

**DHCS REPORT ON THE SUBSTANCE USE
DISORDER (SUD) AUDIT OF:
Modoc County Behavioral Health
2024**

DEPARTMENT OF HEALTH CARE SERVICES
AUDITS AND INVESTIGATIONS
CONTRACT AND ENROLLMENT REVIEW DIVISION
BEHAVIORAL HEALTH REVIEW BRANCH

REPORT ON THE SUBSTANCE USE DISORDER (SUD) AUDIT OF

**Modoc County Behavioral Health Services
dba County of Modoc
2024**

Contract Number: 20-10186
Drug Medi-Cal Organized Delivery System
(DMC-ODS)

Audit Period: July 1, 2022
through
June 30, 2023

Dates of Audit: June 4, 2024
through
June 21, 2024

Report Issued: September 27, 2024

TABLE OF CONTENTS

I. INTRODUCTION.....	1
II. EXECUTIVE SUMMARY.....	2
III. SCOPE/AUDIT PROCEDURES.....	4
IV. COMPLIANCE AUDIT FINDINGS	
Category 7 – Program Integrity	5

I. INTRODUCTION

Modoc County Behavioral Health Services (Plan) provides a variety of Substance Use Disorder Services (SUDS) for county residents. The Plan is governed by a Board of Supervisors and contracts with the Department of Health Care Services (DHCS) for the purpose of supporting the substance use prevention and treatment needs of the community.

Modoc County is located in the northeast corner of California. The Plan provides services throughout Modoc County, which consists of 19 cities, communities, and Native American reservations, with Alturas being the only incorporated city in the County.

Modoc County is one of seven counties that is part of the DMC-ODS Regional Model with the managed care organization, Partnership Health Plan of California (PHC). The county with a population of 8,500 in 2023 is the third-least populous county in California. In the fiscal year 2022-2023, the Plan provided services to 77 Medi-Cal members.

II. EXECUTIVE SUMMARY

This report presents the audit findings of the DHCS audit for the period of July 1, 2022, through June 30, 2023. The audit was conducted from June 4, 2024, through June 21, 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 September 18, 2024. The Plan was allowed 15 calendar days from the date of the Exit Conference to provide supplemental information addressing the draft audit findings. On September 26, 2024, 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 six categories of performance: Availability of DMC-ODS Services, 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, 2021, through June 30, 2022, identified deficiencies incorporated in the Corrective Action Plan (CAP). This year's audit included a review of documents to determine the implementation of the prior year's CAP.

The summary of the findings by category follows:

Category 1 – Availability of DMC-ODS Services

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

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

Category 5 – Coverage and Authorization of Services

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

Category 6 – Beneficiary Rights and Protection

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

Category 7 – Program Integrity

The Plan is required to notify the Department (DHCS) promptly when it receives information about changes in a beneficiary's residence or upon death of a beneficiary that may affect beneficiary's eligibility. The Plan did not promptly notify DHCS of member changes affecting eligibility, such as address changes and deceased status.

III. SCOPE/AUDIT PROCEDURES

SCOPE

The DHCS, Contract and Enrollment Review Division conducted this audit of the Plan to ascertain that medically necessary services provided to beneficiaries comply with federal and state laws, Medi-Cal regulations and guidelines, and the state's DMC-ODS Contract.

PROCEDURE

DHCS conducted an audit of the Plan from June 4, 2024, through June 21, 2024, for the audit period of July 1, 2022, through June 30, 2023. The audit included a review of the Plan's policies for providing services, and the procedures used to implement the policies to determine whether these policies were effective. Documents were reviewed and interviews were conducted with Plan representatives.

The following verification study was conducted for this audit:

Category 4 – Access and Information Requirement

24/7 Access Line: Four test calls were made to the 24/7 access line to assess the Plan's response to callers, including evaluation of appropriate interaction and whether the Plan provided access information regarding substance use disorder services.

❖ COMPLIANCE AUDIT FINDINGS ❖	
PLAN: MODOC COUNTY - DRUG MEDI-CAL ORGANIZED DELIVERY SYSTEM	
AUDIT PERIOD: July 1, 2022, through June 30, 2023	
DATES OF AUDIT: June 4, 2024, through June 21, 2024	

CATEGORY 7 – PROGRAM INTEGRITY

7.3	Service Verification
------------	-----------------------------

7.3.1 Prompt Notification to DHCS

The Plan is required to implement and maintain arrangements or procedures that are designed to detect and prevent fraud, waste, and abuse. This includes a provision for prompt notification to Department (DHCS) when it receives information about changes that may affect beneficiary’s eligibility. The information includes changes in beneficiary’s residence and upon beneficiary’s death. (*Contract, Ex. A, Att. 1, §2(H)(5)(ii)(c)*)

Finding: The Plan does not promptly notify DHCS when it receives information regarding changes to beneficiary circumstances that may affect eligibility.

The Plan provided two policies from its contractor, PHC, *DT027, Deceased Members (approved 11/17/2022)*, and *MP339, Member Address, Phone Number, and Demographics (approved 5/2/2023)*. Both policies outlined PHC’s processes to notify the Plan of a beneficiary’s death or changes to a beneficiary’s name, phone number, or address. The Plan did not provide its internal procedure demonstrating a process for prompt notification to DHCS upon any change to a beneficiary’s circumstance, such as death and change-in-address.

During the interview, the Plan stated that beneficiary eligibility verification is performed monthly. However, when beneficiaries notify the Plan regarding a change in address, or other circumstances that may affect their eligibility, beneficiaries are encouraged to speak with their eligibility worker to update the information. The Plan stated they do not have a policy or written procedure to notify DHCS when they are made aware of a change to a beneficiary’s circumstance that may affect eligibility.

When the Plan does not notify DHCS when receiving a change in a beneficiaries status including death and change of address, it may compromise the Medi-Cal program’s integrity and Medi-Cal it’s process for detecting and preventing fraud, waste, and abuse.

Recommendation: Develop and implement procedures ensuring the Plan promptly notifies DHCS of changes in the beneficiary’s circumstances that may affect eligibility.