

DHCS AUDITS AND INVESTIGATIONS
CONTRACT AND ENROLLMENT REVIEW DIVISION
SPECIALTY MENTAL HEALTH REVIEW SECTION

**REPORT ON THE SPECIALTY MENTAL HEALTH
SERVICES (SMHS) AUDIT OF COLUSA COUNTY
FISCAL YEAR 2024-25**

Contract Number: 22-20097

Contract Type: Specialty Mental Health Services

Audit Period: July 1, 2023 — June 30, 2024

Dates of Audit: December 3, 2024 — December 13, 2024

Report Issued: April 24, 2025

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I. INTRODUCTION

Colusa County Behavioral Health (Plan) is governed by a Board of Supervisors and contracts with the Department of Health Care Services (DHCS) for the purpose of providing mental health services to county residents.

The Plan is located in the northern Sacramento Valley of the state of California. The Plan provides services within the unincorporated county and in the cities of Williams and Colusa.

As of June 2024, the Plan had a total of 472 Medi-Cal members receiving specialty mental health services and a total of 5 active providers.

II. EXECUTIVE SUMMARY

This report presents the audit findings of the DHCS audit for the period of July 1, 2023, through June 30, 2024. The audit was conducted from December 3, 2024, through December 13, 2024. The audit consisted of documentation review, verification studies, and interviews with the Plan's representatives.

An Exit Conference with the Plan was held on April 1, 2025. The Plan was allowed 15 calendar days from the date of the Exit Conference to provide supplemental information addressing the draft audit findings. On April 16, 2025, the Plan submitted a response after the Exit Conference. The evaluation results of the Plan's response are reflected in this report.

The audit evaluated seven categories of performance: Network Adequacy and Availability of Services, Care Coordination and Continuity of Care, Quality Assurance and Performance Improvement, Access and Information Requirements, Coverage and Authorization of Services, Beneficiary Rights and Protection, and Program Integrity.

The prior DHCS compliance report, covering the review period from July 1, 2017, through June 30, 2020, identified deficiencies incorporated in the Corrective Action Plan (CAP). The prior year CAP was completely closed at the time of onsite. This year's audit included a review of documents to determine the implementation and effectiveness of the Plan's corrective actions.

The summary of the findings by category follows:

Category 1 – Network Adequacy and Availability of Services

The Plan has an affirmative responsibility to determine if children and youth who meet criteria for members' access to SMHS need Intensive Care Coordination (ICC) and Intensive Home-Based Services (IHBS). The Plan did not ensure the determinations for ICC and IHBS services for all children and youth who met criteria for member access to SMHS utilizing the Screening Tool at the intake assessment.

Category 2 – Care Coordination and Continuity of Care

There were no findings noted for this category during the audit period.

Category 3 – Quality Assurance and Performance Improvement

There were no findings noted for this category during the audit period.

Category 4 – Access and Information Requirements

The Plan is required to provide a member who is blind or visually impaired, and other individuals with disabilities, with communication materials in the individuals' requested alternative formats. The Plan did not ensure that alternative communication material in braille was available to its members.

Category 5 – Coverage and Authorization of Services

The Plan is required to establish and implement written policies and procedures to address the authorization of SMHS in accordance with Behavioral Health Information Notice (BHIN) 22-016. The Plan did not provide or arrange, and pay for medically necessary covered SMHS, including Adult Residential Treatment Services and Crisis Residential Treatment Services.

Category 6 – Member Rights and Protection

There were no findings noted for this category during the audit period.

Category 7 – Program Integrity

There were no findings noted for this category during the audit period.

III. SCOPE/AUDIT PROCEDURES

SCOPE

The DHCS, Contract and Enrollment Review Division conducted the audit to ascertain that medically necessary services provided to Plan members comply with federal and state laws, Medi-Cal regulations and guidelines, and the State's Specialty Mental Health Services Contract.

PROCEDURE

DHCS conducted an audit of the Plan from December 3, 2024, through December 13, 2024, for the audit period of July 1, 2023, through June 30, 2024. The audit included a review of the Plan's policies for providing services, procedures to implement these policies, and the process to determine whether these policies were effective.

Documents were reviewed and interviews were conducted with Plan representatives.

The following verification studies were conducted:

Category 1 – Network Adequacy and Availability of Services

ICC/IHBS Determination: Nine samples were reviewed for criteria and service determination.

Category 2 – Care Coordination and Continuity of Care

Coordination of Care Referrals: Ten member files were reviewed for evidence of referrals from the Mental Health Plan (MHP) to Managed Care Plan (MCP), initial assessments, progress notes of treatment planning and follow-up care between the MCP and the MHP.

Category 3 – Quality Assurance and Performance Improvement

There were no verification studies conducted for the audit review.

Category 4 – Access and Information Requirements

There were no verification studies conducted for the audit review.

Category 5 – Coverage and Authorization of Services

Authorizations: Ten member files were reviewed for evidence of appropriate treatment authorization including the concurrent review authorization process.

Category 6 – Member Rights and Protection

Grievance Procedures: Six grievances were reviewed for timely resolution, appropriate response to complainant, and submission to the appropriate level of review.

Appeal Procedures: Two appeals were reviewed for timely resolution, appropriate response to complainant, and submission to the appropriate level of review.

Category 7 – Program Integrity

There were no verification studies conducted for the audit review.

COMPLIANCE AUDIT FINDINGS

Category 1 – Network Adequacy and Availability of Services

1.2 CHILDREN'S SERVICES

1.2.1 ASSESSMENT FOR ICC AND IHBS SERVICES

The Plan is required to provide or arrange, and pay for, ICC and IHBS services for members under the age of 21. (*Contract, Exhibit A, Attachment 2, Section 2(A)(11)(12)*)

The Plan has an affirmative responsibility to determine if children and youth who meet beneficiary access criteria for SMHS need ICC and IHBS. (*Behavioral Health Information Notice (BHIN) 21-073; Medi-Cal Manual for Intensive Care Coordination (ICC), Intensive Home-Based Services (IHBS), and Therapeutic Foster Care (TFC) Services for Medi-Cal Beneficiaries (3rd ed., Jan. 2018), pp.9.*)

Plan policy 608.00, *ICC, IHBS and TFC Service Provision and Child and Family Teams (revised 10/7/2021)*, stated that the Plan has an affirmative responsibility to determine if children and youth who meet medically necessity criteria need ICC and IHBS.

Finding: The Plan did not ensure the determinations for ICC and IHBS for children and youth who met criteria for member access to SMHS utilizing the current Screening Tool at the intake assessment.

The review document of *Intake Checklist* revealed that the Plan utilized the *ICC/IHBS Screening Tool* as a referral form to transfer its member to another facility only if a member was determined to meet ICC/IHBS criteria. Furthermore, the tool was only required and utilized if one of the four following ICC/IHBS factors was met during the intake assessment: incarceration, parole, probation and child protective service. However, this ICC/IHBS eligibility determination was insufficient because it lacked the consideration of other critical criteria including psychiatric hospitalization history, antipsychotic medication usage, and symptom severity.

The verification study of nine samples revealed that the Plan did not utilize its *ICC/IHBS Screening Tool* and document ICC and IHBS determinations during the intake assessment.

- Five medical records included the SMHS intake assessment but there was no record of the Plan conducting the ICC/IHBS assessment.

- Four medical records had the SMHS intake reassessment documenting that all four ICC/IHBS factors were not met; however as noted above, this assessment was insufficient that resulted in the Plan not utilizing the *ICC/IHBS Screening Tool*.

The Plan policy 608.00 stated its responsibility to conduct an assessment for the need of ICC and IHBS for child and youth members who met SMHS criteria; however, the policy lacked formal procedures that outlined the utilization of *ICC/IHBS Screening Tool* to assess and document ICC and IHBS determinations at the intake assessment. The policy also lacked monitoring necessary to ensure alignment with *Medi-Cal Manual for ICC, IHBS, and TFC Services for Medi-Cal Beneficiaries*.

In the interview, the Plan confirmed that its clinicians did not utilize the *ICC/IHBS Screening Tool* to make the eligible determination at the intake assessment. The Plan also stated that it did not provide any trainings to its staff for the requirement of documenting all ICC/IHBS assessments in members' charts whether or not the service was not provided.

When the Plan does not assess the determinations of need for ICC and IHBS services at the intake assessment by utilizing its established *ICC/IHBS Screening Tool*, the Plan cannot ensure all children and youth receive medically necessary behavioral health services.

Recommendation: Revise and implement policies and procedures to ensure all children and youth who meet beneficiary access criteria for SMHS are assessed to determine if ICC and IHBS services are needed.

COMPLIANCE AUDIT FINDINGS

Category 4 – Access and Information Requirements

4.1 LANGUAGE AND FORMAT REQUIREMENTS

4.1.1 ALTERNATIVE FORMAT REQUIREMENTS

The Plan is required to comply with all state and federal statutes and regulations, the term of this Agreement, BHINs, and any other applicable authorities. (*Contract, Ex. E, Sec. 6(H)*)

The Plan is required to provide all written materials for beneficiaries in easily understood language, format, and alternative format that take into consideration the special needs of beneficiaries. (*Contract, Ex. A, Att. 11, sec. 1(A); 42 CFR. § 438.10(d)(6)*).

The Plan is required to provide a member who is blind or visually impaired, and other individuals with disabilities, with communication materials in the individuals' requested alternative formats. The standard alternative formats options are large print, audio CD, data CD, and braille. (*BHIN 24-007; Effective Communication, Including Alternative Formats, for Individuals with Disabilities, (Jan. 2024), p.2, 5.*)

Plan policy 566.01, *Meeting the Needs of Individuals with Visual and Hearing Impairment (revised 12/2014)* stated that the Plan provided a member who was visually and hearing impaired with communication materials per individual's request.

Finding: The Plan did not ensure that alternative communication material in braille was available to its members.

Plan policy 566.01 indicated its responsibility to provide alternative communication materials for the visually and hearing impaired when requested; however, it did not include a process to provide the braille format for members who requested it.

The Plan resubmitted the updated policy *Meeting the Needs of Individuals with Visual and Hearing Impairment (effective 10/11/2024)* during the onsite. A document review showed that the policy was implemented after the audit review period. The policy did not outline the process for developing braille materials for members when requested.

In an interview, the Plan stated that it recognizes the importance of providing braille materials to prioritize accessibility for all beneficiaries. However, the Plan did not have

a process to develop braille materials since there was no members requesting materials in braille during the audit review period.

When the Plan does not provide standard or nonstandard alternative formats to beneficiaries, it limits their accessibility preventing them from having adequate knowledge to make informed decisions. This can result in poor mental health outcomes due to missed or delayed access to necessary behavioral health services.

Recommendation: Revise and implement policies and procedures to ensure braille materials are available to beneficiaries upon request.

COMPLIANCE AUDIT FINDINGS

Category 5 – Coverage and Authorization of Services

5.1 SERVICE AUTHORIZATION REQUEST

5.1.1 AUTHORIZATION OF CRISIS RESIDENTIAL TREATMENT SERVICES (CRTS)

The Plan is required to comply with all state and federal statutes and regulations, the term of this Agreement, BHINs, and any other applicable authorities. (*Contract, Ex. E, Sec. 6(H)*)

The Plan shall provide or arrange and pay for medically necessary covered SMHS to members who meet access criteria for receiving SMHS: Crisis Residential Treatment Services (*Contract, Ex. A, Att. 2, Sec. 2(A)*).

The Plan is required to establish and implement written policies and procedures to address the authorization of Special Mental Health Services (SMHS) in accordance with BHIN 22-016 (*BHIN 22-016; Authorization of Outpatient Specialty Mental Health Services, (April 2022)*)

Finding: The Plan did not provide or arrange and pay for medically necessary covered SMHS, including CRTS.

A review of submitted documents revealed that the Plan does not have written policies and procedures to address and ensure the process of authorization for CRTS.

The data universe was requested for CRTS authorization. However, the Plan stated that it did have any member requests for the service during the audit review period.

In an interview, the Plan confirmed that it neither had CRTS available nor contracted with subcontractors for providing the service to members. The Plan stated that if a member was in need of CRTS, it would refer the member to the Psychiatric Health Facility, a higher level of care. Therefore, by authorizing Psychiatric Health Facility services instead of providing CRTS, the Plan would be authorizing the incorrect level of care facility.

When the Plan does not have policies and procedure for authorization process of CRTS, this can limit access to medically necessary SMHS.

Recommendation: Develop and implement policies and procedures related to service authorization requests for CRTS.

5.1.2 AUTHORIZATION OF ADULT RESIDENTIAL TREATMENT SERVICES (ARTS)

The Plan is required to comply with all state and federal statutes and regulations, the term of this Agreement, BHINs, and any other applicable authorities. (*Contract, Ex. E, Sec. 6(H)*)

The Plan shall provide or arrange and pay for medically necessary covered SMHS to members who meet access criteria for receiving SMHS: Adult Residential Treatment Services (*Contract, Ex. A, Att. 2, Sec. 2(A)*).

The Plan is required to establish and implement written policies and procedures to address the authorization of Special Mental Health Services (SMHS) in accordance with BHIN 22-016 (*BHIN 22-016; Authorization of Outpatient Specialty Mental Health Services, (April 2022)*).

Finding: The Plan did not provide or arrange and pay for medically necessary covered SMHS, including ARTS.

A review of submitted documents revealed that the Plan does not have written policies and procedures to address and ensure the process of authorization for ARTS.

The data universe was requested for ARTS authorization. However, the Plan stated that it did have any member requests for those services during the audit review period.

In an interview, the Plan stated that ARTS was available for its members, and it had two subcontractors (Yolo Community Care Continuum Farmhouse and Crestwood Behavioral Health) for ARTS. The Plan mentioned that although it did not have policies and procedures for the process of ARTS authorization, it utilized steps outlined in two contracts as methodologies for approving ARTS requests. However, the contract review revealed that those contracts did not include the formal policies and procedures outlining the authorization process for ARTS, including re-authorization and concurrent review.

When the Plan does not have policies and procedure for the authorization process of ARTS including re-authorization and concurrent review process, it can negatively impact a member's ability to receive medically necessary services.

Recommendation: Develop and implement policies and procedures for service authorization requests and concurrent review processes for ARTS.