

**REPORT ON THE MEDICAL
AUDIT OF
SANTA BARBARA SAN LUIS
OBISPO
REGIONAL HEALTH AUTHORITY
DBA CENCAL HEALTH
2025**

**DHCS Audits and Investigations
Contract and Enrollment Review Division
San Diego Section**

**Contract Number: 23-30239
Audit Period: November 1, 2024 — December 31, 2025
Dates of Audit: June 1, 2026 — June 12, 2026
Report Issued: September 29, 2026**

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I. INTRODUCTION

The Santa Barbara San Luis Obispo Regional Health Authority dba CenCal Health (Plan) was established in September 1983, as the first State Contracted County Organized Health System. Originally known as the Santa Barbara Health Initiative, the Plan began serving San Luis Obispo County in 2009. Since then, the Plan's service area covers two counties, Santa Barbara and San Luis Obispo.

The Plan is a public entity governed by a 13-member Board of Directors appointed by the Santa Barbara and San Luis Obispo County Board of Supervisors. The Board is composed of local government representatives, physicians, hospital representatives, other health care provider representatives, and business representatives.

As of June 2026, the Plan's total Medi-Cal enrollment was 226,639 members. Member enrollment is comprised of 164,313 in Santa Barbara County and 62,326 in San Luis Obispo County.

II. EXECUTIVE SUMMARY

This report presents the audit findings of the Department of Health Care Services medical audit for the period of November 1, 2024, through December 31, 2025. The audit was conducted from June 1, 2026, through June 12, 2026. The audit consisted of documentation review, verification studies, and interviews with the Plan's representatives.

The audit evaluated five categories of performance: Utilization Management, Population Health Management and Coordination of Care, Network and Access to Care, Grievances, Appeals, and Member Rights, and Plan Organization and Administration.

The prior DHCS medical audit for the period of November 1, 2023, through October 31, 2024, was issued on March 26, 2025. This audit examined the Plan's compliance with the DHCS Contract and assessed the implementation and effectiveness of the Plan's prior year 2024, Corrective Action Plan.

There were no findings noted during the audit period.

III. SCOPE/AUDIT PROCEDURES

SCOPE

The DHCS, Contract and Enrollment Review Division conducted the audit to ascertain that medical services provided to Plan members comply with federal and state laws, Medi-Cal regulations and guidelines, and the State Contract.

PROCEDURE

DHCS conducted an audit of the Plan from June 1, 2026, through June 12, 2026, for the audit period of November 1, 2024, through December 31, 2025. The audit included a review of the Plan's Contract with DHCS, policies and procedures for providing services, procedures used to implement the policies, and verification studies of the implementation and effectiveness of the policies. Documents were reviewed and interviews were conducted with the Plan's administrators and staff.

The following verification studies were conducted:

Category 2 – Population Health Management and Coordination of Care

Enhanced Care Management: Thirteen medical records were reviewed for care coordination and completeness to evaluate service performance.

Initial Health Appointment: Eighteen medical records were reviewed for completion and care coordination of services.

Category 3 – Network and Access to Care

Timely Payments: Six family planning and 16 emergency service claims were reviewed for appropriate and timely adjudication.

Category 4 – Grievances, Appeals, and Member Rights

Grievance Procedures: Twenty-five quality of service standard grievances, 10 exempt grievances, and 10 call inquiries were reviewed for timely resolution, response to the complainant, submission to the appropriate level for review, and translation in the member's preferred language (if applicable).

Confidentiality Rights: Ten breach and security incidents were reviewed for processing and reporting requirements.

Category 6 – Plan Administration and Organization

Fraud and Abuse: Twelve suspected fraud and abuse cases were reviewed for processing and reporting requirements.

Suspended, Excluded, and Ineligible Providers: Three providers were reviewed for completion of required monthly screenings against federal and state exclusion databases and for compliance with prohibitions on employing, paying, or contracting with excluded, suspended, or otherwise ineligible providers.

REPORT ON THE MEDICAL AUDIT OF SANTA BARBARA SAN LUIS OBISPO REGIONAL HEALTH AUTHORITY DBA CENCAL HEALTH 2025

**DHCS Audits and Investigations
Contract and Enrollment Review Division
San Diego Section**

Contract Number: 23-30271

Contract Type: State Supported Services

Audit Period: November 1, 2024 — December 31, 2025

Dates of Audit: June 1, 2026 — June 12, 2026

Report Issued: September 29, 2026

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I. INTRODUCTION

This report presents the results of the audit of Santa Barbara San Luis Obispo Regional Health Authority dba CenCal Health (Plan) compliance and implementation of the State Supported Services contract number 23-30271 with the State of California. The State Supported Services Contract covers abortion services with the Plan.

The audit covered the period of November 1, 2024, through December 31, 2025. The audit was conducted from June 1, 2026, through June 12, 2026, which consisted of a document review and verification study with the Plan administration and staff.

No deficiencies were noted during the review of the State Supported Services Contract.

COMPLIANCE AUDIT FINDINGS

State Supported Services

The Plan is required to provide, or arrange to provide, to eligible members the following services: Current Procedural Terminology Codes 59840 through 59857 and Centers for Medicare & Medicaid Services Common Procedure Coding System Codes X1516, X1518, X7724, X7726, and Z0336. (*State Supported Services Contract, Exhibit A (1.2.1)*)

The Plan's policy, *CLM-09 Claims and Payment for Pregnancy Termination Abortion* (revised June 2025), states that the Plan will reimburse claims or any portion of any claim for abortion services, whether in-network or out-of-network. Furthermore, the Plan will ensure that provider claims are processed without prior authorization.

The Plan's Member Handbook/Evidence of Coverage informs members of their rights to obtain outpatient abortion services without prior authorization from the Plan by any Medi-Cal provider, either in-network or out-of-network. Members who are under the age of 18 can also obtain these services without a parent or guardian's permission.

Additionally, the Plan informs providers of members' rights to abortion services through the Plan's Provider Manual. Providers are instructed to make every effort to assist members who are seeking abortion services, which includes providing timely and appropriate counseling, education, information, and referral. The Provider Manual confirms pregnancy termination and abortion as a covered service, explains confidential access for members (including minors), and specifies procedures for providers with moral objections. It also includes doula support for abortion and permits same-day prenatal or postpartum visits.

A verification study of 15 State Supported Service claims was conducted to determine appropriate and timely adjudication. There were no compliance issues identified during the audit period.

Recommendation: None.