

June 15, 2026

THIS LETTER SENT VIA EMAIL

Christy K. Bosse
Assistant Vice President
Health Net Community Solutions, Inc.
21281 Burbank Blvd
Woodland Hills, CA 91367

2025 HEALTH NET DENTAL AUDIT – CORRECTIVE ACTION PLAN RESPONSE

Dear Ms. Bosse,

The Department of Health Care Services (DHCS) Audits and Investigations (A&I) Division conducted an on-site audit of Health Net Community Solutions, Inc., a Medi-Cal Dental Managed Care Plan (Dental MCP), from September 2, 2025 – September 12, 2025. The audit covered the review period of April 1, 2024 – December 31, 2024.

On February 20, 2026, DHCS sent Health Net a Corrective Action Plan (CAP) request in response to the report originally issued on February 12, 2026. On March 20, 2026, Health Net Provided DHCS with information and supporting documentation regarding its CAP response. On April 16, 2026 DHCS sent Health Net responses regarding their CAP requiring more information. On May 15, 2026, Health Net provided DHCS with information and supporting documentation regarding its CAP response. DHCS has reviewed and has determined that Health Net has not yet satisfactorily resolved the CAP pursuant to the Dental MCP Contract and APLs 22-006 and 21-001.

On the enclosed CAP Response Form, DHCS has reviewed and responded to the findings. For any CAP that is not closed, please complete the CAP Response Form and submit supporting documentation organized in separate electronic folders that are clearly labeled by corresponding finding number (e.g., 1.1.1, 1.1.2, etc.).

DHCS is requesting that Health Net provide an updated CAP with documentation within thirty (30) days of this letter, pursuant to APL 22-009. Should you have any questions regarding this response, please email dmcdeliverables@dhcs.ca.gov.

Ms. Bosse

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Please note, if you are unable to correct the noted deficiencies and/or complete the CAP within six (6) months of receiving notice of violation from DHCS, DHCS may exercise its right pursuant to APL 22-009: Enforcement Actions: Administrative and Monetary Sanctions, Provision 3, Termination, Provision 18, Sanctions or Provision 19, Liquid Damages Provision in Exhibit E, Additional Provisions, of the contract.

Sincerely,

Original signed by:

David Ferber *On behalf of*

Dana Durham
Chief, Medi-Cal Dental Services Division
Department of Health Care Services

Enclosure: CAP Response Form

Corrective Action Plan Response Form

Dental MCP: Health Net Community Solutions, Inc.

Review Period: 4/1/2024-12/31/2024

Audit Type: Department of Health Care Services Dental Audit

On-Site Review: 9/2/2025-9/12/2025

The Medi-Cal Dental Managed Care plan (Dental MCP) is required to submit a corrective action plan (CAP) within 30 calendar days. The CAP response must include completion of the prescribed columns below to include a description of the corrective action, a list of all supporting documentation submitted, and the CAP implementation date. For systemic deficiencies that may be reasonably determined to require long-term corrective action for a period longer than 30 days to fully remediate or operationalize, the Dental MCP must demonstrate that sufficient progress has been made toward implementation of the CAP. In those instances, the Dental MCP is required to include the dates for key milestones as well as when full compliance will be achieved. CAP reporting on the deficiency(ies) will continue through demonstrative compliance.

The Dental Managed Care Unit of the Department of Health Care Services will maintain close communication with the Dental MCP throughout the CAP review process and provide technical assistance as needed.

Finding and Summary	Action Taken	Supporting Documentation	Implementation Date	DHCS Comments
1.3.1 Prior Authorization Appeals: The Plan did not ensure that it utilized dental professionals with clinical expertise in orthodontics while adjudicating	Health Net will establish an agreement with an Orthodontist, or hire a per diem Orthodontist, to support "same-specialty match" review and	1) Contractual Agreement	7/31/2026	4/16/26: DHCS is requesting additional supporting documentation such as revised P&P to ensure decision makers for appeals

Finding and Summary	Action Taken	Supporting Documentation	Implementation Date	DHCS Comments
orthodontic appeals as required by D-APL 22-006.	recommended decision. Health Net's Dental Director would finalize the opinion related to appeal decisions. May 15, 2026 - Plan Update: Appeals & Grievance policy updated per DHCS recommendation.	CA.AG.50 Medi-Cal Dental PP updated. Refer to Pg. 8, #14 – Added language.		related to orthodontic services are dental professionals with clinical expertise in treating a member's condition or disease. This CAP remains Open. 6/15/26: DHCS accepts the revised Appeals and Grievances Policy & Procedure reflecting that dental professionals with clinical expertise will be reviewing orthodontic appeals. DHCS is requesting further substantiation regarding 1.3.1

Finding and Summary	Action Taken	Supporting Documentation	Implementation Date	DHCS Comments
				that demonstrates there is an arrangement with one or more Orthodontists to perform review. This CAP remains Open.

Finding and Summary	Action Taken	Supporting Documentation	Implementation Date	DHCS Comments
4.1.1 Quality of Care Grievances Resolution Letters: The Plan's Grievance Resolutions letters did not provide a clear and concise explanation of the decisions.	Health Net updated the relevant policy document to clarify the need for simple plain language in its clear and concise explanation. May 15, 2026 - Plan Update: Sample letters provided per DHCS request.	1) HN_4.1.1_4.1.2_CA.AG.5 0 Medi-Cal_Dental_PP_3.19.26_redline 2) HN_4.1.1_4.1.2_CA.AG.5 0 Medi-Cal_Dental_PP_3.19.26_clean Refer to Examples of Resolution Letters #1-3 and Closing Comments.	3/20/2026	4/16/26: DHCS accepts the submitted documentation. DHCS is requesting additional supporting documentation such as examples implementing the new language related to 4.1.1. This CAP remains Open. 6/15/26: DHCS accepts the submitted documentation. The examples of sample A&G resolution letters provided clear and concise explanation of the decisions along with clearly

Finding and Summary	Action Taken	Supporting Documentation	Implementation Date	DHCS Comments
				explained and necessary steps for further questions, concerns, and options. This CAP is closed as of 5/15/26.
4.1.1 Quality of Care Grievances Resolution Letters: The Plan's Grievance Resolutions letters did not provide a clear and concise	Health Net will provide additional training regarding the use of appropriate language.	1) Training Materials 2) Attendance Tracker	4/1/2026	4/16/26: DHCS accepts the submitted documentation. DHCS is requesting

Finding and Summary	Action Taken	Supporting Documentation	Implementation Date	DHCS Comments
explanation of the decisions.	Training is scheduled for 3.24.26. May 15, 2026 - Plan Update: Requested documentation is attached per DHCS request.	Refer to the attendance roster "4.1.1 Attendance DHCS Dental CAP training 3.24.26"		additional supporting documentation such as examples implementing the new language related to 4.1.1. This CAP remains Open. 6/15/26: DHCS accepts the submitted documentation. The examples of sample A&G resolution letters provided clear and concise explanation of the decisions along with clearly explained and necessary steps for further questions, concerns, and options. This CAP

Finding and Summary	Action Taken	Supporting Documentation	Implementation Date	DHCS Comments
				is closed as of 5/15/26.
4.1.1 Quality of Care Grievances Resolution Letters: The Plan's Grievance Resolutions letters did not provide a clear and concise explanation of the decisions.	Health Net will conduct a targeted audit for 60 days post implementation to validate that letters include language that is clear and concise. May 15, 2026 - Plan Update: On-Track for delivery of Audit Findings by June 1, 2026.	1) Audit findings or report Refer to Examples of Resolution Letters #1-3 and Closing Comments.	6/1/2026	3/20/26: DHCS requests the updated audit findings post implementation to validate that the findings in 4.1.1 have been corrected, and also example grievance letters that demonstrate clear and concise explanations. This CAP remains Open. 6/15/26: DHCS accepts the submitted documentation and requests the updated audit findings and

Finding and Summary	Action Taken	Supporting Documentation	Implementation Date	DHCS Comments
				methodology of the audit, 60 days-post implementation to validate that the findings in 4.1.1 have been corrected. This CAP remains Open.
4.1.2 Submission of Discrimination Grievances to DHCS Office of Civil Rights Email Inbox: The Plan did not submit required information to the DHCS OCR discrimination grievance email inbox after mailing Discrimination Grievance Resolution letters to the member.	Health Net made the necessary updates to align with APL requirements. Please refer to policy CA.AG.50 Medi-Cal Dental P&P, Pg. 12-13, Section D. May 15, 2026 - Plan Update: P&P updates were made as requested by DHCS.	1) HN_4.1.1_4.1.2_CA.AG.50 Medi-Cal_Dental_PP_3.19.26_redline 2) HN_4.1.1_4.1.2_CA.AG.50 Medi-Cal_Dental_PP_3.19.26_clean CA.AG.50 Medi-Cal Dental: Pg. 13, section D: Procedure for handling discrimination issues-added additional language about the	3/15/2026	4/16/26: DHCS accepts the submitted documentation; however, APL 25-006 should be referenced. Please ensure P&P complies with APL 25-006. This CAP remains Open. 6/15/26: DHCS accepts the submitted documentation.

Finding and Summary	Action Taken	Supporting Documentation	Implementation Date	DHCS Comments
		Discrimination Grievance Coordinator. Pg.16, Section G – Translation and Alternate Format Selection of Grievance and Appeals Notices – Added language to align with APL 25-006. Section A: General Requirements, Pg. 9, #17 added additional language.		The updated Appeals & Grievances Policy & Procedure documentation meets the requirements outlined in findings 4.1.2. This CAP is closed as of 5/15/26.
4.1.2 Submission of Discrimination Grievances to DHCS Office of Civil Rights Email Inbox: The Plan did not submit required information to the DHCS OCR discrimination grievance email inbox after mailing Discrimination Grievance Resolution letters to the member.	Health Net identified the root cause was misclassification of discrimination grievances. Health Net conducted refresher training related to identification and classification of discrimination grievances for A&G staff and management to	1) HN_4.1.2_Cultural_Linguistic_Training 2) HN_4.1.2_Grievance_Code_Training 3) HN_4.1.2_Training_Roster 4) HN_4.1.2_Discrimination_Grievance_Desktop_2.9.26	2/17/2026	4/16/26: DHCS accepts the submitted documentation; however, APL 25-006 should be referenced. Please ensure P&P complies with APL 25-006. This CAP remains Open. 6/15/26: DHCS accepts the submitted

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	ensure a clear understanding of requirements. Please refer to the attached 4.1.2 Training documentation. May 15, 2026 - Plan Update: Attaching requested information by DHCS.	Please refer to "HN 4.1.2 Training Roster" and "4.1.1 Attendance DHCS Dental CAP Training 3.24.26" documents for roster tracking attendance. CA.AG.50 Medi-Cal Dental PP. Refer to Pg. 12-13, Section D: Procedure for handling discrimination issues – added language.		documentation. The updated Appeals & Grievances Policy & Procedure documentation meets the requirements outlined in findings 4.1.2. This CAP is closed as of 5/15/26.
4.1.2 Submission of Discrimination Grievances to DHCS Office of Civil Rights Email Inbox: The Plan did not submit required information to the DHCS OCR discrimination grievance email inbox after mailing Discrimination	Monitoring & Oversight is conducted via various reports: 1. Daily inventory reports are reviewed to ensure cases are properly identified and classified. 2. Daily closed cases discrimination reports	1) HN_4.1.2_Discrimination_Cases_Weekly_Reconciliation_Sample 2) HN_4.1.2_Notification_sent_to_Compliance_Sample 3) HN_4.1.2_Perceived_Discrimination	3/20/26	4/16/26: DHCS accepts the submitted documentation. DHCS finds that the oversight steps set in place by reviewing the supporting reports meets the requirements of finding 4.1.2. This

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Grievance Resolution letters to the member.	are provided to the designated A&G Supervisor to initiate notification to Compliance for DHCS OCR notification. 3. Weekly reconciliation reports are reviewed by the designated A&G Supervisor that will be shared with the Health & Equity Team to ensure alignment of case classification.			CAP is closed as of 3/20/26.