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



EDMUND G. BROWN JR.
GOVERNOR

March 30, 2018

Ginette Hawkins
Director of Regulatory Affairs and Compliance
Senior Care Action Network Health Plan
3800 Kilroy Airport Way, Suite 100
Long Beach, CA 90806

RE: Department of Health Care Services Medical Audit

Dear Ms. Hawkins:

The Department of Health Care Services (DHCS), Audits and Investigations Division conducted an on-site Medical Audit of Senior Care Action Network Health Plan, a Managed Care Plan (MCP), from March 13, 2017 through March 24, 2017. The survey covered the period of March 1, 2016 through February 28, 2017.

On March 13, 2018, the MCP provided DHCS with additional information regarding its Corrective Action Plan (CAP) in response to the report originally issued on August 18, 2017.

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.

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Sincerely,

Jeanette Fong, Chief
Compliance Unit

Enclosures: Attachment A CAP Response Form

cc: Manual Munoz, Contract Manager
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Medi-Cal Managed Care Division
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**ATTACHMENT A
Corrective Action Plan Response Form**



Plan: SCAN Health Plan

Audit Type: Medical Audit

Review Period: 03/01/16 – 02/28/17

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				
1.4.1 - Notification of Member's right to request a State Fair Hearing	The Plan's Grievance and Appeal Department (GAD) updated all applicable Medi-Cal appeal closure letters to reflect "Your Rights Under Med-Cal Managed Care" information. Additionally, the policy and	<ul style="list-style-type: none"> • DHCS Appeal Uphold Closure letter • G10330_10227 Section 1557 Notice • DHCS State 	11/30/2017	<p>09/20/17 – The following documentation supports the MCP's efforts to correct this deficiency:</p> <p>- P&P, "GA-0034 Member Appeal Process for Medi-Cal Only Benefits (Standard/Expedited)" (02/01/17)</p>

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	<p>procedure for the member appeal process was updated to reflect the step for notification of member's right to a state hearing.</p>	<p>Hearing Policy and Procedure</p> <ul style="list-style-type: none"> • DHCS Member Appeal Policy and Procedure 		<p>which has been updated to require State Hearing Rights to be attached to all appeal resolution notices (pages 3-4).</p> <p>10/10/17 – The following additional documentation supports the MCP's efforts to correct this deficiency:</p> <p>-Revised appeal resolution template letter and corresponding "Your Rights" attachment which includes State Hearing Rights.</p> <p>DHCS provided technical assistance to the MCP regarding additional revisions that need to be made to the "Your Rights" attachment and 1557 notice that were unrelated to the nature of this finding (12-pt font and bolded MCP telephone number for the DMHC paragraph, addition of Lao to the language tagline).</p> <p>This finding is closed.</p>

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2. Case Management and Coordination of Care				
2.4.1- IHA monitoring procedures	<p>The Plan has implemented a cross functional IHA workgroup to review current processes and develop interventions to meet the IHA monitoring regulatory requirement and develop project plan outlining the activities identified.</p> <p>Monitoring methodology will include a system generated report that will identify those members who have or have not received a timely IHA. This report will be generated on a monthly basis – by the 15th of each month. Upon receipt of the report, the list of those members who have not yet received an IHA will be distributed to the member’s medical group as notification. The medical group will be responsible for ensuring that the PCP is notified and the member is scheduled. When members (by medical group)</p>	<ul style="list-style-type: none"> • NPC Charter • IHA Monitoring Report Template 	12/31/17	<p>09/20/17 – The following documentation supports the MCP’s efforts to correct this deficiency:</p> <p>-Network Performance Committee Charter. Committee maintains oversight for monitoring delegated functions and services and oversees network compliance with applicable Medicaid regulations, applicable state and federal law and contractual and policy requirements. Out of this committee, the MCP has implemented a cross-functional IHA workgroup to review current processes and develop interventions to meet IHA monitoring requirements.</p> <p>-Sample template of monthly report that will identify medical group members who have or have not received a timely IHA. Medical groups will then be responsible for notifying individual PCPs and scheduling members for IHAs. For members identified as not having timely IHAs, Network Management</p>

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	<p>are identified without a timely IHA, the Plan will implement the escalation process to include Network Management and/or Medical Director to include contacting the medical group and agreement of a plan of action to ensure members are assessed timely. When medical groups are unable to complete the IHA in a timely manner, the Plan will follow the Corrective Action Plan (CAP) process. Monitoring of all activities will be reported to the Network Performance Committee monthly.</p>			<p>and/or Medical Director will implement a plan of action to ensure members receive timely IHAs. For medical groups unable to complete timely IHAs, corrective action will be initiated.</p> <p>10/06/17 – The following documentation supports the MCP’s efforts to correct this deficiency:</p> <p>-“DHCS Initial Health Assessment Work Group” meeting minutes (08/11/17; 08/30/17; 09/12/17) as evidence the plan has held discussions to address this finding. Documentation indicates they are actively working towards creating a desktop procedure, monitoring process, work flow, and work plan.</p> <p>-Desktop Procedure: “IHA Monitoring Process” and corresponding “IHA Work Flow” as evidence that MCP has formalized its processes for monitoring IHA completion including but not limited to:</p>

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				<ul style="list-style-type: none"> • Health Care Informatics (HCI) will create a Medical group specific IHA Monitoring Report on a monthly basis. • Care Coordination Management will identify Medical Group outliers and trends. • Network Performance Work Group will identify a need for CAPs. • Delegation Oversight will monitor CAPs. <p>- “HCS – Quality and Compliance Work Plan” which includes set milestones for completion including but not limited to: formation of a work group, development of workflows and desktop procedures, training, reporting, etc. Full implementation of reporting and training will be completed 12/31/17.</p> <p>This finding is closed.</p>

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3. Access and Availability of Care				
3.1.1 - Follow up appointment procedures	Delegation oversight tools were updated to include monitoring of delegates to ensure that established processes are in place to monitor and provide follow up to members who miss appointments. With respect to communicating the requirement to delegates, the delegated providers were required to attend a UM Best Practice Webinar between August 31-September 20, 2017. During the webinar the Plan reminded delegates that they are contractually and legally required to maintain procedures to for follow-up on missed appointments. The Plan further informed delegates that it had updated its Delegation Audit Tool to include compliance with this requirement. In addition, on September 11, 2017, the Plan sent an e-mail to all delegates outlining the requirement and	<ul style="list-style-type: none"> • Policy- Procedure DOU_0007_UM Audit2017_UM Tool - Updated • Delegate Education <ul style="list-style-type: none"> ○ UM Best Practice Training 2017 ○ Email_Access and Availability Standards • Provider Operations Manual – Accessibility and Availability 	10/01/2017	<p>09/20/17 – The following documentation supports the MCP’s efforts to correct this finding:</p> <p>-An email to delegates (09/11/17) to reinforce the requirement to have a documented process in place to follow-up on missed appointments. In this email, MCP has informed the delegates about the incorporation of this requirement into the UM Oversight audits.</p> <p>-“UM Best Practice Training 2017” (08/31/17 – 09/20/17) as evidence MCP provided a webinar to delegates to remind them of the requirement to follow-up on missed appointments and educated them on the updated audit tool.</p> <p>10/12/17 – The following additional documentation submitted supports the MCP’s efforts to correct this deficiency:</p> <p>-Updated delegation audit tool “2017</p>

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	<p>informing the providers that the Plan would begin monitoring compliance with this requirement at their next scheduled UM oversight audit. . Full implementation of updated delegation oversight process is effective on October 1, 2017.</p>			<p>DO Audit Tool” which includes a field to assess whether the delegate has a process in place to follow-up on missed appointments (line item 40 on the Excel tool).</p> <p>-Sample CAP template “Corrective Action Plan/Observation Summary/Utilization Management/SCAN Addendum/SNP Delegation Oversight” as evidence that the delegate will be required to submit a CAP to address this issue if the delegate is found to be non-compliant for having a process to follow-up on missed appointments (page 4).</p> <p>- “2018 UM Audit Calendar” as evidence that MCP has UM audits scheduled for each of its delegates in 2018.</p> <p>This finding is closed.</p>

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3.1.2 - Timely appointments with specialists	As noted above, the Plan required its delegates to attend a UM Best Practice Webinar between August 31, 2017 and September 20, 2017. During the Webinar, the Plan informed its delegates that they were contractually and legally required to provide Members with a specialist appointment within 15 days business days of a Member's request. The Plan also informed its delegates that the requirement had been added to the Plan's Delegation Audit Tool and that delegates would be audited for compliance with the requirement at their next delegation oversight audit. In that regard the Plan reviewed and updates its delegation oversight tools to incorporate this standard. With respect to the Provider Operations Manual (POM), the Plan updated its 2018 POM to include this requirement; the	<ul style="list-style-type: none"> • Policy- Procedure DOU_0007_UM Audit2017_UM Tool - Updated • Delegate Education <ul style="list-style-type: none"> ○ UM Best Practice Training 2017 ○ Email Access and Availability Standards • Provider Operations Manual – Accessibility and Availability 	10/01/2017	<p>09/20/17 – The following documentation supports the MCP's efforts to correct this finding:</p> <p>-An email to delegates (09/11/17) to reinforce the timeframe for scheduling non-urgent specialist appointments within 15 business days of the request. In this email, MCP has informed the delegates about the incorporation of this requirement into the UM Oversight audits.</p> <p>-Updated audit tool "2017 DO Audit Tool" to include a field to ensure that non-urgent specialist appointments are provided within 15 business days of the request (line 27).</p> <p>-“UM Best Practice Training 2017” (08/31/17 – 09/20/17) as evidence MCP provided a webinar to delegates to remind them of the requirement to schedule non-urgent specialist appointments within 15 business days of the request.</p>

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	revised POM will be published and disseminated to delegates in January 2018.			<p>-A copy of the revised section to the "Provider Operation Manual" to show that the timeframe to provide a non-urgent appointment with a specialist is 15 business days from the date of the request.</p> <p>10/12/17 – The following additional documentation submitted supports the MCP's efforts to correct this deficiency:</p> <p>-Sample CAP template "Corrective Action Plan/Observation Summary/Utilization Management/SCAN Addendum/SNP Delegation Oversight" as evidence that the delegate will be required to submit a CAP to address this issue if the delegate is found to be non-compliant for not meeting the 15-business day standard for providing specialist appointments (page 2).</p> <p>-"2018 UM Audit Calendar" as evidence that MCP has UM audits scheduled for each of its delegates in 2018.</p>

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				This finding is closed.
4. Members' Rights				
4.3.1 - Personal Health Information (PHI) safeguards	As outlined in the plan's rebuttal to the draft audit report, it is the Plan's position that reasonable administrative, physical, and technical controls to protect the confidentiality of PHI were in place during the incident discussed. The added new and enhanced safeguards and controls following the incident demonstrate the Plan's commitment to continually improving its privacy and security practices however the addition of enhanced privacy and security practices does not create an admission that the practices in effect during the audit period were ineffective. It must also be noted that this breach was formally investigated by Health and		On-going	<p>10/03/17 – The following documentation supports the MCP's efforts to correct this finding:</p> <ul style="list-style-type: none"> - P&P "MIS-0756: Information Access Management and Control Policy" (11/14/16) which outlines the plan's processes in place to ensure that all workers have access to the systems and information appropriate to their job functions to ensure inappropriate access is prevented. - Online HIPAA training module, "Understanding and Complying with HIPAA" (2017) as evidence that the MCP staff has been assessed of their knowledge of the various ways to protect PHI and how to abide by HIPAA and MCP's privacy policies. - Corresponding Audit Report,

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	<p>Human Services Office of Civil Rights (OCR) to determine whether the Plan was culpable for the breach due to failure to reasonably protect the data. In this instance, the OCR did not find that the Plan was culpable for the breach. The investigation was closed without findings, or an enforcement action.</p> <p>Notwithstanding the Plan's position above, the Plan is committed to continually maintaining effective oversight of its administrative, physical, and technical controls to protect against harm to member PHI. The Plan will continue to monitor PHI held within the plan's systems as a part of its Privacy and Security programs and provide training to staff on the plan's policies, procedures, and safeguards to protect member PHI.</p> <p>As recommended by DHCS,</p>			<p>"HIPAA & Security Awareness Completion Report", (January – June 2016) as evidence that the MCP is monitoring and tracking staff on the completion of the HIPAA training. The report lists the username, completion date of training, completed status and current score.</p> <p>- Online Security Awareness training module, "Security Awareness", (2017) as evidence that the MCP is educating staff on various ways to abide by MCP's privacy and security rules such as: password security, virus protection, laptop security, Internet and Email security, Phishing, Software, confidential information, Data protection and ID badges.</p> <p>-"2018 Course Development Schedule" (2018) as evidence that the MCP has a grid of all scheduled trainings for 2018. HIPAA and Security Awareness trainings are included with a launch date of 01/01/18 and a due date of 08/31/18 for the training to be completed.</p>

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	<p>the Plan will ensure staff adheres to the new policies, procedures, and safeguards by incorporating relevant content into its annual HIPAA Privacy Training and Security Training. These training contents are reviewed annually to incorporate important privacy and security safeguards. The Plan's workforce is required to complete the training and the completion of the trainings are monitored, tracked, and documented.</p>			<p>- P&P "SCAN Mandated Training Policy/New Hire and Annual Training Program" (11/2016), as evidence that the MCP ensures that all newly hired staff receive the appropriate HIPAA training. The P&P delineates timelines for completion of the training, monitoring, and reporting. Human resources staff validate completion status on a weekly basis.</p> <p>This finding is closed.</p>
<p>4.3.2 - Timely notification of security breach</p>	<p>As outlined in the Plan's draft audit rebuttal response, it is the Plan's position that it fulfilled and complied with the governing requirements regarding timely notification under the terms of its DHCS contract for the incident described in the finding. The Plan takes all of its obligations under its DHCS contract seriously. Therefore, in order to ensure notification of</p>	<ul style="list-style-type: none"> • Desktop Procedure: Responding to Reported Incidents of Suspected Privacy Breach Events • CRP-0075, "Management of Suspected Privacy Breaches of 	<p>09/08/2017</p>	<p>09/20/17 – The following documentation supports the MCP's efforts to correct this finding:</p> <p>- Desktop procedure, "Responding to Reported Incidents of Suspected Privacy Breach Events" (06/01/15). Addendum 1 has been added to as evidence to support that the staff have been educated on processes for timely reporting breaches to the three required DHCS contacts for both the 24hr and 5 working day</p>

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	<p>security breaches to DHCS within 24 hours from the date of discovery, the Plan's Privacy Office has added an addendum to its existing desktop procedure to outline the specific DHCS contract language that is currently (See Desktop Procedure: Responding to Reported Incidents of Suspected Privacy Breach Events, Addendum 1: DHCS Notification of Breach). This desktop procedure is related to the Plan's policy and procedure CRP-0075, "Management of Suspected Privacy Breaches of Personal information and Personal Identifiable Information," which already states that notification to DHCS of breaches involving Medi-Cal Members shall be made in accordance with the terms and conditions of the DHCS contract. This added measure clearly communicates the timely notification</p>	<p>Personal information and Personal Identifiable Information,</p>		<p>required timeframes.</p> <p>This finding is closed.</p>

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	requirement to staff responsible for breach investigations. Staff has been notified of the addendum as of the implementation date listed above.			
5. Quality Management				
5.2.1 - California Registered Nurse (RN) License Requirements	<p>The Plan disagrees with the Finding for Section 5.2.1. This Finding is not reflective of how SCAN makes decisions on clinical appeals cases. Clinical review nurses, regardless of the state of licensure, are not responsible for making clinical appeals decisions for the Medicare or Medi-Cal segments of coverage for The Plan's members. For this reason, we request that this Finding be removed from the final audit report.</p> <p>The Plan's process for resolving clinical appeals requires that a Plan medical director issue the appeal</p>	<ul style="list-style-type: none"> • DHCS Medi-Cal Appeal workflow • DHCS Member Appeal Policy and Procedure 	12/31/17	<p>12/21/17 – The following documentation supports the MCP's efforts to correct this deficiency:</p> <p>- An email (12/21/17) response that indicates that as of 11/11/17, the MCP will ensure all Medi-Cal appeals are worked only by California licensed Clinical Nurses as required by the State. The MCP continues its process of ensuring that all clinical appeals are resolved by the Medical Director to issue the appeal determination.</p> <p>01/12/18 – The following additional documentation submitted supports the MCP's efforts to correct this deficiency:</p>

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	<p>determination. The role of clinical review Registered Nurses (RNs) in the Plan's clinical appeals process is limited to reviewing, investigating, auditing, and offering recommendations to the plan's medical director. The final appeals decisions are rendered by the Plan medical director who is a licensed physician. While the Plan understands and agrees with the requirement of having a California-licensed RN make determinations on clinical appeals cases, this does not apply to the Plan's process for making a final determination on clinical appeals cases as this responsibility lies solely with a medical director who is a licensed physician.</p> <p>With regard to the appeals cases reviewed by the DHCS auditor, consistent with Plan's policy, a Plan medical director</p>			<p>-Updated P&P, "GA-0034: Member Appeal Process for Medi-Cal Only Benefits (Standard/Expedited) which has been amended to indicate the Grievance and Appeals Coordinator and the California licensed Clinical Review Nurse will validate eligibility, document information and request additional information as needed. The California licensed Clinical Review Nurse will prepare case summaries for the Medical Director will make the final determination (P.5). At least one nurse is California licensed.</p> <p>-An email (03/13/18) from the Board of Registered Nursing that indicates international registered nurses must be a licensed registered nurse in California in order to review appeals involving citizens of this state.</p> <p>DHCS will continue to monitor future MCP medical audits in order to determine if MCP subcontractor is in fact utilizing California licensed registered nurses to review all CA-</p>

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	<p>made the final determination on each of these clinical appeal cases.</p> <p>As a process improvement to clearly articulate the roles of its clinical staff, the Plan updated its desktop procedures and process workflows to clearly reflect the responsibilities of its clinical review nurses. Additionally, we are clarifying the scope of responsibilities outlined in the statement of work with our vendor to accurately reflect the role of our contracted clinical review nurses in the appeal process. These actions are intended to clarify the Plan's current policy and not change its policy which already complies with legal requirements. The Grievance and Appeal Department will continue to have their California RN Clinical auditors review all cases before they close for quality review and submission.</p>			<p>related appeals, etc.</p> <p>This finding is closed.</p>

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	<p><u>Updated Response 12/21/17:</u></p> <p>SCAN has acknowledged and will comply with the Finding for Section 5.2.1. As of 11/11/17 the Grievance and Appeal Department has configured a process, to ensure that all Medi-Cal Appeals are worked only by California licensed Clinical Nurses as required by the State. For this reason, we request that this corrective action be reviewed to ensure deficiency has been remediated.</p> <p>SCAN's process for resolving clinical appeals requires that a SCAN medical director issue the appeal determination. The role of Clinical Review Registered Nurses (RNs) in SCAN's clinical appeals process is limited to reviewing, investigating, auditing, and offering recommendations to</p>			

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	<p>the plan's medical director. The final appeals decisions are rendered by the SCAN medical director who is a licensed physician.</p> <p>As a process improvement to clearly articulate the roles of its clinical staff, SCAN updated its desktop procedures and process workflows to clearly reflect the responsibilities of its California licensed nurses. Additionally, we are clarifying the scope of responsibilities outlined in the statement of work with our vendor to accurately reflect the role of our contracted clinical review nurses in the appeal process.</p>			
6. Administrative and Organizational Capacity				

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7. State Supported Services				

Submitted by: Bill Roth

Date: 09/20/2017

Title: President

Signature: