



JENNIFER KENT
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

Rebecca Hudson, Sr. Compliance Coordinator
CenCal Health
4050 Calle Real
Santa Barbara, CA 93110

August 19, 2016

RE: Department of Health Care Services Medical Audit

Dear Ms. Hudson:

The Department of Health Care Services (DHCS), Audits and Investigations Division conducted an on-site Medical Audit of CenCal Health, a Managed Care Plan (MCP), from October 20, 2015 through October 30, 2015. The survey covered the period of October 1, 2014 through September 30, 2015.

On August 18, 2016, the MCP provided DHCS with additional information regarding its Corrective Action Plan (CAP) in response to the report originally issued on April 25, 2016.

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 Jeanette Fong, Chief, Compliance Unit, at (916) 449-5096 or CAPMonitoring@dhcs.ca.gov.

Sincerely,

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Jeanette Fong, Chief
Compliance Unit

Enclosures: Attachment A CAP Response Form

cc: Jane Marine, 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 Name: CenCal Health

Audit Type: DHCS Medical Audit

Review Period: 10/1/14 – 9/30/15

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.

CORRECTIVE ACTION PLAN FORMAT

Deficiency Number and Finding	Action Taken	Implementation Documentation	Completion/ Expected Completion Date	DHCS Comments
1.2.1 Prior authorization notice of action letters did not always identify the reviewing pharmacist.	The Plan's Clinical Manager of Pharmacy issued a Corrective Action to the Plan's PBM. Effective 1/15/16, the PBM implemented a new process for NOA letter review.	Retrospective NOA Letter Review Process (Attachment A) 8-1-16 Weekly MRF Denial Review Process Notification	Already Implemented In December 2015	6-8-16: The following documentation supports the MCP's efforts to correct this finding: -"Retrospective MRF Denial Process Weekly

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	<p>Concurrently, beginning in December 2015, internal monitoring by the Plan's pharmacy unit was expanded to weekly review of NOA letters (described in Attachment A, "Retrospective NOA Letter Review Process") for the presence of clinical level signatures and appropriate NOA notices.</p>	<p>Check List</p>		<p>Notice of Action Letter & PA Documentation Review" which describes the MCP's process for reviewing 5 random prior auths per week.</p> <p>8-1-16: The following additional documentation submitted supports the MCP's subsequent efforts to correct this finding:</p> <p>- Weekly MRF Denial Review Process Notification Check List (template and sample in use) which shows that the MCP is checking for the presence of the name of the clinical reviewer on letters.</p> <p>This finding is closed.</p>

Deficiency Number and Finding	Action Taken	Implementation Documentation	Completion/ Expected Completion Date	DHCS Comments
1.2.2 Notice of Action Letters were not always sent.	See above	See above	See above	<p>8-1-16: The following documentation submitted supports the MCP's subsequent efforts to correct this finding:</p> <p>- Weekly MRF Denial Review Process Notification Check List (template and sample in use) which shows the MCP is checking to ensure the NOA is sent to the member.</p> <p>This finding is closed.</p>
1.4.1 Appeal decisions did not always indicate whether a different reviewer involved in the original decision was involved in the final decision.	The corrective action described above for 1.2.1, improves controls to assure clinical level signatures are present on NOA. The presence of those signatures will in turn, allow for monitoring to assure that appeal decisions are a different reviewer than the one involved in the original	See above	See above	<p>8-1-16: The following documentation submitted supports the MCP's subsequent efforts to correct this finding:</p> <p>-Weekly MRF Denial Review Process Notification Check List (template and sample</p>

Deficiency Number and Finding	Action Taken	Implementation Documentation	Completion/ Expected Completion Date	DHCS Comments
	decision.			<p>in use) which shows that the MCP is checking for the presence of the name of the clinical reviewer on letters which enables the MCP to monitor appeal decision reviewer is different from the reviewer that made the original decision.</p> <p>This finding is closed.</p>
2.4.1 The Plan's methodology to monitor compliance with the Initial Health Assessment (IHA) requirement is inadequate.	CenCal Health will perform a medical record review to validate claims for IHAs. This medical record review (described in Attachment B, "IHA Assessment Review Tool") will be performed to evaluate completeness of services documented in comparison to elements of a complete IHA. Results will be provided to applicable PCPs to	<p>IHA Assessment Review Tool (Attachment B)</p> <p>8-18-16 CAP IHA Medical Record Review Provider Specific Scoring</p> <p>Initial Health Assessment Focused Medical Record Review</p>	To Be Implemented August 2016	<p>6-8-16: The following documentation supports the MCP's efforts to correct this finding:</p> <p>-IHA Assessment Review Tool template which will be used to validate IHA completion.</p> <p>08-01-16: The MCP submitted an email</p>

Deficiency Number and Finding	Action Taken	Implementation Documentation	Completion/ Expected Completion Date	DHCS Comments
	improve medical record documentation.			<p>indicating the medical record reviews in which the IHA Validation Tool is used will be conducted at least annually and will continue indefinitely.</p> <p>8-18-16: The MCP submitted the Initial Health Assessment Focused Medical Record Review Report and IHA Medical Record Review Provider Specific Scoring which display the results of the IHA Medical Record Review conducted in July 2016.</p> <p>This finding is closed.</p>
2.4.2 Medical record documentation for a complete IHA lacked a comprehensive office visit.	See above.	See above.	See above.	<p>6-8-16: - The following documentation supports the MCP's efforts to correct this finding:</p>

Deficiency Number and Finding	Action Taken	Implementation Documentation	Completion/ Expected Completion Date	DHCS Comments
				<p>-IHA Assessment Review Tool template which will be used to validate a comprehensive IHA including a complete medical history, a physical exam, preventative services, and screening assessment.</p> <p>08-01-16: The MCP submitted an email indicating the medical record reviews in which the IHA Validation Tool is used will be conducted at least annually and will continue indefinitely.</p> <p>8-18-16: The MCP submitted the Initial Health Assessment Focused Medical Record Review Report and IHA Medical Record Review</p>

Deficiency Number and Finding	Action Taken	Implementation Documentation	Completion/ Expected Completion Date	DHCS Comments
				<p>Provider Specific Scoring which display the results of the IHA Medical Record Review conducted in July 2016.</p> <p>This finding is closed.</p>
<p>3.1.1 The Plan's policy lacks the contractual time frame for the initial prenatal appointment of 10 business days upon request.</p>	<p>The Plan's policy (see Attachment C, <i>Access to Care</i> p&p) has been amended to include the contractual time frame for initial prenatal appointments.</p>	<p>CenCal Health <i>Access to Care</i> p&p, 500-3002-I (Attachment C)</p> <p>8-18-16 CenCal Health <i>Access to Care</i> p&p, 500-3002-K (Revised)</p>	<p>Already Implemented In March 2016</p>	<p>8-18-16: The following documentation submitted supports the MCP's subsequent efforts to correct this finding:</p> <p>- CenCal Health P&P 500-3002-I: "<i>Access to Care</i>" (effective March 1, 2016) which includes the time frame for initial prenatal appointments (page 1).</p> <p>This finding is closed.</p>

Deficiency Number and Finding	Action Taken	Implementation Documentation	Completion/ Expected Completion Date	DHCS Comments
3.6.1 The Plan insufficiently monitors emergency pharmaceutical services.	The Plan will first identify the universe of ER visits with diagnosis, and then identify a range of diagnosis codes generally associated with a companion prescription. With that range defined, the Plan will attempt to make an association of a timely (72 hr) prescription fill linked to the ED visit diagnosis. From this, a targeted oversight report will be generated on a monthly basis going forward. Monthly surveillance by the Plan's Pharmacy Unit will be performed and overseen by the Plan's Director of Pharmacy Operations.	Targeted ER Visit Medication Oversight Report (not attached- future submission)	To Be Implemented August 2016	<p>8-1-16: The following documentation supports the MCP's efforts to correct this finding:</p> <p>-“Pharmacy Fills Following ED Visit” report (07/14/16) as evidence that the MCP conducts monthly monitoring of the timely provision of drugs in emergency situations.</p> <p>This finding is closed.</p>
6.3.1 The Plan did not establish language for notification requirements of suspended Providers in its Anti-Fraud and Abuse Program as contractually required.	The Plan's <i>Provider Credentialing</i> Policy has been revised to include the contractual time frame for 10 day notice to the Medi-Cal Managed Care	CenCal Health <i>Provider Credentialing</i> p&p, 500-3002-I (not attached- future submission)	<p>Already Implemented In July 2015</p> <p>Revised p&p is pending approval by Plan's CMO. Estimated submission date:</p>	<p>8-12-16: The following documentation supports the MCP's efforts to correct this finding:</p>

Deficiency Number and Finding	Action Taken	Implementation Documentation	Completion/ Expected Completion Date	DHCS Comments
	<p>Program/Program Integrity Unit and for the Plan to confirm that the provider is no longer receiving payments in connection with the Medicaid program.</p>		6/10/16	<p>- CenCal Health Policy 500-2010-J has been revised to include the notification language requirements of suspended providers to the Medi-Cal Managed Care/Program Integrity Unit (page 12).</p> <p>This finding is closed.</p>

Submitted by:
Title:

Date: