

DHCS AUDITS AND INVESTIGATIONS
CONTRACT AND ENROLLMENT REVIEW DIVISION
SUBSTANCE USE DISORDER REVIEW SECTION

**REPORT ON THE DRUG MEDI-CAL (DMC) STATE
PLAN REVIEW OF BUTTE COUNTY
FISCAL YEAR 2025-26**

Contract Number: 23-30087

Contract Type: DMC State Plan Intergovernmental Agreement 2023-2027

Review Period: July 1, 2024 - June 30, 2025

Dates of Review: March 3, 2026 – March 4, 2026

Report Issued: April 28, 2026

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I. INTRODUCTION

Butte (County) is governed by a Board of Supervisors and contracts with the Department of Health Care Services (DHCS) for the purpose of providing Drug Medical (DMC) funded Substance Use Disorder (SUD) services to county residents.

Butte County is located in northern California. The County provides services within the unincorporated county and in five incorporated cities: Biggs, Chico, Gridley, Oroville, and Paradise.

II. EXECUTIVE SUMMARY

This report presents the findings of the DHCS review for the period of July 1, 2024, through June 30, 2025. The review was conducted from March 3, 2026, through March 4, 2026. The review consisted of a documentation review and interviews with the County's representatives.

The review evaluated requirements from six categories of performance: Availability of DMC Services, Quality Assurance and Performance Improvement, Access and Information Requirements, Coverage and Authorization of Services, Beneficiary Rights and Protections, and Program Integrity.

The summary of the findings by category follows:

Category 1 – Availability of DMC Services

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

Category 3 – Quality Assurance and Performance Improvement

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

Category 4 – Access and Information Requirements

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

Category 5 – Coverage and Authorization of Services

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

Category 6 – Beneficiary Rights and Protections

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

Category 7 – Program Integrity

The Contractor shall be responsible for investigating complaints and providing the results of all investigations to DHCS within two business days of completion. Finding 7.1.3: The County did not provide evidence demonstrating that DHCS is provided with the results of all complaint investigations by secure, encrypted email within two business days of the investigation's completion.

III. SCOPE/REVIEW PROCEDURES

SCOPE

The DHCS, Contract and Enrollment Review Division conducted the review to ascertain that medically necessary services provided to County members comply with federal and state laws, regulations and guidelines, and the State's DMC Intergovernmental Agreement.

PROCEDURE

DHCS conducted a review of the Plan from March 3, 2026, through March 4, 2026, for the review period of July 1, 2024, through June 30, 2025. The review included an inspection 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 conducted with County representatives.

POST REVIEW

Technical Assistance (TA) can be requested during the review. All DMC TA requests are forwarded to DHCS's Behavioral Health Oversight and Monitoring Division (BHOMD), County Liaison and Operations Support Section (CLOS) for resolution. The County did not request TA during the review.

Butte County is required to complete the CAP pursuant to DMC Intergovernmental Agreement Exhibit A, Attachment I, Part I, Section 6 Monitoring, B Contractor Monitoring, 6 to remedy findings noted within this report. The CAP process is managed by the BHOMD, County Compliance and Monitoring Section (CCMS), which will contact the County following report issuance.

COMPLIANCE REVIEW FINDINGS

Category 7 – Program Integrity

7.1 Compliance Program

7.1.3 Notification to DHCS Regarding Complaint Investigations

The Contractor shall be responsible for investigating complaints and providing the results of all investigations to DHCS within two business days of completion.

(DMC Contract, Exhibit A, Attachment I, Part I, Section 6 Monitoring, B, 3, d)

Finding: The County did not provide evidence demonstrating that DHCS is provided with the results of all complaint investigations by secure, encrypted email within two business days of the investigation's completion.