

DEPARTMENT OF HEALTH CARE SERVICES

CALIFORNIA CHILDREN'S SERVICES COMPLIANCE, MONITORING, AND OVERSIGHT PROGRAM PLAN

September 2023



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I. Introduction

The California Children's Services (CCS) program provides diagnostic and treatment services, medical case management, and physical and occupational therapy services to children under age 21 with CCS-eligible medical conditions. Examples of CCS-eligible conditions include, but are not limited to, chronic medical conditions, such as cystic fibrosis, hemophilia, cerebral palsy, heart disease, cancer, traumatic injuries, and infectious diseases producing major sequelae. CCS also provides medical therapy services that are delivered in public schools. The CCS program is administered as a partnership between county health departments and the California Department of Health Care Services (DHCS).

Enhancing oversight and monitoring of the CCS program is established through the California Advancing and Innovating Medi-Cal (CalAIM) initiative through Assembly Bill (AB) 133 (Chapter 143, Statutes of 2021), Article 5.51.¹ The intent is to establish, implement, and evaluate statewide performance, quality, and reporting standards for county administration of the CCS program, with the goals of fostering accountability and transparency, mitigating risks, and creating processes to identify systemic vulnerabilities.²

A compliance program formalizes efforts to prevent, identify, and address inconsistencies with state and federal requirements, align programmatic and organizational values, and uphold program integrity by averting fraud, waste, and abuse. It also consists of core elements supported by standards and procedures and strong communication to maintain program integrity.³ For compliance program best practices used to develop the CCS Compliance, Monitoring, and Oversight Program (Program), see Appendix A.

This *CCS Compliance, Monitoring, and Oversight Program Compliance Plan* (*Compliance Plan*) outlines key compliance elements of the CCS program, including grievances and appeals, training, monitoring, surveying, enforcement, and corrective action. The purpose of this *Compliance Plan*, which is based on national best practices and stakeholder input, is to provide accessibility to and transparency of key CCS program compliance activities in a single, dynamic document.

Additional elements may be added to the *Compliance Plan* as the program evolves. While this *Compliance Plan* outlines key compliance components, specifics regarding these elements will be detailed in the final Memorandum of Understanding (MOU) between DHCS and counties, Numbered Letters (NLs), and related new and updated DHCS policy, program, and technical guidance. Furthermore, requirements of the CCS Compliance, Monitoring, and Oversight Program are based on each county's model type [Classic Dependent, Classic Independent, Whole Child Model (WCM) Dependent,

¹ [Welfare and Institutions \(W&I\) Code § 14184.600 \(b\)](#)

² [Oversight & Program Compliance](#), Connect for Health Colorado, (2015).

³ [Guidelines for Constructing a Compliance Program for Medicaid Managed Care Organizations and PrePaid Health Plans](#), CMS, (2002).

or WCM Independent] with consideration for and alignment with CalAIM goals and priorities where possible and appropriate.

Background

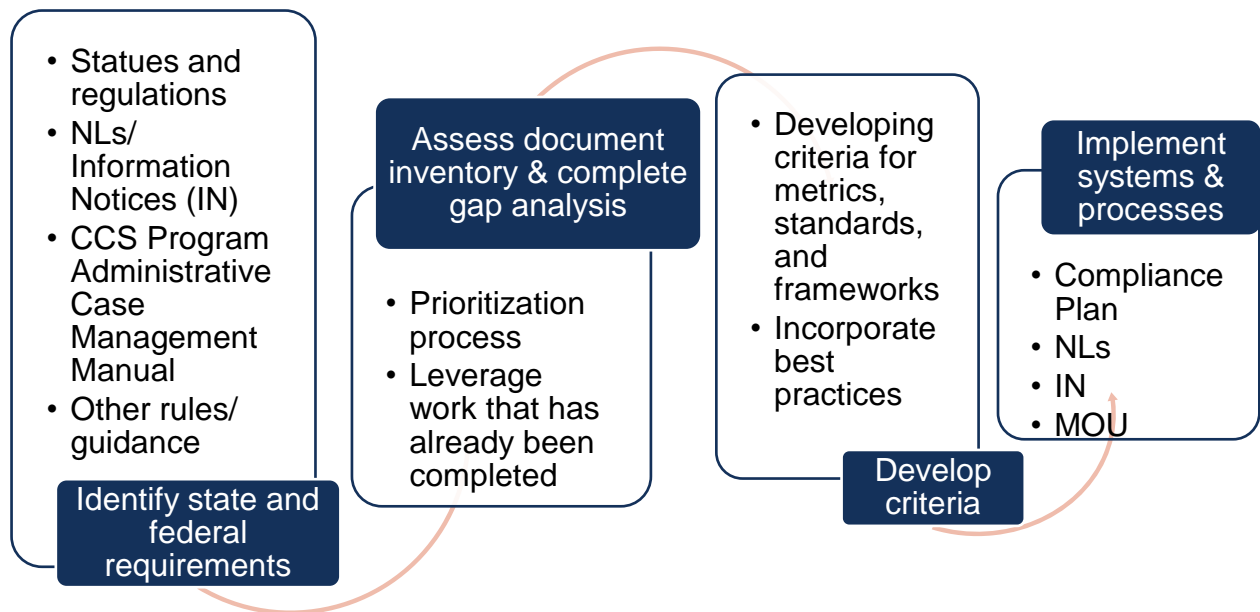
AB 133, Article 5.51, established CalAIM subsection (b), requiring DHCS to consult with counties and other affected stakeholders to develop and implement the following initiatives to enhance oversight and monitoring of county administration of the CCS program:

- Establish statewide performance, reporting, and budgetary standards, and accompanying audit tools used to assess county compliance with federal and state requirements applicable to the CCS program.
- Conduct periodic CCS quality assurance reviews and audits to assess compliance with established standards.
- Assess each CCS program to ensure appropriate allocation of resources necessary for compliance with standards, policies, guidelines, performance, and compliance requirements.
- Determine and implement a process to inform each CCS program of, and make available on its internet website, the latest standards, policies, guidelines, and new performance and compliance requirements imposed.
- Establish a statewide tiered enforcement framework to ensure prompt corrective action for counties that do not meet established standards.
- Require each county to enter a MOU with DHCS to document each county's obligations in administering the CCS program.

In January 2022, DHCS initiated the CCS Monitoring and Oversight Workgroup (workgroup), comprised of 31 members representing CCS county administrators, county associations, family advocates, health plans, and other stakeholders. The purpose of the workgroup was to build a collaborative, transparent process leveraging members' experience and knowledge, as well as state and national best practices to result in a finalized MOU and related policy and program policy guidance documents, including this *Compliance Plan*.

The workgroup convened a total of 12 times between January 31, 2022, and June 26, 2023, and between workgroup meetings members participated in interviews, provided comments on draft materials, and responded to surveys. Figure 1 below shows the approach utilized by DHCS and workgroup members to shape the CCS Compliance, Monitoring, and Oversight Program and this guidance.

FIGURE 1. COMPLIANCE PLAN DEVELOPMENT APPROACH



Goals

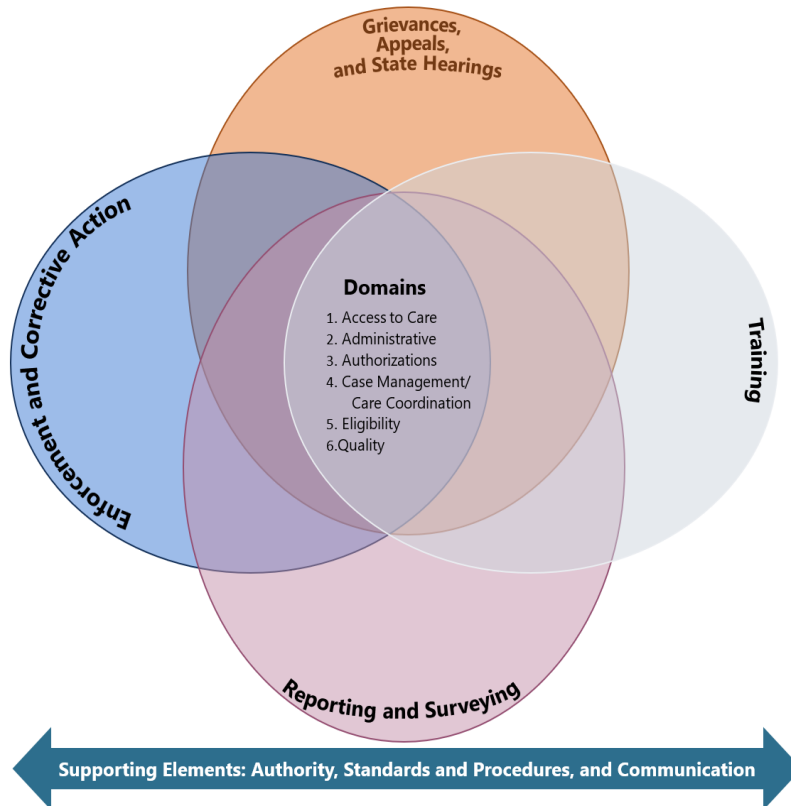
The goal of the CCS Compliance, Monitoring, and Oversight Program, taking into consideration variations based on CCS county model type, is to promote accessibility, transparency, monitoring, and oversight of the CCS program statewide. As outlined in CalAIM, DHCS intends to provide enhanced monitoring and oversight of all 58 counties to ensure continuous, unwavering, and quality care for children through the CCS Compliance, Monitoring and Oversight Program developed through the workgroup process. Additionally, the CCS Compliance, Monitoring, and Oversight Program promotes alignment between DHCS and county monitoring and oversight responsibilities in which DHCS and county CCS programs are held to the same standards.

To create a culture of compliance, build confidence in the CCS program, and drive improvement, DHCS is developing, implementing, and continuously evaluating consistent standards for quality and access to care for CCS program beneficiaries that are beneficiary and family centered. Through the formalized MOU process, DHCS will:

- Set CCS Compliance, Monitoring, and Oversight Program expectations
- Provide ongoing training and technical assistance to achieve statewide consistency in the delivery of CCS program services
- Establish communication pathways to ensure member and family voices are heard
- Promote effective access to care for CCS-eligible children and youth

II. CCS Compliance, Monitoring, and Oversight Program Overview

FIGURE 2. CCS COMPLIANCE, MONITORING, AND OVERSIGHT PROGRAM CORE ELEMENTS AND SUPPORTS FRAMEWORK



This *Compliance Plan* is a dynamic document that reflects best practices and stakeholder feedback. It will be updated as the CCS program evolves. While this *Compliance Plan* outlines key components of the CCS Compliance, Monitoring and Oversight Program, specifics will be detailed in the final MOU between DHCS and counties, NLs, and related new and updated policy, program, and technical guidance. Figure 2 depicts the CCS Compliance, Monitoring, and Oversight Program core elements and supports framework.

CCS Compliance, Monitoring, and Oversight Program Framework

The CCS Compliance, Monitoring, and Oversight Program framework reflects key elements, domains, and additional supports described in more detail below.

After a review of state and national best practices and as reflected by the NLs developed through the workgroup process, the following elements of a comprehensive CCS Compliance, Monitoring, and Oversight Program include implementation of new policies and guidance regarding:

1. Grievances
2. Appeals and state hearings
3. Training
4. CCS reporting and surveying (including compliance activities monitored through quarterly and annual reports and survey process)
5. Enforcement and corrective action

The compliance elements listed above address critical actions that contribute to successful program compliance and are further reinforced by five monitoring and

oversight domains identified by DHCS and the workgroup. The elements, together with the identified domains listed below, are expected to drive performance resulting in improved CCS program outcomes for beneficiaries and their families.

1. Access to care
2. Administrative
3. Authorizations
4. Case management/care coordination
5. Eligibility
6. Quality⁴

DHCS and county CCS program compliance will be monitored, analyzed, and evaluated based on the compliance elements and domains outlined above. Based on program compliance, DHCS will provide technical assistance, modify training and communication, and institute corrective action and enforcement, as needed.

Compliance Program Supporting Elements

Authority, standards and procedures, and communication represent features that support implementation and ongoing efforts of the CCS Compliance, Monitoring, and Oversight Program elements and domains identified above.

Authority

Under W&I Code section 14184.600 (b), Article 5.51, the MOU developed by DHCS and all state guidance are the binding requirements for the CCS Compliance, Monitoring, and Oversight Program.

- At the state level, DHCS is responsible for all aspects of the CCS Compliance, Monitoring, and Oversight Program as outlined in the MOU and supporting documents (NLs, et al). DHCS will:
 - Confirm receipt of all emails to the CCSMonitoring@dhcs.ca.gov inbox within three business days and include the email address on the CCS Compliance, Monitoring, and Oversight Program website.⁵
 - Manage a CCS Compliance, Monitoring, and Oversight website that will include CCS program updates and links and references to relevant documents.
- At the county level, counties are responsible for all aspects of the CCS Compliance, Monitoring, and Oversight Program as outlined in the MOU and supporting documents (NLs, et al), including, but not limited to:

⁴ The quality domain is addressed in the Quality Metrics Workgroup to improve health outcomes for children and youth.

⁵ [CCS Compliance, Monitoring, and Oversight Program website](#)

- Designate and maintain an identified CCS program contact responsible for compliance functions and liaison with DHCS. The county CCS program must regularly update DHCS of any staffing changes.
- Identify local CCS program roles and responsibilities and submit county CCS program organization charts and other agency information to DHCS.
- Maintain and regularly update roles and responsibilities according to new CCS program requirements and MOUs.

Details regarding CCS compliance roles and responsibilities can be found in the *MOU Roles and Responsibility Table* attached to the MOU. The *MOU Roles and Responsibility Table* delineates DHCS and county responsibilities, as applicable and based on county model type.

Standards and Procedures

Standards and procedures include the written policies, procedures, and processes that document and reflect counties' and DHCS' commitment to CCS compliance, monitoring, and oversight. Details regarding policies and procedures are described in documents, such as NLs, the CCS Administrative Case Management Manual, and other state guidance. Specifics regarding new policies and processes can be found in NLs available on the [CCS Numbered Letters](#) webpage and shared with county CCS programs.

An inventory of current CCS documents and other relevant materials is listed in Appendix B. These are the original documents reviewed by DHCS and workgroup members when the CCS Compliance, Monitoring, and Oversight Program was developed. These documents will be updated or retired by DHCS, as appropriate, to incorporate changes resulting from implementation of the CCS Compliance, Monitoring, and Oversight Program.

- DHCS is responsible for:
 - Developing, updating, reviewing, maintaining, and posting compliance policy and guidance, such as NLs and other related guidance, on the DHCS website.
 - Developing, updating, reviewing, maintaining, and sharing technical operational and instructional guidance/user guides, including for CMS Net, Microsoft Business Intelligence (MSBI), and other technical interfaces or process information.
 - Reviewing county policies and procedures to ensure statewide compliance and consistency.
- County CCS programs are responsible for:
 - Developing, implementing, and regularly updating policies and procedures for core CCS program operations and compliance requirements.
 - Submitting policies and procedures to DHCS as requested.
 - Submitting annual county CCS program administration budgets and associated plans.

Communication

To manage an efficient and well-regulated compliance program, effective lines of communication must be established between DHCS and county CCS programs. Some key factors for fostering open communication include accessibility, transparency, clearly defined compliance messaging, real-time feedback, follow through, and results.^{6, 7}

- DHCS is responsible for:
 - Regularly publishing all CCS program guidance and updates for counties to DHCS website (e.g., INs, NLS, training, and stakeholder updates).
 - Informing county CCS programs through a regular newsflash or similar county CCS program communication and email distribution list and posting online the latest standards, policies guidelines, and compliance requirements.
 - Regularly sharing updates through CCS county meetings and releasing new state guidance for public comment (providing at least two weeks for review, as appropriate).
 - Establishing and maintaining a CCS Compliance, Monitoring and Oversight Program mailbox to receive CCS program questions, comments, and grievances.
 - Maintaining and regularly updating the CCS Compliance, Monitoring, and Oversight website.
 - Utilizing existing regular venues for sharing of CCS program policy updates, best practices, and other critical CCS program information.
- County CCS programs are responsible for:
 - Establishing processes for reviewing compliance findings with county CCS program leadership.
 - Regularly reviewing and complying with all CCS program guidance and updates for counties on DHCS website (e.g., Ins, NLS, training, and stakeholder updates).
 - Maintaining and regularly updating CCS beneficiaries on new processes and policies as outlined in state guidance (e.g., grievance process).
 - Utilizing existing regular venues for sharing of CCS program policy updates, best practices, and other critical CCS program information.

Core CCS Compliance, Monitoring, and Oversight Program Elements

Core CCS Compliance, Monitoring, and Oversight Program elements are the areas DHCS will monitor to determine CCS program compliance. The elements were designed in alignment with CalAIM goals and priorities, and DHCS accounted for counties' model type.

⁶ [Elements of an Effective Healthcare Compliance Program](#), Emptech, (2020).

⁷ [OIG Supplemental Compliance Program Guidance for Hospitals](#), OIG (2005).

Grievances

The grievance process will ensure beneficiaries receive consistent support and resolution of issues in a uniform way. As part of the CCS Compliance, Monitoring, and Oversight Program, DHCS and county CCS programs will implement a process to intake, respond, resolve, and report grievances from CCS applicants, beneficiaries, legal guardians, and authorized representatives. The data collected through this process will be analyzed and used to identify program areas that can be improved and counties that may require technical assistance and training. This NL will be posted on the DHCS website and shared with county CCS programs.

Training

Training and technical assistance are key features of effectively operating a standardized compliance program. To ensure CCS program consistency and establish baseline knowledge, DHCS will set training expectations and sponsor or develop trainings for DHCS and county staff. As the CCS Compliance, Monitoring, and Oversight Program matures, training and technical assistance will evolve to support improved CCS program performance and outcomes. As part of this effort, DHCS developed a Training NL which includes requirements such as frequency of training, ongoing training, and proof of completion. Training expectations set forth by the CCS Compliance, Monitoring, and Oversight Program ensure CCS staff are knowledgeable and competent to maintain program compliance and the county's administration of high-quality CCS program initiatives. The Training NL is posted on the DHCS website and was shared with county CCS programs.

CCS Reporting and Surveys

Monitoring and surveying are critical to achieving program compliance standards.⁸ DHCS will conduct monitoring and surveying to ensure all county CCS programs comply with statutes, regulations, and policies to deliver care in a standardized, consistent manner across the state. Based on workgroup feedback, DHCS' survey process will be used to evaluate overall CCS compliance by collecting data and monitoring DHCS and county CCS programs. In addition, county compliance will be monitored and evaluated through the submission of annual reports, quarterly reports, and surveys. CCS compliance activities are related to core elements and domains and will establish a CCS Compliance, Monitoring, and Oversight Program baseline. DHCS will revise compliance activities as needed based on data and compliance results. The CCS Program Reporting and Survey NL and associated quarterly and annual report templates, will be available on the DHCS website.

Corrective Action and Enforcement

W&I Code section 14184.600 (b), Article 5.51, required DHCS to “establish a statewide tiered enforcement framework to ensure prompt corrective action for counties that do not meet established standards.” Corrective action may be needed when deficiencies

⁸ [Guidelines for Constructing a Compliance Program for Medicaid Managed Care Organizations and PrePaid Health Plans](#), CMS, (2002).

are identified through monitoring, surveying, or other means. Corrective action should identify the root cause of non-compliance, include steps and improvements to correct the deficiency, prevent future noncompliance, and define accountability. Further, corrective action will be tailored to address the identified deficiency and include timeframes for follow-up. Finally, continued monitoring is necessary to ensure issues are improved through corrective action.

III. Conclusion

As directed by W&I Code section 14184.600 (b), Article 5.51, this *Compliance Plan* outlines DHCS' efforts to establish, implement, and evaluate statewide performance, quality, and reporting standards for county administration of the CCS program in a single document to foster accountability, accessibility, and transparency by implementing processes to identify CCS program vulnerabilities and mitigate risks. The goal is to create a culture of compliance, build confidence in the CCS program, and drive improved outcomes for CCS program beneficiaries and their families in alignment with CalAIM.

This *Compliance Plan* is informed by stakeholder input and national and state best practices and highlights key elements of the CCS Compliance, Monitoring, and Oversight Program, including grievances, training, reporting, and surveying, and corrective action and enforcement. As the CCS Compliance, Monitoring and Oversight Program matures, this plan will be updated to incorporate new compliance elements, the specifics of which are detailed in the final MOU between DHCS and counties, NLs, and related new and updated DHCS policy, program, and technical assistance guidance.

Appendix A. Compliance Program Best Practices

After a comprehensive review of state and national best practices, the following six areas represent key components of a compliance program:

1. **Authority:** Clear lines of authority and responsibility for involved parties, including roles and responsibilities.
2. **Standards and Procedures:** Easily accessible written policies and procedures that articulate commitment to compliance and how compliance is met.
3. **Training:** Effective training and education for staff and leadership according to functional areas.
4. **Communication:** Effective and regular communication between involved parties to establish expectations, address risks, escalate compliance concerns, and communicate adjustments as needed.
5. **Reporting and Surveys:** Reasonably designed reporting and surveying systems using data, analysis, and reporting to assess compliance risks.
6. **Corrective Actions and Enforcement:** Rational steps to respond timely and appropriately to findings and to develop corrective actions.

Authority

To have an effective compliance program, a dedicated individual within an organization should be appointed who is both responsible and accountable for program compliance. This person often has the authority to enforce the identified and agreed upon compliance responsibilities. Within the organization, specific criteria should be established that clearly outlines the responsibilities and authority of the identified compliance personnel.⁹ For example, the individual responsible for the organization's compliance should regularly report out on program compliance to management ideally through a compliance committee. In addition, clear lines of authority, including roles and responsibilities, should be established within the organization and between involved parties, including external vendors and stakeholders.

Standards and Procedures

To run an effective compliance program, an organization must have clear and easily accessible policies, procedures, and standards that assert the organization's commitment to adhere to all applicable state and federal requirements and standards.¹⁰ Such policies, procedures, and standards should be documented, reviewed, and updated on a regular basis according to identified areas of program risk and to advance the mission and objective of the organization.¹¹ Policies, procedures, and standards must be relevant to day-to-day staff responsibility and may include implementation and

⁹ [Guidelines for Constructing a Compliance Program for Medicaid Managed Care Organizations and PrePaid Health Plans](#), CMS, (2002).

¹⁰ [Guidelines for Constructing a Compliance Program for Medicaid Managed Care Organizations and PrePaid Health Plans](#), CMS, (2002).

¹¹ [OIG Supplemental Compliance Program Guidance for Hospitals](#), Office of Inspector General (OIG), (2005).

operational details, guidance on governance, operational structure, a code of conduct, data reporting, and processes to act within the established compliance program.¹²

Training

Training is a key component of maintaining a standardized compliance program run by knowledgeable staff. Robust training includes providing regularly scheduled training opportunities; including training as a job requirement; incorporating compliance training in the new hire onboarding process and requiring training at least annually thereafter; identifying and incorporating audit or survey results into trainings as patterns are identified; and by staying abreast of current compliance issues and trends.¹³ When applicable, training should focus on state and federal updates and revisions to laws, regulations, and guidelines or best practices. These updates should also be reflected in an organization's policies and procedures. An organization must conduct ongoing regular evaluation of its training program to ensure its effectiveness and adjust as needed based on the evaluation.

Communication

To manage an efficient and well-regulated compliance program, effective lines of communication must be established between an organization's compliance personnel, employees, vendors, and stakeholders, including state and federal partners. Open lines of communication are a product of an organization's culture, and internal and external (as needed) mechanisms for reporting must be established to report identified occurrences of fraud, waste, and abuse or other programmatic issues.¹⁴ Mechanisms to promote open communication may include comment boxes, anonymous hotlines, or an open door policy through which compliance issues can be reported.¹⁵ To foster a culture of open communication, communication must be accessible to all relevant parties, be confidential, have clearly defined compliance messaging, encourage real-time feedback without the fear of retaliation, and have a publicized process and method for anonymous reporting.¹⁶ Results of internal audits should be regularly shared with an organization's governing body and other relevant departments and organizations as appropriate. In turn, the governing body and relevant departments should be actively engaged in ameliorating institutional or recurring problems.¹⁷

Reporting and Surveys

An organization must take steps to achieve compliance standards and procedures by designing, implementing, and utilizing monitoring and surveying systems for internal and external purposes to address identified program areas.¹⁸ Monitoring and surveying best

¹² [In re Caremark Int'l](#), 698 A.2d 959, 1996 Del. Ch. LEXIS 125 (Del. Ch. Sept. 25, 1996).

¹³ [Elements of an Effective Healthcare Compliance Program](#), Emptech, (2020).

¹⁴ [OIG Supplemental Compliance Program Guidance for Hospitals](#), OIG, (2005).

¹⁵ [Compliance Program Basics](#), OIG.

¹⁶ [Elements of an Effective Healthcare Compliance Program](#), Emptech, (2020).

¹⁷ [OIG Supplemental Compliance Program Guidance for Hospitals](#), OIG (2005).

¹⁸ [Guidelines for Constructing a Compliance Program for Medicaid Managed Care Organizations and PrePaid Health Plans](#), CMS, (2002).

practices include conducting internal audits annually or on a more frequent basis that address areas of concern, risk areas, or findings from a previous survey.¹⁹ In addition to audits and surveys, an organization should develop reports measuring performance against set standards. Examples of monitoring at an organizational level include but are not limited to, reviewing periodic reporting and random samples to determine adherence to an organization's compliance program, surveying on a periodic schedule to analyze programmatic consistency, investigating complaints received, and analyzing compliance lapses to better understand root causes.²⁰ A mechanism to collect, analyze, and report on compliance issues is also beneficial to the organization. In some instances, it is beneficial to prepare an annual compliance work plan outlining approvals from the governing body, outlining goals for the upcoming year, and rationale for selecting specific risk areas for targeted compliance reviews.²¹

Corrective Action and Enforcement

A corrective action plan may be necessary when a deficiency is identified through monitoring, auditing, or other means. It should identify the root cause of non-compliance, include steps and improvements to correct the deficiency, prevent future noncompliance, and define accountability. For corrective action and enforcement to take place, an organization must have organizational compliance information and the disciplinary guidelines readily available.²² If an organization is held to standards and guidelines established by an outside party, the external stakeholder enforcing compliance should also make compliance policies, procedures, and disciplinary standards available. Corrective action must be tailored to address the problem or deficiency identified and must include timeframes for specific actions. For example, addressing corrective action within 60 days.^{23, 24} Continued monitoring is necessary to ensure that deficiencies have been improved through corrective action.

¹⁹ [OIG Supplemental Compliance Program Guidance for Hospitals](#), OIG, (2005).

²⁰ [A Framework for Compliance](#), Professionals Standards Councils, (2014).

²¹ [Work Plan](#), OIG.

²² [Guidelines for Constructing a Compliance Program for Medicaid Managed Care Organizations and PrePaid Health Plans](#), CMS, (2002).

²³ [OIG Supplemental Compliance Program Guidance for Hospitals](#), OIG, (2005).

²⁴ [Medicare Managed Care Manual, Chapter 21 - Compliance Program Guidelines](#), CMS, (2013).

Appendix B. Inventory of CCS Documents and Other Relevant Materials

1. [California Code of Regulations, title 22, division 2, subdivision 7*](#)
 2. [Health and Safety Code, Chapter 3 of Part 2 \(commencing with section 123800\)*](#)
 3. [CCS Administrative Case Management Manual*](#)
 4. NL/IN Inventory*
 5. Plan and Fiscal Guidelines
 6. [CCS Manual of Procedures](#)
 7. [All Plan Letters](#)
 8. [Medi-Cal Request for Procurement](#)
 9. [CCS Provider Standards](#)
 10. Children's Medical Services (CMS) Net/MSBI
 11. Relevant State and federal requirements (e.g., Early and Periodic Screening, Diagnostic, and Treatment, Title V/Children with Special Health Care Needs)
 12. [Integrated CCS and WCM Dashboard](#)
 13. Other significant guidance documents (e.g., Comprehensive Quality Strategy)
 14. Current MOUs between WCM Medi-Cal managed care health plans and counties
 15. [CCS Monitoring and Oversight Workgroup Materials](#)
 16. [CCS Advisory Group meeting Materials](#)
 17. WCM Division of Responsibility Chart
 18. Historical audit tools
 19. [Draft Population Health Management Strategy and Roadmap 2022](#)
- * These items were identified as foundational CCS documents by workgroup members.