

April 28, 2026

Michael O'Malley, Plan Administrator
AIDS Healthcare Foundation
6255 West Sunset Blvd., 21st Floor
Los Angeles, CA 90028

Via E-mail

RE: Department of Health Care Services Focused Medical Audit

Dear Mr. O'Malley:

The Department of Health Care Services (DHCS), Audits and Investigations Division conducted a Focused Audit of AIDS Healthcare Foundation, a Managed Care Plan (MCP), from November 27, 2023 through December 8, 2023. The focused audit covered the period from October 1, 2022, through September 30, 2023.

DHCS is closing this Corrective Action Plan (CAP) based on the corrective actions submitted and accepted. As standard practice, DHCS will reassess these areas during subsequent audit cycles to ensure sustained compliance and evaluate implementation over time. DHCS acknowledges the Plan's continued efforts to implement the corrective actions from identified non-compliance in the audit. As DHCS issues updated policy guidance, the Plan must ensure all activities remain aligned with current requirements, including forthcoming updates to Transportation policy and the Behavioral Health Data Exchange expectations outlined in APL 26-004. The enclosed documents will serve as DHCS' final response to the MCP's CAP. Closure of this CAP does not halt any other processes in place between DHCS and the MCP regarding the deficiencies in the audit report or elsewhere, nor does it preclude the DHCS from taking additional actions it deems necessary regarding these deficiencies.

Please be advised that in accordance with Health & Safety Code Section 1380(h) and the Public Records Act, the final audit report and final CAP remediation document (final Attachment A) will be made available on the DHCS website and to the public upon request.

If you have any questions, please reach out to CAP Compliance personnel.

Sincerely,

[Signature on file]
Dennis Hsieh, Chief



DHCS - Managed Care Quality and Monitoring Division (MCQMD)

Enclosures: Attachment A (CAP Response Form)

cc: Kelli Mendenhall, Branch Chief *Via E-mail*
Managed Care Monitoring Branch
DHCS - Managed Care Quality and Monitoring Division (MCQMD)

Grace McGeough, Chief *Via E-mail*
Process Compliance Section
Managed Care Monitoring Branch
DHCS – Managed Care Quality and Monitoring Division (MCQMD)

Lyubov Poonka, Unit Chief *Via E-mail*
Audit Monitoring Unit
Process Compliance Section
DHCS - Managed Care Quality and Monitoring Division (MCQMD)

Christina Viernes, Lead Analyst *Via E-mail*
Audit Monitoring Unit
Process Compliance Section
DHCS - Managed Care Quality and Monitoring Division (MCQMD)

Nicole Cortez, Unit Chief *Via E-mail*
Managed Care Contract Oversight Branch
DHCS – Managed Care Operations Division (MCOD)

Chengchoi Saelee, Contract Manager *Via E-mail*
Managed Care Contract Oversight Branch
DHCS – Managed Care Operations Division (MCOD)

ATTACHMENT A

Corrective Action Plan Response Form

Plan: AIDS Healthcare Foundation dba Positive Healthcare Foundation

Review Period: 10/1/2022 – 9/30/2023

Audit: Focused Audit of Behavioral Health and Transportation Services

On-site Review: 11/27/2023 – 12/8/2023

MCPs are required to provide a Corrective Action Plan (CAP) and respond to all documented deficiencies included in the focused audit report within 30 calendar days unless an alternative timeframe is indicated in the CAP Request letter. MCPs are required to submit the CAP in Word format, which will reduce the turnaround time for DHCS to complete its review. According to ADA requirements, the document should be at least 12 pt.

The CAP submission must include a written statement identifying the deficiency and describing the plan of action taken to correct the deficiency, as well as the operational results of that action. The MCP shall directly address each deficiency component by completing the following columns provided for MCP response: 1. Finding Number and Summary, 2. Action Taken, 3. Supporting Documentation, and 4. Completion/Expected Completion Date. The MCP must include a project timeline with milestones in a separate document for each finding. Supporting documentation should accompany each Action Taken. If supporting documentation is missing, the MCP submission will not be accepted. For policies and other documentation that have been revised, please highlight the new relevant text and include additional details, such as the title of the document, page number, revision date, etc., in the column "Supporting Documentation" to assist DHCS in identifying any updates that were made by the plan. Implementing deficiencies requiring short-term corrective action should be completed within 30 calendar days. For deficiencies that may be reasonably determined to require long-term corrective action for a period longer than 30 days to remedy or operationalize completely, the MCP is to indicate that it has initiated remedial action and is on the way toward achieving an acceptable level of compliance. In those instances, the MCP must include the date when full compliance will be completed in addition to the above steps. Policies and procedures submitted during the CAP process must still be sent to the MCP's Contract Manager for review and approval, as applicable, according to existing requirements.

Please note that DHCS expects the plan to take swift action to implement improvement interventions as proposed in the CAP; therefore, DHCS encourages all remediation efforts to be in place no later than month 6 of the CAP unless DHCS grants prior approval for an extended implementation effort.

DHCS will communicate closely with the MCP throughout the CAP process and provide technical assistance to confirm that the MCP offers sufficient documentation to correct deficiencies. Depending on the number and complexity of deficiencies identified, DHCS may require the MCP to provide weekly updates.

2. Case Management and Coordination of Care

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
2.1 Care Management and Care Coordination The Plan did not coordinate care with the MHP for appropriate management of members mental and physical health care for members accessing SMHS.	The Health Plan successfully established and executed an MOU with LACDMH. P&Ps updated and training / education provided to applicable staff regarding updates. The Health Plan and LACDMH's IT departments are collaborating to establish an automated and secure data exchange process. In the interim, the Health Plan and LACDMH will utilize emails for day-to-day communication related to the coordination of care. Additionally, the Health Plan and LACDMH have established Bi-Weekly MOU meetings to strengthen the alliance and alignment of care coordination processes. Health Plan staff responsible for carrying out activities under this MOU received training regarding MOU provisions. Refresher training will	FW_ PHC and LAC DMH_ Care Coordination Sections of MOU (Care Coordination discussion with DMH scheduled for 07_19).pdf LACDMH Referral Workflow for PHC California.docx MOU Screeners P and P 11.15.23.xlsx Notes from July 19 2024 Meeting w LACDMH.pdf PHC and LAC DMH Bi-Weekly MOU Meetings.pdf PHC and LAC DMH_ Care Coordination Sections of MOU.pdf PHC CA SMHS NSMHS SUDS End to End Workflow_Individual_highlighted changes for CAP 2.5.1.pdf	July 19, 2024	The following documentation supports the MCP's efforts to correct this finding: POLICIES AND PROCEDURES » Revised P&P, "CM 97.5, "PHC-CA Exchange of Information with LACDMH" (10/01/24) The MCP revisions demonstrate that joint operating meetings will be held with the Los Angeles County Department of Mental Health to coordinate care, prevent service duplication, and facilitate smooth transitions between SMHS, the County, and NSMHS with the MCP. » Implementation of P&P CM 97.5, "PHC-CA Exchange of Information with LACDMH, Screen shots" (Implementation 03/03/25) demonstrates that joint operating meetings have been held with the Los Angeles County Department of Mental Health to coordinate care. IMPLEMENTATION » Workflow, "SMHS End-to-End Management Workflow and LACDPH Referral Processing End-to End Care Management Workflow (08/20/24) demonstrates the MCP created a workflow process to make certain that coordination of care is coordinated with the MHP.

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	be conducted annually for Health Plan staff, and as applicable for Subcontractors, Downstream Subcontractors, and Network Providers. The Health Plan has also designated the Care Management Department leadership team to serve as MCPMHP Liaisons.	RECAP_ PHC and LAC DMH_ Bi-Weekly MOU Meetings 09_30_24 (1).pdf RECAP_ PHC and LAC DMH_ Bi-Weekly MOU Meetings 09_30_24.pdf SUD IGI Monitoring Report_Redacted.pdf UM CM All Staff_09.18.2024.pdf Workflow for MCP to DMH Without Help Line 11-20-2023.pdf		» Updated Workflow, "MCP Referrals to LACDMH Without 24/7 LACDMH Access Help Line" (Implemented 08/21/24) demonstrates that LACDMH updated their workflow, allowing staff to make certain the form is routed to the correct authorization or scheduling team » Various Emails, between the MCP and LACDMH illustrating coordination of care for the effective management of members' mental health services, particularly for those accessing Specialty Mental Health Services (SMHS). » Various Collaborative Meetings, between PHC and LACDMH discussing MOU tasks. » Tool, "MOU Screeners P and P" (11/15/23) demonstrates the MCP and LACDMH has a MOU tool to make certain that the policies and procedures contains essential components designed to demonstrate that the MCP and LACDMH have a clear understanding of their respective roles, responsibilities, and expectations within the agreement. » Amended MOU, "Memorandum of Understanding Between AIDS Healthcare Foundation and Los Angeles County Department of Mental Health, Amendment No. 2" (05/15/24) demonstrates the MCP amended the Memorandum of Understanding (MOU) with Los Angeles County Department of Mental Health on May 15, 2024, with the only

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				amendments being the effective date, which shall now be from July 1, 2019, through December 31, 2024, and the provision that the MOU shall automatically renew for no more than six additional one-month periods. MONITORING AND OVERSIGHT » Template Report, "Closed Loop Referral Report" (Implementation Date: 12/2024) demonstrates the LACDMH has created a drafted report to capture oversight with the MCP on a weekly basis. » Log, "2025 SMHS-SUD Referral Monitoring Log" (01/25-03/25) demonstrates the MCP guarantees that referrals made to LACDMH are tracked to monitor the timeliness and outcomes, with oversight provided by the leadership team. TRAINING » Meeting, "UM CM All Staff Meeting" (09/18/24) MCP provides biweekly updates to the Team on day-to-day operations. Such as, LACMPH P&P revision review, MHP/MCP transition form and contact information, and MOU requirements. Additionally, an End-to-End Care Management Workflow related to PHC - LACDMH Referral Processing w LACMPH P&P revision review, MHP/MCP transition form, as shared during this meeting.

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				» Refresher training will be conducted annually for Health Plan staff, and as applicable for Subcontractors, Downstream Subcontractors, and Network Providers. The corrective action plan for finding 2.1 is accepted.
2.2 Mental Health Oversight and Quality Improvement The Plan did not have the MHP participate in its mental health oversight program to meet quality improvement for mental health services.	See above.	See above.	See above.	The following documentation supports the MCP's efforts to correct this finding: POLICIES AND PROCEDURES » Revised P&P, "CM 97.5, "PHC-CA Exchange of Information with LACDMH" (10/01/24) The MCP revisions demonstrate that joint operating meetings will be held with the Los Angeles County Department of Mental Health to coordinate care, prevent service duplication, and facilitate smooth transitions between SMHS, the County, and NSMHS with the MCP. » Implementation of P&P CM 97.5, "PHC-CA Exchange of Information with LACDMH, Screen shots" (Implementation 03/03/25) demonstrates that joint operating meetings have been held with the Los Angeles County Department of Mental Health to coordinate care. IMPLEMENTATION » Various Emails, between the MCP and LACDMH illustrating coordination of care for the effective management of

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				members' mental health services, particularly for those accessing Specialty Mental Health Services (SMHS). » Various Collaborative Meetings, between PHC and LACDMH discussing MOU tasks. » Tool, "MOU Screeners P and P" (11/15/23) demonstrates the MCP and LACDMH has a MOU tool to make certain that the policies and procedures contains essential components designed to demonstrate that the MCP and LACDMH have a clear understanding of their respective roles, responsibilities, and expectations within the agreement. » Amended MOU, "Memorandum of Understanding Between AIDS Healthcare Foundation and Los Angeles County Department of Mental Health, Amendment No. 2" (05/15/24) demonstrates the MCP amended the Memorandum of Understanding (MOU) with Los Angeles County Department of Mental Health on May 15, 2024, with the only amendments being the effective date, which shall now be from July 1, 2019, through December 31, 2024, and the provision that the MOU shall automatically renew for no more than six additional one-month periods. TRAINING » Meeting, "UM CM All Staff Meeting" (09/18/24) MCP provides biweekly updates to the Team on day-to-day

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				operations. Such as, LACMPH P&P revision review, MHP/MCP transition form and contact information, and MOU requirements. Additionally, an End-to-End Care Management Workflow related to PHC - LACDMH Referral Processing w LACMPH P&P revision review, MHP/MCP transition form, as shared during this meeting. » Refresher training will be conducted annually for Health Plan staff, and as applicable for Subcontractors, Downstream Subcontractors, and Network Providers. The corrective action plan for finding 2.2 is accepted.
2.3 Exchange of Medical Information The Plan, and MHP, did not ensure timely exchange of medical information for the purposes of medical and behavioral health	See above.	See above.	See above.	The following documentation supports the MCP's efforts to correct this finding: POLICIES AND PROCEDURES » Revised P&P, "CM 97.5, "PHC-CA Exchange of Information with LACDMH" (10/01/24) The MCP revisions demonstrate that joint operating meetings will be held with the Los Angeles County Department of Mental Health to coordinate care, prevent service duplication, and facilitate smooth transitions between SMHS, the County, and NSMHS with the MCP.

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
care coordination for the member.				» Implementation of P&P CM 97.5, "PHC-CA Exchange of Information with LACDMH, Screen shots" (Implementation 03/03/25) demonstrates that joint operating meetings have been held with the Los Angeles County Department of Mental Health to coordinate care. IMPLEMENTATION » Workflow, "SMHS End-to-End Management Workflow and LACDPH Referral Processing End-to End Care Management Workflow (08/20/24) demonstrates the MCP created a workflow process to make certain that coordination of care is coordinated with the MHP. » Various Emails, between the MCP and LACDMH illustrating coordination of care for the effective management of members' mental health services, particularly for those accessing Specialty Mental Health Services (SMHS). » Various Collaborative Meetings, between PHC and LACDMH discussing MOU tasks. MONITORING AND OVERSIGHT » Template Report, "Closed Loop Referral Report" (Implementation Date: 12/2024) demonstrates the LACDMH has created a drafted report to capture oversight with the MCP on a weekly basis.

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
				» Log, "2025 SMHS-SUD Referral Monitoring Log" (01/25-03/25) demonstrates the MCP guarantees that referrals made to LACDMH are tracked to monitor the timeliness and outcomes, with oversight provided by the leadership team. TRAINING » Meeting, "UM CM All Staff Meeting" (09/18/24) MCP provides biweekly updates to the Team on day-to-day operations. Such as, LACMPH P&P revision review, MHP/MCP transition form and contact information, and MOU requirements. Additionally, an End-to-End Care Management Workflow related to PHC - LACDMH Referral Processing w LACMPH P&P revision review, MHP/MCP transition form, as shared during this meeting. » Refresher training will be conducted annually for Health Plan staff, and as applicable for Subcontractors, Downstream Subcontractors, and Network Providers. The corrective action plan for finding 2.3 is accepted.

*Attachment A must be signed by the MCP’s compliance officer and the executive officer(s) responsible for the area(s) subject to the CAP.

Submitted by: Sandra Holzner

Title: Compliance Officer

Signed by: [Signature on file]

Date: 10/4/2024

