DHCS AUDITS AND INVESTIGATIONS

CONTRACT AND ENROLLMENT REVIEW DIVISION

SUBSTANCE USE DISORDER REVIEW SECTION

REPORT ON THE SUBSTANCE USE DISORDER (SUD) AUDIT OF PLACER COUNTY FISCAL YEAR 2024-25

Contract Number: 21-10031

Contract Type: Drug Medi-Cal Organized Delivery System (DMC-ODS)

Audit Period: July 1, 2023 — June 30, 2024

Dates of Audit: March 11, 2025 — March 21, 2025

Report Issued: July 23, 2025

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I. INTRODUCTION

Placer 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 substance use disorder services to county residents.

Placer County is located in the northern part of the state. The Plan provides services within the unincorporated county and in six cities: Auburn, Colfax, Lincoln, Roseville, Rocklin, and Loomis.

As of March 2025, the Plan had a total of 3,324 members receiving services and a total of 37 active providers.

II. EXECUTIVE SUMMARY

This report presents the audit findings of the DHCS audit for the period of July 1, 2023, through June 30, 2024. The audit was conducted from March 11, 2025, through March 21, 2025. The audit consisted of documentation review and interviews with the Plan's representatives.

An Exit Conference with the Plan was held on July 9, 2025. The Plan was allowed 15 calendar days from the date of the Exit Conference to provide supplemental information addressing the draft audit findings. On July 17, 2025, 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 three categories of performance: Availability of DMC-ODS Services, Access and Information Requirements, and Program Integrity.

The prior DHCS compliance report, covering the review period from July 1, 2022, through June 30, 2023, identified deficiencies incorporated in the Correction Action Plan (CAP). The prior year CAP was completely closed at the time of onsite. The current year's audit includes a review of documents to determine the implementation and effectiveness of the Plan's corrective actions as well as if the Plan meets the regulations and contract requirements.

The summary of the findings by category follows:

Category 1 – Availability of DMC-ODS Services

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

Category 4 – Access and Information Requirements

The Plan is required to ensure all providers obtain and document complete verbal or written telehealth consents in accordance with Behavioral Health Information Notice (BHIN) 23-018. The Plan did not ensure all providers obtain and document complete verbal or written member's telehealth consents in accordance with BHIN 23-018.

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 DMC Contract.

PROCEDURE

DHCS conducted an audit of the Plan from March 11, 2025, through March 21, 2025, for the audit period of July 1, 2023, through June 30, 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 Plan representatives.

The following verification studies were conducted:

Category 4 – Access and Information Requirements

Beneficiary Telehealth Consent: Four member samples were reviewed for evidence of documentation of verbal and written telehealth consent prior to the initial delivery of telehealth services.

COMPLIANCE AUDIT FINDINGS

CATEGORY 4 ACCESS AND INFORMATION REQUIREMENTS

4.4 Access Requirements

4.4.1 Telehealth Requirements

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, and must explain the following to members:

- The member has a right to access covered services in person.
- Use of telehealth is voluntary and consent for the use of telehealth can be withdrawn at any time without affecting the member's ability to access Medi-Cal covered services in the future.
- Non-medical transportation benefits are available for in-person visits.
- Any potential limitations or risks related to receiving covered services through telehealth as compared to an in-person visit, if applicable. *(BHIN 23-018, Updated Telehealth Guidance for Substance Use Disorder Treatment Services in Medi-Cal)*

Notwithstanding any relationship(s) that Contractor may have with any subcontractor, the Contractor shall maintain ultimate responsibility for adhering to and otherwise fully complying with all terms and conditions of this Agreement. *(Plan Contract, Amendment 2, Exhibit A, Attachment 1, Program Specifications, E, 9, ii); (42 CFR section 438.230)*

The Plan policy *SP 655 Telehealth and Telephone Services (revised 10/12/2023)* stated that prior to delivery of telehealth services, providers are required to obtain written telehealth consent using the CARE327, Placer County Systems of Care Telehealth & Telephone Services Consent form, or obtain verbal telehealth consent if the consent includes criteria outlined in BHIN 23-018 and is also documented in the member's electronic health record (EHR).

Finding: The Plan did not ensure all providers obtain and document complete verbal or written member's telehealth consents in accordance with BHIN 23-018.

A verification study of telehealth consent documentation revealed two out of four documents did not contain all the required elements to inform members prior to the initial delivery of telehealth services.

- The Plan provided two telehealth consent forms missing the following required element as specified in BHIN 23-018: The member has a right to access covered services in person.

In an interview, the Plan confirmed providers are allowed to utilize their own telehealth consent form or use the Plan's telehealth consent form. However, the Plan stated their review of provider's telehealth consent form content, consistent with BHIN 23-018, is only conducted during annual provider monitoring. The Plan lacked an internal control to verify the subcontractor's implementation of the telehealth consent process is conducted in accordance with BHIN 23-018 and prior to the delivery of telehealth services.

When the Plan does not ensure all providers implement telehealth consents in accordance with BHIN 23-018, prior to the delivery of services via telehealth, members are not fully informed about their treatment options.

Recommendation: Implement internal controls to ensure Plan providers meet the requirement to obtain complete verbal or written member consent prior to the initial delivery of covered telehealth services in accordance with BHIN 23-018.