DHCS
CALIFORNIA DEPARTMENT OF
HEALTH CARE SERVICES
Michelle Baass | Director

August 4, 2026

Kimberly Ko, Regulatory Affairs Manager *Via E-mail*
L.A. Care Health Plan
1200 West 7th Street
Los Angeles, CA 90017

RE: Department of Health Care Services Focused Medical Audit

Dear Ms. Ko:

The Department of Health Care Services (DHCS), Audits and Investigations Division conducted a Focused Audit of L.A. Care Health Plan, a Managed Care Plan (MCP), from February 27, 2023 through March 10, 2023. The focused audit covered the period from July 1, 2021, through January 31, 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 Mendelhall, Brach Chief *Via E-mail*
Managed Care Monitoring Branch
DHCS - Managed Care Quality and Monitoring Division (MCQMD)

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

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

ATTACHMENT A

Corrective Action Plan Response Form

Plan: L.A. Care Health Plan

Review Period: 07/01/2021 – 01/31/2023

Audit: Focused Audit of Behavioral Health and Transportation Services

On-site Review: 02/27/2023 – 03/10/2023

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 Referral Loop Closure The Plan did not ensure that the referral loop was closed, and that the new provider accepted the care of the member.	Prior to L.A. Care administering the Statewide Transition of Care tool as required by DHCS effective January 1, 2023, L.A. Care used the L.A. County Behavioral Screening Form along with the Provider Communication Form. These were developed in collaboration with L.A. County's Department of Mental Health (DMH), Department of Public Health- Substance Abuse Prevention and Control (DPH-SAPC), and other Los Angeles County Medi-Cal Plans. The Behavioral Health Screening and Provider Communication Form enabled L.A. Care to coordinate with County MHP to facilitate care transitions and guide referrals for members receiving NSMHS to transition to a SMHS provider and vice versa, ensuring that the referral loop is closed, and that the new provider accepts the care of the Member.	**1a:** Carelon Screening and Transition –SOP **1b:** L.A. Care SOP for monitoring Closed Loop Referrals **1c:** Closed loop referral tracking Log	**1a:** October 2023 **1b-1c:** October 1, 2024	The following documentation supports the MCP's efforts to correct this finding: **POLICIES AND PROCEDURES** » SOP, "Monitoring Closed Loop Referrals" (10/1/24) demonstrates upon receiving Carelon's and DMH's monthly reports, the Plan will reconcile/validate referrals and transitions to ensue members have a closed loop and that upon receiving Carelon's and DMH's monthly reports, the Plan will reconcile/validate referrals and transitions to demonstrate each referral has been assigned to a provider/or other acceptable outcome. L.A. Care will upload data into an electronic database. Carelon will have access and will be accountable for follow-up on all cases. L.A. Care will track pending cases until successful closed loop occurs. (1b. LA Care Standard Operating Procedure for CLR Final) » SOP, "Medical Screening and Transition Tool" (6/27/24) demonstrates Carelon and the County will share a retrospective monthly log to track referral outcomes bi-directionally to demonstrate completion of referral. Carelon will make three attempts to reach the member and coordinate referral with the County. (Carelon Beacon Screening and Transition -SOP Template) **MONITORING AND OVERSIGHT**

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
	Once the Transition of Care Tools for Medi-Cal Mental Health Services were implemented as of January 1, 2023, the Plan replaced the Behavioral Health Screening and Provider Communication Form with the Transition of Care form to support transitions amongst delivery systems. With the release of this form by DHCS to use across delivery systems, this was the only change in the process for the Plan. The aforementioned process remained the same to ensure a closed loop referral process when members transitioned between delivery systems. L.A. Care has continued to collaborate with County partners to enhance processes and improve how to reflect closed loop referrals in a uniform manner across delivery systems to further strengthen our coordination efforts in delivering care for our members and track that new providers accepted the care of the members.			» Closed Loop Referral Report (10/23) demonstrates the Plan implemented a monthly referral tracking log between the County and the Plan. The report contains key dates and member information, highlighting the referrals that both parties were expected to receive. (2.1_Closed Loop Referral Report October 2023) » Closed Loop Referral Tracking Log L.A. Care Validation (10/24) demonstrates that the Plan monitors and validates referrals exchanged between the County DMH and Carelon. The Plan reviews all the dispositions and works with Carelon and DMH until all referrals have a closed loop. (2.1_Closed Loop Referral Tracking Log Oct 2024_LAC Validation) **The corrective action plan for finding 2.1 is accepted.**

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
	During the audit period, L.A. Care was missing a standardized tracking system to monitor handoffs during transitions of care between one delivery system to the other (NSMHS to SMHS, and vice versa). A tracking system would have allowed for transparency and oversight of 100% of the cases requiring a transition and that the new provider accepted the member referral. **1a:** Implement a referral tracking log in accordance with Carelon's Medi-Cal Screening and Transition Tool SOP. Carelon and DMH have implemented monthly Closed Loop Referral reports. As part of the closed loop referral process, transitions are tracked from one delivery system to the other. **1b:** L.A. Care then validates that all members transitioned from one delivery system to the other have an assigned provider or have another acceptable outcome.			

3. Access and Availability of Care

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
3.1 Transportation Brokers—Supplement of Transportation Network The Plan did not have the ability to supplement its transportation network if the transportation broker's network was not sufficient.	**1a**: L.A. Care (LAC) is in the process of contracting with a vendor to supplement the existing network to ensure members are able to get to their appointments timely. Therefore prior to the audit findings for the 2022-2023 Focused Audit conducted February 27, 2023-March 10, 2023, L.A. Care released a Request for Information on 4/10/2023 to obtain information on best practices for local Non-Medical Transportation (NMT) and Non-Emergency Medical Transportation (NEMT) vendors. We have been in communication with potential alternate transportation vendors since July 2024. LAC met with an alternate vendor on July 18, 2024, to discuss a potential contractual relationship and we are currently in the process of evaluating and meeting with additional vendors to determine the best solution to ensure access and	**1a**: Proof an additional transportation vendor has been contracted. (ex: Contract signature page) **1b**: Attestation for staff training	1a-1b: May 31, 2025	The following documentation supports the MCP's efforts to correct this finding: **POLICIES AND PROCEDURES** » Plan Letter of Agreement "All Town Ambulance LLC" demonstrates the Plan's efforts to contract with an additional vendor to supplement the existing network to verify members are able to get to their appointments timely. The Letter of Agreement is intended to be fully implemented in November 2025. **MONITORING AND OVERSIGHT** » Plan letter of agreement "All Town Ambulance LLC" demonstrates the Plan's monitoring & oversight efforts through the Quality Performance Report & monthly trip logs. The reports will track for cancelled, no-show & completed trips. *The Plan demonstrated efforts to remediate the finding through the corrective actions mentioned and ensures it will have the ability to supplement its transportation network if the transportation broker's network is not sufficient. DHCS expects full compliance from the Plan with the next iteration of APL 22-008 within 90 days upon release. Future audits will reassess the implementation and effectiveness of the corrective actions taken.*

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
	availability to transportation services. LAC has also been in discussion with CTC to discuss the logistics of how we can operationalize having a direct contract with another vendor to serve as back-up for CTC. **1b**: Staff education and training on how to dispatch to the LAC Direct Contracted (Non-CTC) Vendor(s).			**The corrective action plan for finding 3.1 is accepted.**
3.2 Ambulatory Door-to-Door The Plan did not ensure its delegate, Call the Car, provided the appropriate level of service for members requiring ambulatory door-to-door service.	**1a**: L.A. Care will work with CTC to update policy 10.55.1 "Scheduling Assistant" to ensure their Customer Service Representatives (CSR's) are scheduling NEMT services for any members requiring Ambulatory Door to Door services. **1b**: Ensure providers are education that Ambulatory Door to Door services require a PCS form. **1c**: Ensure CSR's are educated and trained on the transition of Ambulatory Door to Door from NMT to NEMT.	**1a**: Updated Policy 10.55.1 "Scheduling Assistant" **1b**: Proof of provider education and Training Materials **1c**: Attestation for staff training **1d**: Proof an additional transportation	**1a-1e**: Expected Date for Ambulatory Door-to-door Service to go via NEMT and fully operational by August 27, 2025.	The following documentation supports the MCP's efforts to correct this finding: **POLICIES AND PROCEDURES** » The Plan is revising its current P&Ps to incorporate updates to the PCS form process to include ambulatory door-to-door services as a recognized mode of NEMT. **TRAINING** » The Plan is working with its internal staff to fully integrate the incorporation of ambulatory door-to-door services as a recognized mode of NEMT. The Plan is revising member communication materials & will provide staff training for review of changes with implementation.

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
	1d: Since the transition of Ambulatory Door to Door services are transitioning from NMT to NEMT, this will impact the current transportation capacity for NEMT, and therefore, L.A. Care will work to increase capacity by expanding the transportation network and contracting with an additional NEMT provider. L.A. Care has been in communication with alternate transportation vendors since July 2024 and anticipate having at least one additional vendor on boarded on or before February 1, 2025. **1e**. Update the Physician Certification Statement Form (PCS Form) to include Ambulatory door-to-door.	vendor has been contracted. (ex: Contract signature page) **1e**. Proof of updated PCS Form (including Ambulatory Door-to Door as NEMT)		*The Plan demonstrated efforts to remediate the finding through the corrective actions mentioned and ensure transportation brokers and/or providers are providing NEMT door-to-door service when prescribed. DHCS expects full compliance from the Plan with the next iteration of APL 22-008 within 90 days upon release. All door-to-door services must be provided under the NEMT benefit. Future audits will reassess the implementation and effectiveness of the corrective actions taken.* **The corrective action plan for finding 3.2 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: ___Xochitl Perez

Title: ____Senior Director, Regulatory Compliance

Signed by: _[Signature on file]__

Date: _8/6/2025_____