MPC conducted a focused audit of its delegated entity's claims processing functions involving out of network CCS denied CCS claims. **This deficiency is closed.**

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	The Plan will include a sample of out of network ER CCS related denied claims in all future annual oversight audits of Health Net.			
7. State Supported Services				
SSS.1 Consent A minor may consent to an abortion without parental consent and without court permission. (American Academy of Pediatrics v. Lungren 16 Cal.41h 307 (1997)). The Plan's policies are not compliant with the American Academy of Pediatrics v. Lungren decision that allow members of any age to receive abortion services without parental consent. Policies regarding sensitive services and materials distributed by the Plan contained	**Revised Policies** The Plan revised policies to include language that complies with American Academy of Pediatrics v. Lungren, and California Minor Consent requirements categorized by age. Policies included are: • PH- 015 "Ensuring Access to Sensitive Services" • PH-150 "Pregnancy Termination" **Medi-Cal 2017 Operations Guide** The Operations Guide has been revised to reflect language that complies with American Academy of Pediatrics v. Lungren, and California Minor Consent	PH-015 (Redlined) PH-015 (Clean) PH-150 (Redlined) PH-150 (Clean) Medi-Cal Ops Guide (page 5.2 only)	3/29/18 3/29/18 Within 30 days of DHCS approval of revised language	**04/02/18** – The following documentation supports the MCP's efforts to correct this deficiency: -Updated P&P, "PH-105: Pregnancy Termination" (03/28/2018) which has been revised in order to comply with American Academy of Pediatrics v. Lungren 16 Cal. 4th 307 (1997) (page 3). -Updated 2017 Medi-Cal Health Operations Guide which has been revised (page 5.2) under section titled, Minor's Consent for Services to comply with American Academy of Pediatrics v. Lungren 16 Cal. 4th 307 (1997). The following additional documentation submitted supports the MCP's efforts to correct this

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language that requires parental consent. **RECOMMENDATION** Revise all policies and distributed material to reflect language that complies with American Academy of Pediatrics v. Lungren 16 Cal.4th 307 (1997).	requirements categorized by age. Upon DHCS approval of the replacement language, the Plan will include it with the 2017 Operations Guide.			deficiency: -Updated P&P, PH-015: Ensuring Access to Sensitive Services" (04/10/18) -Technical Assistance provided to MCP. DHCS recommended that updated P&P, PH-015: Ensuring Access to Sensitive Service" (03/29/18) revise Statement B. under I. Purpose, page 1 to reflect requirements outlined in American Academy of Pediatrics v. Lungren. MCP deleted reference to 12 years of age and older. (04/10/18). **This deficiency is closed.**

Submitted by: Gregory Hund **Date: March 30, 2018**
Title: Chief Executive Officer