

DHCS AUDITS AND INVESTIGATIONS  
CONTRACT AND ENROLLMENT REVIEW DIVISION  
SPECIALTY MENTAL HEALTH REVIEW SECTION

**REPORT ON THE SPECIALTY MENTAL HEALTH  
SERVICES (SMHS) AUDIT OF MARIN COUNTY  
FISCAL YEAR 2025-26**

Contract Number: 22-20112

Contract Type: Specialty Mental Health Services

Audit Period: July 1, 2024 — December 31, 2024

Dates of Audit: January 13, 2026 — January 23, 2026

Report Issued: May 26, 2026

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## I. INTRODUCTION

Marin County Behavioral Health (Plan) is governed by a Board of Supervisors and contracts with the Department of Health Care Services (DHCS) for the purpose of providing mental health services to county residents.

Marin County is located in the northwestern part of the San Francisco Bay Area of California. The Plan provides services within the unincorporated county and in ten cities: San Rafael, Novato, Mill Valley, Larkspur, Tiburon, Belvedere, Corte Madera, Fairfax, San Anselmo, and Ross.

As of February 2026, the Plan had a total of 1,652 members receiving services and a total of 73 active providers.

## II. EXECUTIVE SUMMARY

This report presents the audit findings of the DHCS audit for the period of July 1, 2024, through December 31, 2024. The audit was conducted from January 13, 2026, through January 23, 2026. The audit consisted of documentation review, verification studies, and interviews with the Plan's representatives.

An Exit Conference with the Plan was held on May 6, 2026. The Plan was allowed 15 calendar days from the date of the Exit Conference to provide supplemental information addressing the draft audit findings. On May 12, 2026, 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: Network Adequacy and Availability of Services, Care Coordination and Continuity of Care, Access and Information Requirements, Coverage and Authorization of Services, Member Rights and Protection, and Program Integrity.

The prior DHCS compliance report, covering the review period from July 1, 2019, through June 30, 2022, identified deficiencies incorporated in the Corrective Action Plan (CAP). The prior year CAP was closed at the time of the audit. Therefore, this audit included a review of documents to determine the implementation and effectiveness of the Plan's corrective actions.

The summary of the findings by category follows:

### **Category 1 – Network Adequacy and Availability of Services**

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

### **Category 2 – Care Coordination and Continuity of Care**

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

### **Category 4 – Access and Information Requirements**

The Plan has an affirmative responsibility to obtain member consent prior to initial delivery of covered services via telehealth. Finding 4.4.1: The Plan did not ensure that providers obtained telehealth consent prior to the initial delivery of covered telehealth services.

### **Category 5 – Coverage and Authorization of Services**

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

### **Category 6 – Member Rights and Protection**

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

### **Category 7 – Program Integrity**

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

## III. SCOPE/AUDIT PROCEDURES

### SCOPE

The DHCS, Contract and Enrollment Review Division conducted the audit to ascertain that medically necessary services provided to Plan members comply with federal and state laws, Medi-Cal regulations and guidelines, and the State's Specialty Mental Health Services Contract.

### PROCEDURE

DHCS conducted an audit of the Plan from January 13, 2026, through January 23, 2026, for the audit period of July 1, 2024, through December 31, 2024. The audit included a review of the Plan's policies for providing services, procedures to implement these policies, and the process to determine whether these policies were effective. Documents were reviewed and interviews were conducted with the Plan's representatives.

The following verification studies were conducted:

#### **Category 1 – Network Adequacy and Availability of Services**

Mobile Crisis Services Encounters: Ten member samples were reviewed for evidence of documentation of standardized dispatch, assessment tools, and progress notes of crisis planning.

#### **Category 2 – Care Coordination and Continuity of Care**

Coordination of Care Referrals: Ten member referrals from the Managed Care Plan (MCP) to the Mental Health Plan (MHP) and ten member referrals from the MHP to MCP were reviewed for evidence of referrals, initial assessments, progress notes of treatment planning, and follow-up care between MCP and MHP.

#### **Category 4 – Access and Information Requirements**

Member Telehealth Consent: 25 telehealth consent samples were reviewed for evidence of documentation of telehealth consent prior to the initial delivery of telehealth services.

#### **Category 5 – Coverage and Authorization of Services**

Services Authorizations: 20 member files were reviewed for evidence of appropriate services authorization requests.

Treatment Authorizations: 30 member files were reviewed for evidence of appropriate treatment authorization, including the concurrent review authorization process.

## **Category 6 – Member Rights and Protection**

Grievance Procedures: Two grievances regarding the quality of care and two grievances regarding the quality of services were reviewed for timely resolution, an appropriate response to the complainant, and submission to the appropriate level for review.

## **Category 7 – Program Integrity**

There were no verification studies conducted for the audit review.

# COMPLIANCE AUDIT FINDINGS

## Category 4 – Access and Information Requirements

### 4.4 Telehealth Member Consent

#### 4.4.1 Telehealth Consent Requirements

The Plan is required to comply with all state and federal statutes and regulations, the terms of the contract, with BHINs, and any other applicable authorities. (*Contract, Exhibit E, section (6)(H)*)

The Plan has an affirmative responsibility to obtain member consent prior to initial delivery of covered services via telehealth. Providers are required to obtain verbal or written consent for the use of telehealth as an acceptable mode of delivering services. (*BHIN 23-018; Updated Telehealth Guidance for Specialty Mental Health Services in Medi-Cal*)

Plan policy *BHRS-84, Telehealth Services (Date Approved: October 16, 2023)*, stated that prior to initial delivery of covered services via telehealth, providers are required to obtain verbal or written consent for the use of telehealth as an acceptable mode of delivering services.

**Finding:** The Plan did not ensure that providers obtained a telehealth consent prior to the initial delivery of covered services.

In a verification study, 13 of 25 member records did not document that a telehealth consent was obtained prior to the initial delivery of telehealth services.

- The Plan did not obtain telehealth consents for four member records.
- Nine member records showed a telehealth consent was obtained and delays ranged, on average, 184 days after the initial delivery of service.

In an interview, the Plan stated that staff undergo two separate training courses regarding telehealth consent. Review of the training programs showed that each training included one slide on telehealth consent, which lacked information that telehealth consent must be obtained prior to telehealth services; instead, the training focused on entering consents into the electronic health records system.

The Plan also stated that they monitor the telehealth consents by conducting a utilization review of five percent of charts. The Plan's utilization reviews conducted

during the audit period revealed that 44 percent of required telehealth consents were not in the member records. Review of the corrective action addressed the issue regarding members records missing telehealth consents and that they needed to be uploaded into the electronic health records system, but the corrective actions did not address the systemic problem of obtaining telehealth consent prior to the initial delivery of telehealth services.

When the Plan does not ensure a telehealth consent is obtained prior to the initial delivery of covered telehealth services, it can result in members making poor health decisions due to not having adequate knowledge about the treatment options.

**Recommendation:** Implement policies and procedures to ensure telehealth consent is obtained prior to the initial delivery of covered services.