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



GAVIN NEWSOM  
GOVERNOR

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Sent via e-mail to: <connie.moreno-peraza@maderacounty.com>

Connie Moreno-Peraza, Behavioral Health Services Director  
Madera County Behavioral Health Services  
209 E. 7<sup>th</sup> Street  
Madera, CA 93639

SUBJECT: Annual DMC State Plan County Compliance Unit Findings Report

Dear Director Moreno-Peraza:

The Department of Health Care Services (DHCS) is responsible for monitoring compliance to requirements of the State Plan Drug Medi-Cal (DMC) Contract operated by Madera County.

The County Compliance Unit (CCU) within the Audits and Investigations Division (A&I) of DHCS conducted a review of the County's compliance with contract requirements based on responses to the monitoring instrument, discussion with county staff, and supporting documentation provided by the County.

Enclosed are the results of Madera County's State Fiscal Year 2020-21 State Plan DMC Contract compliance review. The report identifies deficiencies, required corrective actions, advisory recommendations, and referrals for technical assistance.

Madera County is required to submit a Corrective Action Plan (CAP) addressing each deficiency noted to the Medi-Cal Behavioral Health Division (MCBHD), Plan and Network Monitoring Branch (PNMB), County/Provider Operations and Monitoring Branch (CPOMB) liaison by 1/5/2022. Please use the enclosed CAP form and submit the completed CAP and supporting documentation via email to the CPOMB analyst at [MCBHDMonitoring@dhcs.ca.gov](mailto:MCBHDMonitoring@dhcs.ca.gov).

If you have any questions or need assistance, please contact me at [katrina.beedy@dhcs.ca.gov](mailto:katrina.beedy@dhcs.ca.gov).

Sincerely,

*Katrina Beedy*

Katrina Beedy  
(916) 713-8811

Audits and Investigations Division  
Medical Review Branch  
Behavioral Health Compliance Section  
County Compliance Unit  
1500 Capitol Ave., MS 2305  
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To: Director Connie Moreno-Peraza,

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[MCBHDMonitoring@dhcs.ca.gov](mailto:MCBHDMonitoring@dhcs.ca.gov), County/Provider Operations and Monitoring Branch  
Eric Rosen, Division Manager, Behavioral Health Services Division, Madera County

## COUNTY REVIEW INFORMATION

**County:**

Madera

**County Contact Name/Title:**

Connie Moreno-Peraza, Behavioral Health Services Director

**County Address:**

209 E. 7th St., Madera, CA 93639

**County Phone Number/Email:**

(559) 673-3508

Connie.moreno-peraza@maderacounty.com

**Date of Review:**

10/13/2021

**Lead CCU Analyst:**

Katrina Beedy

**Assisting CCU Analyst:**

N/A

**Report Prepared by:**

Katrina Beedy

**Report Approved by:**

Ayesha Smith

## REVIEW SCOPE

- I. Regulations:
  - a. California Code of Regulations, Title 22, section 51341.1, 51490.1 and 51516.1 – Drug Medi-Cal Substance Use Disorder Services
  - b. California Code of Regulations, Title 9, Division 4: Department of Alcohol and Drug Programs
  - c. Health and Safety Code, Division 10.5, Section 11750 – 11970: Alcohol and Drug Programs
  - d. Welfare and Institutions Code, Division 9, Part 3, Chapter 7, Sections 14021.51-14021.53 and 14124.20-14124.25: Basic Health Care – Drug Medi-Cal Treatment Program
  
- II. Program Requirements:
  - a. Fiscal Year (FY) 2020-21 State-County Contract, herein referred to as State County Contract
  - b. Mental Health and Substance Use Disorders Services (MHSUDS) Information Notices
  - c. Behavioral Health Information Notices (BHIN)

## ENTRANCE AND EXIT CONFERENCE SUMMARIES

### **Entrance Conference:**

An Entrance Conference was conducted via WebEx on 10/13/2021. The following individuals were present:

- Representing DHCS:  
Katrina Beedy, Associate Governmental Program Analyst (AGPA)
- Representing Madera County:  
Connie Moreno-Peraza, Behavioral Health Director  
Julie Morgan, Assistant Behavioral Health Director  
Eric Rosen, Behavioral Health Services Division Manager  
Carlton Holmes, Behavioral Health Services Fiscal Manager  
Eva Weikel, Supervising Administrative Analyst  
Maria Torres, Supervising MH Clinician  
Say Yang, Administrative Analyst I  
Alyssa Morris, Administrative Analyst I  
Sylvia Romero, Health Education Coordinator

During the Entrance Conference, the following topics were discussed:

- Introductions
- Overview of the monitoring process

### **Exit Conference:**

An Exit Conference was conducted via WebEx on 10/13/2021. The following individuals were present:

- Representing DHCS:  
Katrina Beedy, AGPA  
Joanne Cunanan, APGA  
Jamie Saunders, Staff Services Manager I (SSM I)
- Representing Madera County:  
Connie Moreno-Peraza, Behavioral Health Director  
Julie Morgan, Assistant Behavioral Health Director  
Eric Rosen, Behavioral Health Services Division Manager  
Carlton Holmes, Behavioral Health Services Fiscal Manager  
Eva Weikel, Supervising Administrative Analyst  
Maria Torres, Supervising MH Clinician  
Say Yang, Administrative Analyst I  
Alyssa Morris, Administrative Analyst I  
Sylvia Romero, Health Education Coordinator

During the Exit Conference, the following topics were discussed:

- Submitting follow-up evidence
- Due date for evidence submission

## SUMMARY OF FY 2020-21 COMPLIANCE DEFICIENCIES (CD)

<u>Section</u>	<u>Number of CD's</u>
1.0 Administration	0
2.0 Covered Services	0
3.0 DMC Certification & Continued Certification	0
4.0 Monitoring	2
5.0 General Provisions	1

## **CORRECTIVE ACTION PLAN (CAP)**

Pursuant to the State County Contract, Exhibit A, Attachment I A1, Part I, Section 4, 6 a-b each CD identified must be addressed via a CAP. The CAP is due within sixty (60) calendar days of the date of this monitoring report.

Please provide the following within the completed FY 2020- 21 CAP:

- a) A statement of the CD.
- b) A list of action steps to be taken to correct the CD.
- c) A date of completion for each CD.
- d) Who will be responsible for correction and ongoing compliance.

The CPOMB analyst will monitor progress of the CAP completion.

## Category 4: MONITORING

A review of the County's monitoring and program integrity was conducted to ensure compliance with applicable regulations, and standards. The following DMC deficiencies in regulations, standards or protocol requirements were identified:

### COMPLIANCE DEFICIENCIES:

#### **CD 4.4**

##### State Plan DMC Contract, Exhibit A, Attachment I, Part I, Section 4, B, 1, a-b

1. Program Integrity: The Contractor is responsible for ensuring program integrity of its services and its subcontractors through a system of oversight, which shall include at least the following:
  - a) Compliance with state and federal law and regulations, including, but not limited to, 42 CFR 433.51, 42 CFR 431.800 *et seq.*, 42 CFR 440.230, 42 CFR 440.260, 42 CFR 455 *et seq.*, 42 CFR 456 *et seq.*, 42 CFR 456.23, 22 Cal. Code Regs. 51490, 22 Cal. Code Regs. 51490.1, 22 Cal. Code Regs. 51159, WIC 14124.1, WIC 14124.2, 42 CFR 438.320, 42 CFR 438.416, 42 CFR 438.10, and 42 CFR 438.206.
  - b) The Contractor shall conduct, at least annually, a programmatic and utilization review of DMC providers to assure covered services are being appropriately rendered. The annual review shall include an on-site visit of the DMC provider. Reports of the annual review shall be provided to the Medi-Cal Behavioral Health Division (MCBHD) at:

DHCS  
Medi-Cal Behavioral Health Division  
1500 Capitol Avenue, MS# 2623  
Sacramento, CA 95814

Or by secure, encrypted email to: [MCBHDMonitoring@dhcs.ca.gov](mailto:MCBHDMonitoring@dhcs.ca.gov)

The review reports shall be provided to DHCS within two weeks of completion by the Contractor.

Technical assistance is available to counties from DHCS' MCBHD.

**Finding:** The County did not provide evidence it conducts an audit of all DMC providers at least annually to assure services are being appropriately rendered.

- During FY 19-20, the County monitored zero (0) of 14 DMC providers located inside and outside the County and did not submit audit reports of these annual reviews to DHCS.



**CD 4.6**

State Plan DMC Contract, Exhibit A, Attachment I, Part 1, Section 4, A, 1, a-c

1. DHCS DMC Postservice Prepayment Utilization Reviews and Financial Audits of the Contractor.
  - a) After DMC services are rendered and prior to and after services are paid DHCS shall conduct DMC Postservice Prepayment Utilization Reviews of the Contractor's subcontracted DMC provider or Contractor-operated provider, referred to in Section 4(A) as a subcontractor. DHCS shall monitor the subcontractor's operations for compliance with the provisions of this Contract, and applicable federal and state laws and regulations. Such monitoring activities shall include, but not be limited to, inspection and auditing of subcontractor services, management systems and procedures, and books and records, as DHCS deems appropriate, at any time during the subcontractor's normal business hours.
  - b. DHCS shall issue DMC Postservice Prepayment Utilization Review reports to the Contractor, with a copy to the subcontractor. The Contractor shall be responsible for ensuring their subcontractor's deficiencies are remediated pursuant to Sections 4(A)(1)(b)(i)(1) and (2) herein. The Contractor shall attest the deficiencies have been remediated and are complete, pursuant to Section 4(A)(1)(c) herein.
    - i. If programmatic deficiencies are identified, the subcontractor shall be required to submit a Corrective Action Plan (CAP) to the Contractor for review and approval. The Contractor shall submit a Contractor-approved CAP to DHCS within 60 days of the date of the DHCS report.
      1. The CAP shall:
        - a. Address each programmatic deficiency
        - b. Provide a specific description of how the deficiency shall be corrected
        - c. Specify the date of implementation of the corrective action
        - d. Identify who will be responsible for correction and who will be responsible for on-going compliance
      2. DHCS shall provide written approval of the CAP to the Contractor with a copy to the subcontractor. If DHCS does not approve the CAP, DHCS will provide guidance on the deficient areas and request an updated CAP. The subcontractor shall revise the CAP and submit it to the Contractor for review and approval. The Contractor shall submit a revised Contractor-approved CAP to DHCS within 30 days of the DHCS notification.

If the subcontractor does not submit an initial or revised CAP to the Contractor, or does not implement the approved CAP provisions within the designated timeline, then DHCS may withhold funds from the Contractor until the subcontractor is in compliance with Exhibit A, Attachment I, Part I, Section 4(A)(1)(b)(i)(1) and (2). DHCS shall inform the Contractor when funds will be withheld.
  - c) The Contractor shall monitor and attest compliance and/or completion by the subcontractor with CAP requirements detailed in Section 4, Paragraph (A)(1)(b)(i)(1&2) of this Exhibit as required by any DHCS review. The Contractor shall attest to DHCS, using the form developed by DHCS, that the requirements in the CAP have been completed by the subcontractor. Submission of DHCS Form 8049, as identified in this section, by the Contractor shall be accomplished within the timeline specified in the approved CAP, as

noted by DHCS.

State Plan DMC Contract, Exhibit A, Attachment I, Part 1, Section 4, A, 2, a-h

2. DHCS Postservice Postpayment Utilization Reviews

- a) After DMC services are rendered and paid, DHCS shall conduct DMC Postservice Postpayment (PSPP) Utilization Reviews of the Contractor's subcontracted DMC provider or Contractor-operated provider, referred to in Section 4(A) as a subcontractor. DHCS shall monitor the subcontractor for compliance with the provisions of this Contract and in accordance with Title 22, Section 51341.1. Any claimed DMC service may be reviewed for compliance with all applicable standards, regulations, and program coverage after services are rendered and the claim is paid.
  
- b) DHCS shall issue the DMC PSPP reports to the Contractor with a copy to the subcontractor. The Contractor shall be responsible for ensuring the subcontractor's deficiencies are remediated pursuant to Section 4(A)(2)(b)(i)(1) and (2) herein. The Contractor shall attest the deficiencies have been remediated and are complete, pursuant to Section 4(A)(2)(c) herein.
  - i. If programmatic deficiencies are identified, the subcontractor shall be required to submit a CAP to the Contractor for review and approval. The Contractor shall submit a Contractor-approved CAP to DHCS within 60 days of the date of the PSPP report.
    - 1) The CAP shall:
      - a. Address each programmatic deficiency
      - b. Provide a specific description of how the deficiency shall be corrected
      - c. Specify the date of implementation of the corrective action
      - d. Identify who will be responsible for correction and who will be responsible for ongoing compliance
    - 2) DHCS shall provide written approval of the CAP to the Contractor with a copy to the subcontractor. If DHCS does not approve the CAP, DHCS will provide guidance on the deficient areas and request an updated CAP. The subcontractor shall revise the CAP and submit it to the Contractor for review and approval. The Contractor shall submit a revised Contractor-approved CAP to DHCS within 30 days of the DHCS notification.

If the subcontractor does not submit an initial or revised CAP to the Contractor, or does not implement the approved CAP provisions within the designated timeline, then DHCS may withhold funds from the Contractor until the subcontractor is in compliance with Exhibit A, Attachment I, Part I, Section 4(A)(2). DHCS shall inform the Contractor when funds will be withheld.

- c) The Contractor shall monitor and attest compliance and/or completion by subcontractors with CAP requirements detailed in Section 4(A)(2)(c) of this Exhibit as required by any PSPP review. The Contractor shall attest to DHCS, using the form developed by DHCS, that the requirements in the CAP have been completed by subcontractor. Submission of DHCS Form 8049, as identified in this section, by the Contractor shall be accomplished within the timeline specified in the approved CAP, as noted by DHCS.

- d) DHCS shall take appropriate steps in accordance with Title 22, Section 51341.1, to recover payments made if subsequent investigation uncovers evidence that the claim(s) should not have been paid or that DMC services have been improperly utilized.
- e) The Contractor and/or subcontractor may appeal DMC dispositions concerning demands for recovery of payment and/or programmatic deficiencies of specific claims. Such appeals shall be handled pursuant to Title 22, Cal Code Regs., Section 51341.1(q). This section shall not apply to those grievances or complaints arising from the financial findings of an audit or examination made by or on behalf of DHCS pursuant to Exhibit B, Part III, Section 2, of this Contract.
- f) DHCS shall monitor the subcontractor's compliance with PSPP utilization review requirements in accordance with Title 22. The Contractor shall also monitor the subcontractor's compliance in accordance with Section 4, Paragraph (A)(2), of this Contract. The federal government may also review the existence and effectiveness of DHCS's utilization review system.
- g) The Contractor shall implement and maintain compliance with the system of review described in Title 22, Section 51341.1(k), for the purposes of reviewing the utilization, quality, and appropriateness of covered services and ensuring that all applicable Medi-Cal requirements are met.
- h) The Contractor shall ensure that the subcontractor sites keep a record of the beneficiaries being treated at each location. The Contractor shall retain beneficiary records for either ten years from the final date of a contract period, the completion of any audit, or the date a service was rendered, whichever occurs later.

**Finding:** The County does not have a process ensuring Postservice Prepayment (DMCM) and Postservice Postpayment (PSPP), Corrective Action Plans (CAPs), are reviewed and approved prior to submission to DHCS.

## Category 5: GENERAL PROVISIONS

A review of the County's contract general provisions was conducted to ensure compliance with applicable regulations, and standards. The following DMC deficiency in regulations, standards or protocol requirements was identified:

### COMPLIANCE DEFICIENCY:

#### **CD 5.3:**

#### State Plan DMC Contract, Exhibit A, Attachment I, Part II, P, 1-2, a-d

- P. Information Access for Individuals with Limited English Proficiency and/or Disabilities
1. The Contractor shall comply with all applicable provisions of the Dymally-Alatorre Bilingual Services Act (Government Code sections 7290-7299.8) regarding access to materials that explain services available to the public as well as providing language interpretation services.
  2. The Contractor shall comply with the applicable provisions of Section 1557 of the Affordable Care Act (45 CFR Part 92), including, but not limited to, 45 CFR 92.201, when providing access to:
    - a) Materials explaining services available to the public
    - b) Language assistance
    - c) Language interpreter and translation services
    - d) Video remote language interpreting services

#### State Plan DMC Contract, Exhibit A, Attachment I, Part II, Q

#### Q. Subcontract Provisions

Contractor shall include the foregoing Part II general provisions in all of its subcontracts.

**Findings:** The County did not provide evidence to demonstrate all of the foregoing State County Contract Exhibit A, Attachment I, Part II general provisions are included in all executed subcontracts, including the Dymally-Alatorre Bilingual Services Act provision.

## **TECHNICAL ASSISTANCE**

Madera County did not request technical assistance for this review.