

August 1, 2025

*THIS LETTER SENT VIA EMAIL*

Ms. Christy K. Bosse  
Senior Vice President & CA Compliance Officer  
Health Net of California, Inc.  
21281 Burbank Blvd  
Woodland Hills, CA 91367

## 2024 HEALTH NET DENTAL AUDIT – CORRECTIVE ACTION PLAN

Dear Ms. Bosse,

The Department of Health Care Services (DHCS) sent Health Net (HN) their 2024 Health Net Audit Report and Notice of Deficiency (NOD) for the Audit review period of 4/1/2023 – 3/31/2024.

On April 3, 2025, Health Net submitted their CAP response. On April 7, 2025, DHCS inquired about the lack of supporting documentation because no substantiating documentation was submitted. On April 7, 2025, Health Net responded stating that supporting documents were under development and would be available upon implementation.

On April 15, 2025, DHCS hosted a Technical Assistance meeting with HN, during which DHCS confirmed that CAP approval is not possible without required supporting documentation for review, pursuant to All Plan Letter (APL) 22-009. HN acknowledged understanding.

On April 24, 2025, HN sent correspondence stating that the revised CAP with supporting documentation would be submitted to DHCS by May 6, 2025. On April 25, 2025, DHCS replied to HN stating that DHCS will be responding by May 2, 2025, which is within 30 days of HN's April 3, 2025, response.

On May 5, 2025, HN submitted a revised CAP with additional supporting documentation. DHCS sent correspondence on June 2, 2025, denying HN's revised CAP and requested an updated policy and procedure, as well as audit tool results.

On July 2, 2025, HN submitted a revised CAP to DHCS. DHCS has reviewed and confirmed Health Net has provided sufficient evidence to remediate the audit findings. The CAP is hereby closed, effective July 2, 2025.

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DHCS will continue to monitor Health Net's compliance with the DMC contract, federal and state regulations, and Dental All Plan Letters. DHCS reserves the right to implement sanctions or other enforcement actions should HN resume non-compliance with the terms of the contract. Should there be future enforcement actions, prior history can and will be factored into the enforcement actions.

If you have any questions regarding this notice, please contact DHCS at [dmcdeliverables@dhcs.ca.gov](mailto:dmcdeliverables@dhcs.ca.gov).

Sincerely,

*Original signed by:*

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

Enclosure: CAP Response Form

## Corrective Action Plan Response Form

DMC Plan: Health Net of California, Inc.

Review Period: 4/1/2023 – 3/31/2024

Audit Type: Department of Health Care Services Dental Audit

On-Site Review: 7/22/2024 – 8/2/2024

The Medi-Cal Dental Managed Care (DMC) plan 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 DMC plan must demonstrate that sufficient progress has been made toward implementation of the CAP. In those instances, the DMC plan 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 Department of Health Care Services will maintain close communication with the DMC plan throughout the CAP review process and provide technical assistance as needed.

Finding / Summary	Action Taken	Supporting Documentation	Implementation Date	DHCS Comments
4.1.1 Written Explanations in Grievance Resolution Letters – The Plan did not provide clear and concise explanations of the decisions for members' complaints	Development of training Medical Directors to provide language that can be inserted into the resolution letters that include reasons for the decision of QOC case reviews.	<ul style="list-style-type: none"><li>» Training Material (previously submitted)</li><li>» Dental QOC Training - Attendance report 5-02-25 (previously submitted)</li></ul>	5/2/2025	<ul style="list-style-type: none"><li>» 5/2/25: DHCS has reviewed and denies the CAP provided from Health Net submitted on April 3, 2025. The CAP submitted is missing supporting documentation and does not satisfactorily demonstrate Health Net's resolution on</li></ul>

Finding / Summary	Action Taken	Supporting Documentation	Implementation Date	DHCS Comments
regarding QOC grievance resolution letters.				<p>providing clear and concise explanations of the decisions for members' complaints regarding QOC grievance resolution letters.</p> <p>» 6/2/25: DHCS has reviewed and denies the CAP provided from Health Net submitted on May 5, 2025. The training PowerPoint submitted does not include any examples of updated QOC resolution letters or the Dental Director's QOC summary language. Additionally, this change represents a shift in existing process. As such, a revised policy and procedure should be submitted to formally reflect the new workflows.</p>

Finding / Summary	Action Taken	Supporting Documentation	Implementation Date	DHCS Comments
4.1.1 Written Explanations in Grievance Resolution Letters – The Plan did not provide clear and concise explanations of the decisions for members' complaints regarding QOC grievance resolution letters.	Development of training Medical Directors to provide language that can be inserted into the resolution letters that include reasons for the decision of QOC case reviews.  » Note: Examples of resolution language were added to the Desktop Procedure	Letter Writing Guidelines Desktop Procedure v2	7/2/2025	8/1/25: The plan submitted its desktop procedure for letter-writing guidelines, demonstrating the use of clear and concise language in resolution letters. DHCS closes this CAP effective July 2, 2025. The plan does not need to provide further documentation for 4.1.1.
4.1.1 Written Explanations in Grievance Resolution Letters - The Plan did not provide clear and concise explanations of the decisions for members'	Implementing a focused letter audit for 30 days post training to ensure language in the resolution letter reflects reason for the decision.	Regulatory BKB audit tool (previously submitted)	06/2025	» 5/2/25: DHCS has reviewed and denies the CAP provided from Health Net submitted on April 3, 2025. The CAP submitted is missing supporting documentation and does not satisfactorily demonstrate Health

Finding / Summary	Action Taken	Supporting Documentation	Implementation Date	DHCS Comments
complaints regarding QOC grievance resolution letters.				<p>Net's resolution on providing clear and concise explanations of the decisions for members' complaints regarding QOC grievance resolution letters.</p> <p>» 6/2/25: DHCS has reviewed and denies the CAP provided from Health Net submitted on May 5, 2025. This tool is intended to support a focused 30-day audit of resolution letters to ensure appropriate language is used that reflects the reasoning for the decision. The CAP will be closed after the audit findings are submitted to and reviewed by DHCS.</p>

Finding / Summary	Action Taken	Supporting Documentation	Implementation Date	DHCS Comments
4.1.1 Written Explanations in Grievance Resolution Letters - The Plan did not provide clear and concise explanations of the decisions for members' complaints regarding QOC grievance resolution letters.	Implementing a focused letter audit for 30 days post training to ensure language in the resolution letter reflects reason for the decision.	May 2025 DHCS QOC Dental Focused Audit Results	07/02/25	<p>» 8/1/25: The plan submitted its audit results from the May 2025 DHCS QOC Dental Focused Audit, demonstrating the implementation of post training improvements. The findings confirm that resolution letters now reflect appropriate language that clearly conveys the reasoning behind decisions. DHCS closes this CAP effective July 2, 2025. The plan does not need to provide further documentation for 4.1.1.</p>