

May 9, 2025

THIS LETTER SENT VIA EMAIL

Mr. Steve Sohn
Chief Administrative Officer
Liberty Dental Plan of California
1730 Flight Way, Suite 125
Tustin, CA 92782

NOTICE OF DEFICIENCY WITH CONTRACTUAL REQUIREMENTS AND DEMAND
FOR CORRECTIVE ACTION PLAN REGARDING DISCRIMINATION GRIEVANCES

Dear Mr. Sohn,

The Department of Health Care Services (DHCS) is hereby providing Liberty Dental Plan (Liberty) this Notice of Deficiency (NOD) due to Non-Compliance with Contractual Requirements regarding discrimination Grievances, pursuant to Dental All Plan Letter (APL) 21-001¹ and hereby requires a Corrective Action Plan (CAP) within thirty (30) days from the date of the electronic mail postmark of this letter. This CAP must include a remediation plan to make all affected members Whole.

Please note, if Contractor is unable to correct the noted deficiencies and/or complete their CAP within six (6) months of the date of this notice, DHCS may exercise its right to pursue additional sanctions pursuant to APL 22-009².

I. Background

On May 14, 2021, DHCS released APL 21-001 that provides guidance to DMC plans on federal and state requirements regarding nondiscrimination, discrimination grievance procedures, language assistance, and communications with individuals with disabilities. Furthermore, this APL requires that DMC plans forward copies of all member grievances alleging discrimination on the basis of any characteristic protected by federal or state nondiscrimination law to DHCS.

¹ [APL 21-001: Standards for Determining Threshold Languages, Nondiscrimination Requirements, and Language Assistance Services](#)

² [APL 22-009: Enforcement Actions: Administrative and Monetary Sanctions: Supersedes All Plan Letter 13-004](#)



On July 20, 2022, DHCS released APL 22-006³ that provides guidance to DMC plans regarding the application of federal and state legal requirements for processing grievances and appeals. This APL supersedes APL 20-003 and included member notification templates and updated template attachments that must accompany member notifications.

On October 20, 2023, DHCS released APL 23-004⁴ in accordance with the federal requirements set forth in the California Advancing and Innovating Medi-Cal (CalAIM) Special Terms and Conditions (STCs) A13 and A14⁵, DHCS amended the submission guidelines to 15 days after the end of the CY quarter and DMC plans must report unresolved grievances and/or appeals that are resolved outside of the deliverable reporting period in subsequent grievances and appeals report.

On February 26, 2024, DHCS released APL 24-001⁶ that informed DMC plans of implementation of an updated Grievance and Appeals template that clarifies the grievance and appeals tracking system requirements and allows for self-reporting by DMC plans.

II. Summary of Non-Performance

On January 15, 2025, Liberty submitted the 2024 Quarter Four (Q4) Grievance and Appeals deliverable to DHCS pursuant to APL 22-006, APL 23-004, and APL 24-001. This deliverable reported 12 discrimination Grievances.

On April 11, 2025, DHCS emailed Liberty requesting attestation that Liberty had complied with APL 21-001 regarding reporting discrimination Grievances, and wherein Liberty has not complied with the APL 21-001 for Q4 2024, DHCS requested that Liberty self-report on the Q4 2024 deliverable with the Plan of Action and timeline. DHCS reserved the right to issue a Notice of Deficiency should contractual compliance not have been met.

On April 11, 2025, Liberty replied and provided DHCS with supporting documentation, including a Standard Operating Procedure (SOP) and amended 2024 Q4 report with updated self-reporting tab. On amended report, Liberty self-reported the following:

“Liberty Dental Plan (Liberty) acknowledges the requirements set forth in Dental All Plan Letter (DAPL) 21-001 regarding the reporting of discrimination

³ [APL 22-006: Centers for Medicare and Medicaid Services \(CMS\) Final Rule Revisions Affecting Grievance and Appeal Requirements](#)

⁴ [APL 23-004: Modifications to the Grievance and Appeals Submission Timeline for the Medi-Cal Dental Managed Care Program](#)

⁵ [CalAIM 1915\(b\) STCs](#)

⁶ [APL 24-001: Modifications to the Grievance and Appeals Deliverable Template for the Medi-Cal Dental Managed Care Program](#)

grievances to the Department of Health Care Services (DHCS). Liberty attests that its Grievances and Appeals (G&A) department staff have been informed of these obligations, and that the DHCS-approved G&A Standard Operating Procedure (SOP) – Anti-Discrimination Process addressing DAPL 21-001 is in place. Liberty acknowledges a breakdown in the reporting process of discrimination grievances. A subsequent internal review revealed that multiple G&A staff members were not fully aware of the process. To remediate this issue, on April 11, 2025, Liberty issued a formal memorandum to all California G&A Analysts, reiterating the reporting requirements. The memorandum included the G&A SOP – Anti-Discrimination Process. All recipients reviewed, signed, and attested to their understanding and compliance with the reporting procedures for discrimination grievances to DHCS. Liberty will ensure that all Q4 2024 California Medi-Cal member discrimination grievances are submitted to the DHCS by April 18, 2025.”

III. Applicable Contractual Authority

DHCS Dental APL 21-001 states as follows:

“The DMC Plans are required to forward copies of all member grievances alleging discrimination on the basis of any characteristic protected by federal or state nondiscrimination law to DHCS. This includes, without limitation, sex, race, color, religion, ancestry, national origin, ethnic group identification, age, mental disability, physical disability, medical condition, genetic information, marital status, gender, gender identity, sexual orientation, creed, health status, or identification with any other persons or groups defined in Penal Code section 422.56. This requirement includes language access complaints and complaints alleging failure to make reasonable accommodations under the ADA.

Within ten (10) calendar days of mailing a discrimination grievance resolution letter to a member, plans must submit detailed information regarding the grievance to DHCS OCR’s designated discrimination grievance email box.

DMC plans must submit the following information in a secure format to DHCS.DiscriminationGrievances@dhcs.ca.gov:

- 1. The original complaint;*
- 2. The provider’s or other accused party’s response to the grievance;*
- 3. Contact information for the plans personnel responsible for the investigation and response to the grievance;*
- 4. Contact information for the member filing the grievance and for the provider or other accused party that is the subject of the grievance;*

5. *All correspondence with the member regarding the grievance, including the grievance acknowledgment and grievance resolution letter(s) sent to the member; and*
6. *The results of the plans investigation, copies of any corrective action taken, and any other information that is relevant to the allegation of discrimination.”*

DHCS Dental APL 22-009 states as follows:

“When a DMC plan fails to comply with applicable federal and state laws and regulations, or meet contractual obligations, there is good cause to require a CAP from the DMC plan. DHCS has the authority to require DMC plans to develop and submit a CAP to DHCS for review and approval, in order to correct cited deficiencies. DMC plans are required to complete CAPs within six (6) months of receiving notice of violation from DHCS. DMC plans are required to provide a monthly status update to DHCS utilizing the CAP Response Form (enclosed) and provide supporting CAP documentation until the CAP is completed. Monthly CAP updates must identify and contain the following:

- *The specific deficiency,*
- *Description of the corrective action,*
- *Supporting documentation (such as: documentation of problems in completing the corrective action, evidence of the corrections made, and proof of training),*
- *Responsible person(s), and*
- *Implementation date(s).*

DHCS can require or impose a CAP on a DMC plan and/or impose other enforcement actions for the violations set forth in WIC section 14197.7(a) and outlined below. For example, sanctions can be imposed on a DMC plan together with a CAP, in lieu of a CAP, or if the DMC plan fails to meet CAP requirements. 25 The factor(s) set forth in WIC section 14197.7(g) will be considered by DHCS when determining whether a preceding, concurrent, or subsequent CAP is appropriate when taking enforcement actions, including imposing a sanction.

IV. Resultant Action

DHCS is hereby providing this NOD with Contractual Requirements regarding discrimination Grievances and hereby demands a CAP within thirty (30) days from the date of the electronic mail postmark of this letter regarding the measures Liberty Dental Plan will implement to ensure compliance with APL 21-001 including the timely and accurate submission of all discrimination Grievances to DHCS and the appropriate

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remediation of any previously unsubmitted discrimination Grievances to make all affected members Whole.

Please again note, if Contractor is unable to correct the noted deficiencies and/or complete their CAP, DHCS may exercise its right to enforce sanctions pursuant to APL 22-009.

Should you have any questions, please contact me regarding the aforementioned.

Sincerely,

Original signed by:

Dana Durham
Chief, Medi-Cal Dental Services Division
Department of Health Care Services

Enclosure: CAP Response Form