

DHCS AUDITS AND INVESTIGATIONS
CONTRACT AND ENROLLMENT REVIEW DIVISION

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

Contract Number: 22-20156

Drug Medi-Cal Organized Delivery System (DMC-ODS)

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

Dates of Audit: July 16, 2024 – July 26, 2024

Report Issued: November 5, 2024

TABLE OF CONTENTS

- I. INTRODUCTION 3
- II. EXECUTIVE SUMMARY 4
- III. SCOPE/AUDIT PROCEDURES 6
- IV. COMPLIANCE AUDIT FINDINGS
 - Category 6 – Beneficiary Rights and Protection..... 8**
 - Category 7 – Program Integrity..... 10**

I. INTRODUCTION

Santa Clara 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.

Santa Clara County is located on the southern coast of San Francisco Bay. The Plan provides services within the unincorporated county and in 15 cities: Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Palo Alto, San Jose, Santa Clara, Saratoga, and Sunnyvale.

As of August 2024, the Plan had a total of 43,677 members receiving services and a total of 116 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 July 16, 2024, through July 26, 2024. The audit consisted of documentation review, verification studies, and interviews with the Plan's representatives.

An Exit Conference with the Plan was held on October 17, 2024. The Plan was allowed 15 calendar days from the date of the Exit Conference to provide supplemental information addressing the draft audit findings. On November 1, 2024, 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 seven categories of performance: Availability of Drug Medi-Cal Organized Delivery System (DMC-ODS) Services, Care Coordination and Continuity of Care, Quality Assurance and Performance Improvement, Access and Information Requirements, Coverage and Authorization of Services, Beneficiary Rights and Protection, and Program Integrity.

The prior DHCS compliance report, covering the review period from July 1, 2021, through June 22, 2022, identified deficiencies incorporated in the Corrective Action Plan (CAP). The prior year CAP was not completely closed at the time of onsite; however, this year's audit included a review of documents to determine the implementation and effectiveness of the Plan's corrective actions.

Findings denoted as repeat findings are uncorrected deficiencies substantially similar to those identified in the previous audit.

The summary of the findings by category follows:

Performance Area:

Category 1 – Availability of Drug Medi-Cal Organized Delivery System 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 3 – Quality Assurance and Performance Improvement

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

Category 4 – Access and Information Requirements

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

Category 5 – Coverage and Authorization of Services

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

Category 6 – Beneficiary Rights and Protection

The Plan is required to submit information regarding discrimination grievances to the DHCS Office of Civil Rights within ten calendar days of mailing a Discrimination Grievance Resolution Letter to a member. The Plan did not submit detailed discrimination grievance information to the DHCS Office of Civil Rights.

Category 7 – Program Integrity

The Plan is required to promptly notify the DHCS about changes in a member's circumstances that may affect the member's eligibility. The Plan does not have a policy and procedure in place to notify the DHCS when information is received about changes in a member's circumstances that may affect the member's eligibility.

III. SCOPE/AUDIT PROCEDURES

SCOPE

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

PROCEDURE

DHCS conducted an audit of the Plan from July 16, 2024, through July 26, 2024, 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 for this audit:

Category 1 – Availability of Drug Medi-Cal Organized Delivery System Services

There were no verification studies conducted for the audit review.

Category 2 – Care Coordination and Continuity of Care

There were no verification studies conducted for the audit review.

Category 3 – Quality Assurance and Performance Improvement

There were no verification studies conducted for the audit review.

Category 4 – Access and Information Requirements

There were no verification studies conducted for the audit review.

Category 5 – Coverage and Authorization of Services

There were no verification studies conducted for the audit review.

Category 6 – Beneficiary Rights and Protection

Grievance Procedures: Ten grievances were reviewed for timely resolution, appropriate response to complainant, and reporting requirements. One of ten grievances was a discrimination grievance.

Category 7 – Program Integrity

There were no verification studies conducted for this audit.

COMPLIANCE AUDIT FINDINGS

Performance Area

Category 6 – Beneficiary Rights and Protection

6.1 GRIEVANCE AND APPEAL SYSTEM REQUIREMENTS

6.1.1 Discrimination Grievance

The Plan shall comply with the discrimination grievances reporting requirements within ten calendar days of mailing a Discrimination Grievance Resolution Letter to a beneficiary; the Plan shall submit detailed information regarding the grievance to the DHCS Office of Civil Rights' designated Discrimination Grievance email box. (*Contract Exhibit A, Attachment I, Section II Federal Requirements, L, 4*)

Plan policy, *BHSD#AGI-001 Grievance Oversight Process* (issued 05/23/2023), stated that within ten calendar days of mailing a Discrimination Grievance Resolution Letter to a beneficiary, the Plan shall submit detailed information regarding the grievance to the DHCS Office of Civil Rights' designated Discrimination Grievance email box with corresponding attachments.

Finding: The Plan does not submit detailed discrimination grievance information to the DHCS Office of Civil Rights.

A verification study determined for one of one discrimination grievance; no information was reported to the DHCS Office of Civil Rights.

In an interview, the Plan stated discrimination grievances are reported to DHCS within 365 days post mailing a Discrimination Grievance Resolution Letter to a member. The required timeframe is within ten calendar days of mailing a Discrimination Grievance Resolution Letter. Furthermore, the Plan provided informational documents which lacked information on how to comply with the discrimination grievance reporting requirements. Therefore, no monitoring or evidence of practice was seen to support compliance with the discrimination grievance reporting requirements.

If the Plan does not comply with the discrimination grievance reporting requirements, the DHCS Office of Civil Rights will be unaware of the discrimination grievance which prevents the DHCS Office of Civil Rights of protecting members from unfair treatment or discrimination.

Recommendation: Implement policies and procedures to ensure discrimination grievance reporting requirements are being followed. Include, the discrimination

grievance reporting requirements in the Plan's informational documents to promote awareness of the requirements.

COMPLIANCE AUDIT FINDINGS

Performance Area

Category 7 – Program Integrity

7.1 COMPLIANCE PROGRAM

7.1.1 Reporting Beneficiary Status

The Plan must have a provision for prompt notification to the DHCS when the Plan receives information about changes in a beneficiary's circumstances that may affect the beneficiary's eligibility, including all the following:

- i. Changes in the beneficiary's residence.
- ii. The death of a beneficiary.

(Contract Exhibit A, Attachment I, Section II Federal Requirements, H, 5, ii, c i-ii)

Finding: The Plan does not provide notification to DHCS when information is received about changes in a member's circumstances that may affect the member's eligibility.

The Plan provided a written narrative stating there is no implemented policy or procedure in place to notify the DHCS when information is received about a change to a member's circumstances, specifically a change in residence or the death of a member.

The Plan did not furnish any documentation that demonstrates a process is in place to notify the DHCS about a change in a member's circumstances that may affect eligibility. In an interview, the Plan stated there is no staff or resources to track the members' address or telephone number. Further, the Plan expressed being unaware of the requirements and indicated that a policy and procedure is in the process of being developed.

When the Plan does not promptly notify the DHCS of changes in a member's circumstances that may affect eligibility, it may compromise the Medi-Cal program's integrity and the process for detecting and preventing fraud, waste, and abuse.

Recommendation: Develop and implement policies and procedures to ensure the Plan promptly notifies the DHCS when there is a change to a member's circumstances that may affect the member's eligibility, including death and a change in residence.