



JENNIFER KENT
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

Elizabeth Gibboney, Chief Executive Officer
Partnership HealthPlan of California
2665 Business Center Drive
Fairfield, CA 94534

RE: Department of Health Care Services Medical Audit

Dear Ms. Gibboney:

The Department of Health Care Services (DHCS) Audits and Investigations Division conducted an on-site medical audit of Partnership Health Plan of California, a Managed Care Plan (MCP), from February 23, 2015 through March 6, 2015. The audit covered the period of December 1, 2013, through November 30, 2014.

On December 21, 2015 the MCP provided DHCS with its most recent response to its Corrective Action Plan (CAP) originally issued on August 24, 2015 regarding remaining open items. At this time, all deficiencies have been reviewed and either closed or provisionally closed.

Provisionally closed deficiencies indicate that DHCS has conditionally accepted the MCP's plan of action being proposed and/or implemented in order to bring a deficiency into compliance. For this CAP, approximately one (1) deficiency has been provisionally closed. The DHCS will continue to monitor and/or follow up on the deficiency that has been provisionally closed.

All other items have been reviewed and found to be in compliance. The CAP is hereby closed. The enclosed report will serve as DHCS's official 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.

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If you have any questions, contact Farzaneh Aflatooni, Analyst, Compliance Unit, at (916) 319-7914 or CAPMonitoring@dhcs.ca.gov.

Sincerely,

Dana Durham, Chief
Contract Compliance Section

Enclosures

cc: OZ Kamara, Contract Manager
Department of Health Care Services
Managed Care Project Management and Operations Division
P.O. Box 997413, MS 4408
Sacramento, CA 95899-7413

**ATTACHMENT A
CAP Response Form**

Plan Name: Partnership HealthPlan of California

Review/Audit Type: Medical Review

Review Period: December 1, 2013 through November 30, 2014

MCPs are required to provide a CAP and respond to all documented deficiencies within 30 calendar days of receiving a medical audit, survey, or any other special reviews requiring a CAP. 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. Utilization Management				
1.2 – Prior Authorization Review Requirements				
1.2.1 The Plan did not fully address the issue of insufficient information on the initial request for prior authorizations.	1.2.1.a. In addition to sending a letter to the provider requesting the specific information needed (as has been done in the past) the UM Staff will contact the Provider and/or designated office staff	MCUP3041m Tar Review Process	Process of phone follow up prior to denial due to requested information not	9/25/2015 – PHC’s submitted document “MCUP3041m Tar Review Process” was reviewed This item will remain open.

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	<p>member to remind him/her of the specific information requested and the regulatory timeframe for submission.</p> <p>1.2.1.b. Through the analysis as noted in #1 PHC will identify specific services and/or providers that are the most commonly denied for lack of information, and will develop written guidelines to share with the physician office staff to assist educate them as to what information is required.</p> <p>1.2.1.c. Findings and interventions as applicable will be summarized and presented to the Internal Quality Improvement Committee every six months.</p> <p>1.2.1.d. PHC will again publish the requirements for TAR submission in the quarterly Provider Newsletter.</p> <p>1.2.1.e. Amended policy MCUP3041m Tar Review Process.</p>		<p>received began August 1, 2015</p> <p>Staff outreach has included education regarding what is routinely needed. Provider Newsletter will include TAR requirements in November's issue.</p> <p>General written guidelines are included in our policy which is available to providers online. Specific guidelines for the most frequently requested services will be developed by December 1, 2015.</p> <p>Formal analysis of frequency by provider and outcome of phone outreach will be presented at IQI</p>	<p>PHC is suggested to submit:</p> <ul style="list-style-type: none"> • A copy of special guideline-developed by Dec. 1st; • A summary of phone outreach presentation- Dec QI meeting; • A copy of written guidelines outlined "Provider Newsletter – Nov. issue". <p>11/13/2015 – PHC submitted: Guidelines developed by Dec. 1st, summary of phone outreach presentation at Dec. IQI meeting, and written guidelines outlined in "Provider Newsletter" Nov. issue.</p> <p>11/25/2015 – PHC submitted: copies of the "Special Guidelines" designed to assist Providers with documents required with TAR submissions for the specified services. This item is deemed closed.</p>

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<p>1.2.2 The Plan did not have a system to identify the causes of the denial. This resulted in unnecessary delays in the delivery of medically necessary services.</p>	<p>1.2.2.a. PHC has implemented a process to have all medical necessity denials reviewed daily by a Manager or Supervisor to ensure accuracy in processes, timeframes and correspondence.</p> <p>1.2.2.b. Administrative denials will be monitored quarterly to identify trends and the need for additional education and outreach to providers. Actions to be taken are dependent upon findings but would include education sessions with providers and their office staff, either individually or in a group setting or other interventions as needed.</p> <p>1.2.2.c. Findings and interventions as applicable will be summarized and presented to the Internal Quality Improvement Committee every six months.</p> <p>1.2.2.d. Amended policy MCUP3041 Tar Review Process.</p>		<p>in December 2015.</p>	<p>9/25/2015 – PHC’s submitted document “MCUP3041m Tar Review Process” was reviewed.</p> <p>This item will remain open. PHC is suggested to submit:</p> <ul style="list-style-type: none"> • Result of quarterly monitoring of administrative denials; • A summary of findings prepared to be presented at the Internal Quality Improvement Committee. <p>11/13/2015 – PHC submitted: Utilization Management’s daily monitoring report of administrative denials presented in the November 10, 2015 IQI meeting, and revised policy MCUP3041 TAR Review Process.</p> <p>This item is deemed closed.</p>

Deficiency Number and Finding	Action Taken	Implementation Documentation	Completion/ Expected Completion Date	DHCS Comments
<p>1.3 – Referral Tracking System</p> <p>1.3.1 The Plan did not have a system to track the specialist referrals to completion.</p>	<p>1.3.1. PHC will design and implement a report to identify other referrals submitted and their outcome, utilizing claims data. Reports will be reviewed and presented to the Internal Quality Improvement Committee every six months.</p>	<p>Referral to Specialist Policy #MCUP 3124</p>	<p>Policy updated, pending Committee and DHCS approval. Expect approval by Dec. 1, 2015, however ongoing monitoring already in progress.</p>	<p>9/25/2015 – PHC’s submitted document “Policy #MCP 3124” was reviewed.</p> <p>This item will remain open. PHC is suggested to submit:</p> <ul style="list-style-type: none"> • A copy of report will be generated to identify other referrals submitted and their outcome, utilizing claims data; • A copy of revised policy pending committee and DHCS approval. <p>11/13/2015 – PHC submitted: IQI agenda and Referral Tracking Report generated using claims data, Referral Volume analysis slide, and revised MCUP3124 Referral to Specialists (RAF) Policy. This item is deemed closed.</p>

Deficiency Number and Finding	Action Taken	Implementation Documentation	Completion/ Expected Completion Date	DHCS Comments
<p>1.3.2 The Plan did not implement a process to effectively track and monitor open or unused referrals which may result in the members not receiving specialty care.</p>	<p>1.3.2.a. The above report will include the identity of referrals approved that did not result in an encounter with the specialist. The report will be analyzed for trends and reported to the Internal Quality Improvement Committee to determine the need for intervention.</p> <p>1.3.2.b. PHC will require Federally Qualified Health Centers and Rural Health Centers to submit to PHC a list of all completed referrals and their outcome. The report will be required every six months.</p>		<p>Report format completed Sept. 15, 2015 Initial results expected to be completed and submitted to IQI November 2015.</p> <p>Submission from FQHCs expected by December 31, 2015</p>	<p>9/25/2015 – PHC’s submitted document “Referral to Specialist Policy #MCUP 3124” was reviewed.</p> <p>This item will remain open. PHC is suggested to submit:</p> <ul style="list-style-type: none"> • A copy of the report prepared to be presented at Internal Quality Committee ; • A copy of reports submitted by FQHCs and Rural Health Centers. <p>11/13/2015 – PHC submitted: report presented to IQI on November 10, 2015. Per PHC response FQHCs and Rural Health Centers reports will be available on 3/1/2016. This document will be reviewed for compliance.</p> <p>This item is provisionally closed.</p>

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2. Case Management and Coordination of Care				
<p>2.4 – Initial Health Assessment</p> <p>2.4.1 The Plan did not ensure the completion of Initial Health Assessments (IHA) for newly enrolled members within the required timeframe of 120 days.</p> <p>2.4.2 The Plan did not document all the components of the IHA requirements in the member’s medical records.</p>	<p>2.4.1. PHC will Improve the accuracy and timely completion (within 120 days of enrollment) of an IHA by 10% from the December 2013-November 2014 audit rates. PHC will develop an IHA workgroup to analyze claims data, identify high and low performing providers, and develop best practices to share with other PCPs. PHC will conduct a baseline verification study by drawing a sample of 24 medical record charts from three selected low performing provider sites. A total of 72 charts will be audited. Using the baseline data from the sample of medical records, and qualitative interviews, each site will design an intervention to improve the rate of IHAs in a way that is most meaningful to the members.</p> <p>2.4.2. PHC will conduct a chart review and identify barriers to proper documentation and develop best practices to share with other PCPs.</p>		<p>Initial Group met 2/23/2015; Revised Report submitted and review 5/22/2015. Pilot sites recruitment efforts began 7/2015 to review reports/data and begin work on improving IHA at their sites.</p> <p>By 11/15/2015, a total of 72 charts will be audited.</p> <p>Barriers will be identified by 12/30/2015 with best practices identified and shared by 2/15/2016</p>	<p>This item will remain open. PHC is suggested to submit:</p> <ul style="list-style-type: none"> • A copy of revised report submitted by the initial group on 5/22/2015; • Result of the upcoming chart audit. <p>11/13/2015 – PHC submitted: revised report submitted by the initial group on 5/22/2015</p> <p>12/21/2015 – PHC submitted the requested documents. This item is deemed closed.</p> <p>This item will remain open. PHC is suggested to submit:</p> <ul style="list-style-type: none"> • Result of chart review to identify barriers <p>11/13/2015 – PHC submitted: revised report submitted by the initial group on 5/22/2015</p> <p>12/21/2015 – PHC submitted the requested documents. This item is deemed closed.</p>

Deficiency Number and Finding	Action Taken	Implementation Documentation	Completion/ Expected Completion Date	DHCS Comments
3. Access and Availability of Care				
<p>3.1 – Appointment Procedure and Waiting Times The Plan did not fully monitor the wait time to ensure members receive appointments for routine care within the required timeframes.</p>	<p>3.1. PHC will continue to monitor the effectiveness of the multiple actions taken and programs initiated to improve appointment access. The annual 3NA (third next available appointment) survey will be conducted during the month of July, results tabulated, reported to the various internal committees, the PHC Physician Committees and ultimately reported to the PHC Board. Additionally, PHC has created a Primary Care Access Workgroup to develop and implement a more integrated and systematic approach to understanding, monitoring, prioritizing and improving primary care access across PHC’s 14 counties.</p>		<p>Continuous oversight and monitoring of access and availability</p>	<p>This item will remain open. PHC is suggested to submit:</p> <ul style="list-style-type: none"> • A summary of health plan’s progress in continues monitoring/oversight of access to ensure members wait time to received appointment for routine care will be in compliance within the required timeframes; • A report on efficiency of initiated programs such as telemedicine, econsults. <p>11/11/2015 – PHC has submitted: summary of the health plan’s progress in continued monitoring/oversight of access, result of re-survey conducted on annual 3rd Next Available Appointment reported to the CMO and the Quality Department, and report on efficiency of program. This item is deemed closed.</p>

Deficiency Number and Finding	Action Taken	Implementation Documentation	Completion/ Expected Completion Date	DHCS Comments
<p>3.2 – Urgent Care/Emergency Care The Plan did not fully monitor the wait time to ensure members receive appointments for urgent care within the required timeframe.</p>	<p>3.2. PHC will continue to monitor the wait times for urgent care via the “during and after business hours” surveys and through the “annual appointment access” survey. Results of the appointment survey will be reported to the appropriate internal quality committee (IQI), presented to the Physician Advisory Committee (PAC) and to the PHC Board via minutes of the various committees as well as presented during a Quality Program update as an educational session to the Board.</p>		<p>Continuous oversight and monitoring of access and availability</p>	<p>This item will remain open. PHC is suggested to submit:</p> <ul style="list-style-type: none"> • Progress report on continues monitoring of wait time for members to make appointment for urgent care; • The result of “annual appointment access” survey to be presented at the Internal Quality Committee. <p>11/13/2015 – PHC submitted the requested documents. This item is deemed closed.</p>

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<p>3.5 – Emergency Service Providers (Claims) The Plan did not pay all the emergency service claims within the required 45 working day timeframe from the date of receipt.</p>	<p>3.5.a. PHC will ensure that 90% of all clean claims from non-contracted providers are paid within 30 calendar days, 95% are paid within 45 working days and 99% are paid within 90 calendar days by running additional weekly reports focused specifically on non-contracted emergency physician claims to ensure timely payment. These reports will be expanded to review first level provider appeals and adjustments to ensure compliance.</p> <p>3.5.b. Supervisors and managers responsible for emergency room physician claims will receive appropriate training on management and monitoring of the claims. The reports will be reviewed by the Claims Director with the claims management team during their weekly meetings.</p> <p>3.5.c. A monthly report will be submitted to PHC compliance for the next 12 months to monitor compliance.</p> <p>3.5.d. PHC will update Claims Operation Instruction Memorandum #2, Claims Processing Standards, to reflect the changes made in PHC contract amendment Exhibit A, Attachment 8, 4.B.</p>	<p>Claims Operating Instruction Memorandum #2</p>	<p>10/31/2015</p>	<p>9/25/2015 – PHC’s submitted document “Claims Operating Instruction Memorandum #2” was reviewed.</p> <p>This item will remain open. PHC is suggested to submit:</p> <ul style="list-style-type: none"> • A copy of the weekly reports focused specifically on non-contracted emergency physician claims; • Evidence of training conducted for staff responsible for emergency room physician claims process; • A copy of monthly report to monitor compliance. <p>11/13/2015 – PHC submitted: claims weekly reports, referrals monitoring monthly reports, and evidence of staff training.re; emergency room claims. This item is deemed closed.</p>

Deficiency Number and Finding	Action Taken	Implementation Documentation	Completion/ Expected Completion Date	DHCS Comments
<p>3.6 – Family Planning (Payments) The Plan did not pay all the family planning claims within the required 45 working day timeframe from the date of receipt.</p>	<p>1.a. PHC will ensure that 90 percent of all clean claims from non-contracted family planning providers are paid within 30 calendar days, 95% are paid within 45 working days and 99% are paid within 90 calendar days by running additional weekly reports focused specifically on non-contracted family planning provider claims to ensure timely payment.</p> <p>1.b. Supervisor and managers responsible for payment of family planning claims will receive appropriate training on management and monitoring of the non-contracted family planning claims. The reports will be reviewed by the Claims Director with the claims management team during their weekly meetings.</p> <p>1.c. A monthly report will be submitted to PHC compliance for the next 12 months to monitor compliance.</p> <p>1.d. PHC will update Claims Operation Instruction Memorandum #2, Claims Processing Standards, to reflect the changes made in PHC contract amendment Exhibit A, Attachment 8, 4.B.</p>	<p>Claims Operating Instruction Memorandum #2</p>	<p>10/31/2015</p> <p>10/31/2015</p> <p>10/31/2015</p> <p>07/23/2015</p>	<p>9/25/2015 – PHC’s submitted document “Claims Operating Instruction Memorandum #2” was reviewed.</p> <p>This item will remain open. PHC is suggested to submit:</p> <ul style="list-style-type: none"> • A copy of the weekly report focused specifically on non-contracted family planning provider claims; • Evidence of training conducted for staff responsible for family planning claims process; • A copy of monthly report to evaluate compliance. <p>11/13/2015 – PHC submitted: claims weekly reports, referrals monitoring monthly reports, and evidence of staff training.re; emergency family planning claims.</p> <p>This item is deemed closed.</p>

Deficiency Number and Finding	Action Taken	Implementation Documentation	Completion/ Expected Completion Date	DHCS Comments
4. Members' Rights				
<p>4.3 – Confidentiality Rights</p> <p>4.3.1 The Plan did not report all breaches within 24 hours timeframe and investigation reports were not provided within 72 hours of discovery.</p> <p>4.3.2 The Plan's policy does not indicate that the initial notification of discovery of breach be</p>	<p>4.3.1. Desktop Procedure CD-03, Privacy Incident Investigating and Reporting, has been updated to include the initial notification of suspected privacy incident/breach will be submitted within 24 hours by telephone, e-mail, or fax to the Department of Health Care Services (DHCS) Program Contract Manager, DHCS Privacy Officer, and DHCS Information Security Officer. The Desktop Procedures have been updated to include providing investigation reports within 72 hours of discovery</p> <p>4.3.2. Desktop procedure CD-03, Privacy Incident Investigating and Reporting, has been amended to include improved processes to track notifications</p>	<p>Desktop Procedure CD-03, Privacy Incident Investigating and Reporting</p>	<p>9/01/2015</p> <p>9/01/2015</p> <p>9/01/2015</p>	<p>9/25/2015 – PHC's submitted document "Desktop Procedure CD-03, Privacy Incident Investigating and Reporting" was reviewed.</p> <p>This item will remain open. PHC is suggested to submit:</p> <ul style="list-style-type: none"> • Log of breaches reported for the last six months. <p>11/11/2015 PHC has submitted: PHC % of Privacy Incidents Reported Timely, Date Range 04/01/15 to 09/30/15 This item will remain open. Please provide a log with numbers of Privacy Indicants Reported.</p> <p>11/13/2015 – PHC submitted: Log of breaches reported Log of breaches reported for period 5/1/15 through 10/31/2015. This item is deemed closed</p> <p>9/25/2015 – PHC's submitted document "Desktop Procedure CD-03, Privacy Incident Investigating and Reporting" was</p>

Deficiency Number and Finding	Action Taken	Implementation Documentation	Completion/ Expected Completion Date	DHCS Comments
submitted within 24 hours to the DHCS Program Contract Manager, the DHCS Privacy Officer, and the DHCS Information Security Officer.	and specify procedures required to have breach information submitted within 24 hours of notification.			<p>reviewed.</p> <p>This item will remain open. PHC is suggested to submit:</p> <ul style="list-style-type: none"> • A revised policy that includes the contract language as it states in part "Notification shall be provided to the DHCS Managed Care Quality and Monitoring Division (MCQMD) Contracting Officer, the DHCS Privacy Officer and the DHCS Information Security Officer. If the incident occurs after business hours or on a weekend or holiday and involves electronic PHI, notification shall be provided by calling the DHCS ITSD Help Desk. <p>11/11/2015 – PHC has submitted the Policy # CD-03 Privacy Incident Investigation & Reporting This item is deemed closed.</p>

Deficiency Number and Finding	Action Taken	Implementation Documentation	Completion/ Expected Completion Date	DHCS Comments
<p>4.3.3 Plan did not submit notifications of discovery of breach to required DHCS personnel in a timely manner.</p>	<p>4.3.3.a. Desktop procedure CD-03, Privacy Incident Investigating and Reporting, has been amended to ensure the complete report of investigation is submitted to all of the required personnel within 10 working days.</p> <p>4.3.3.b. Desktop procedure CD-03, Privacy Incident Investigating and Reporting, has been amended to ensure notifications and investigative reports of breaches are submitted to the DHCS Program Contract Manager, DHCS Privacy Officer, and DHCS Information Security Officer.</p>		09/01/2015	<p>9/25/2015 – PHC’s submitted document “Desktop Procedure CD-03, Privacy Incident Investigating and Reporting” was reviewed.</p> <p>This item is deemed closed.</p>
<p>6. Administrative and Organizational Capacity</p>				
<p>6.5 - Fraud and Abuse The Plan did not report suspected fraud and abuse cases to DHCS Compliance Unit within the required 10 working days.</p>	<p>6.5.a. The Plan has restructured their compliance unit to add a designated team dedicated to overseeing their Fraud, Waste and Abuse program.</p> <p>6.5.b. The unit developed a new fraud, waste, abuse tracking program to improve visibility of requirements and ensure timelines are met.</p> <p>6.5.c. Desktop procedure CD-01, FWA Processing, has been updated to ensure that all suspected fraud and/or abuse cases are reported to the Department of Health Care Services Compliance Unit</p>	<p>Desktop Procedure CD-01, FWA Processing</p>	<p>05/11/2015</p> <p>09/22/2015</p>	<p>9/25/2015 – PHC’s submitted document “Desktop Procedure CD-01, FWA Processing” was reviewed.</p> <p>This item is deemed closed.</p>

Deficiency Number and Finding	Action Taken	Implementation Documentation	Completion/ Expected Completion Date	DHCS Comments
	<p>within the required 10 working days.</p> <p>Additionally, specific steps were added to improve documentation of notifications, including email read and delivery receipts, and filing protocols. 6.5.d. To further ensure compliance, the unit will have the Compliance Auditor will conduct random audits on timeliness and documentation of fraud and/or abuse cases beginning with September 2015.</p>		<p>05/11/2015</p> <p>09/18/2015</p>	

Approved by: Elizabeth Gibbonney

Date: _____

Signature: _____

Title: Chief Executive Officer

Submitted by: Robert Layne

Title: Compliance Officer

Date: 9/23/2015