

October 9, 2025

Michael O'Malley, Plan Administrator
AIDS Healthcare Foundation
6255 West Sunset Blvd., 21st Floor
Los Angeles, CA, 90028

Via E-mail

RE: Department of Health Care Services Medical Audit

Dear Mr. O'Malley:

The Department of Health Care Services (DHCS), Audits and Investigations Division, conducted an on-site Medical Audit of AIDS Healthcare Foundation, a Managed Care Plan (MCP), from November 4, 2024 through November 15, 2024. The audit covered the period from October 1, 2023, through September 30, 2024.

The items were evaluated, and DHCS accepted the MCP's submitted Corrective Action Plan (CAP). The CAP is hereby closed. The enclosed documents will serve as DHCS' final response to the MCP's CAP. The closure of this CAP does not halt any other processes in place between DHCS and the MCP regarding the deficiencies in the audit report or elsewhere, nor does it preclude DHCS from taking additional actions it deems necessary to address these deficiencies.

Please be advised that, in accordance with Health & Safety Code Section 1380(h) and the Public Records Act, the final audit report and the final CAP remediation document (Attachment A) will be made available on the DHCS website and to the public upon request.

If you have any questions, please contact CAP Compliance personnel.

Sincerely,

[Signature on file]

Lyubov Poonka, Chief

Audit Monitoring Unit

Process Compliance Section

DHCS - Managed Care Quality and Monitoring Division (MCQMD)

Mr. O'Malley
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Enclosures: Attachment A (CAP Response Form)

cc: Kelli Mendenhall, Chief *Via E-mail*
Managed Care Monitoring Branch
DHCS - Managed Care Quality and Monitoring Division (MCQMD)

Grace McGeough, Chief *Via E-mail*
Process Compliance Section
Managed Care Monitoring Branch
DHCS - Managed Care Quality and Monitoring Division (MCQMD)

Christina Viernes, Lead Analyst *Via E-mail*
Audit Monitoring Unit
Process Compliance Section
DHCS - Managed Care Quality and Monitoring Division (MCQMD)

Nicole Cortez, Unit Chief *Via E-mail*
Managed Care Contract Oversight Branch
DHCS – Managed Care Operations Division (MCOD)

Matthew Nabayan, Contract Manager *Via E-mail*
Managed Care Contract Oversight Branch
DHCS – Managed Care Operations Division (MCOD)

ATTACHMENT A

Corrective Action Plan Response Form

Plan: AIDS Healthcare Foundation

Review Period: 10/01/23 – 09/30/24

Audit: Annual Medical Audit

On-site Review: 11/04/24 – 11/15/24

MCPs are required to provide a Corrective Action Plan (CAP) and respond to all documented deficiencies included in the medical audit report within 30 calendar days unless an alternative timeframe is indicated in the CAP Request letter. MCPs are required to submit the CAP in Word format, which will reduce the turnaround time for DHCS to complete its review. According to ADA requirements, the document should be at least 12 pt.

The CAP submission must include a written statement identifying the deficiency and describing the plan of action taken to correct the deficiency, as well as the operational results of that action. The MCP shall directly address each deficiency component by completing the following columns provided for MCP response: 1. Finding Number and Summary, 2. Action Taken, 3. Supporting Documentation, and 4. Completion/Expected Completion Date. The MCP must include a project timeline with milestones in a separate document for each finding. Supporting documentation should accompany each Action Taken. If supporting documentation is missing, the MCP submission will not be accepted. For policies and other documentation that have been revised, please highlight the new relevant text and include additional details, such as the title of the document, page number, revision date, etc., in the column "Supporting Documentation" to assist DHCS in identifying any updates that were made by the plan. Implementing deficiencies requiring short-term corrective action should be completed within 30 calendar days. For deficiencies that may be reasonably determined to require long-term corrective action for a period longer than 30 days to remedy or operationalize completely, the MCP is to indicate that it has initiated remedial action and is on the way toward achieving an acceptable level of compliance. In those instances, the MCP must include the date when full compliance will be completed in addition to the above steps. Policies and procedures submitted during the CAP process must still be sent to the MCP's Contract Manager for review and approval, as applicable, according to existing requirements.

Please note that DHCS expects the plan to take swift action to implement improvement interventions as proposed in the CAP; therefore, DHCS encourages all remediation efforts to be in place no later than month 6 of the CAP unless DHCS grants prior approval for an extended implementation effort.

DHCS will communicate closely with the MCP throughout the CAP process and provide technical assistance to confirm that the MCP offers sufficient documentation to correct deficiencies. Depending on the number and complexity of deficiencies identified, DHCS may require the MCP to provide weekly updates.

1. Utilization Management

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
1.2.1 Prior, Concurrent, and Retrospective Authorization Reviews The Plan did not ensure decisions to authorize health care services were made by a qualified health care professional licensed in the state of California.	The Plan has added “case reviewed” to the case notes to indicate the decision maker. This ensures that all decisions are documented and made by a qualified health care professional who is licensed by the state of California.	N/A	11/15/2024	The following documentation supports the MCP’s efforts to correct this finding: POLICIES AND PROCEDURES » Standard Operating Procedure (SOP) UM 505.0.0 AHF Authorization Process contains instructions to staff to enter the decision maker in the case “reviewed field”. (AHF Authorization Process SOP) TRAINING » Sign-in sheets and meeting agendas demonstrate staff was trained on the new case review field during staff meetings held on 11/20/24 and 12/18/24. (Sign-In Sheet 12.2024, UM CM ALL Staff Meeting - Attendance report 11-20-24 – Notepad, UM CM All Staff_11.20.2024) MONITORING » UM Approval Analysis March 2025 and case audit forms demonstrate the MCP is conducting monthly audits of authorized services, confirming the decision was made by a qualified reviewer with physician oversight. (UM Approval Analysis March 2025, UM Case Audit #1_Mar 2025_Redacted, UM Case Audit #3_Jan 2025_Redacted) The corrective action for finding 1.2.1 is accepted.
1.2.2	The Health Plan has updated the NOA and NAR letters and added a field for	NAR Overturned Decision DHCS	4/8/2025	The following documentation supports the MCP’s efforts to correct this finding:

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
Decision Maker Contact Information The Plan's NOA letters to the providers did not contain the direct telephone number for the decision maker or the specific unit of the UM Department responsible for adverse benefit determinations.	the health care professional responsible for the denial, delay, or modification. The updated NOA and NAR letters were loaded into the Health Plan's Utilization and Case Management System for production on 4/9/2025.	111317 PHC FR Form 15.3 Rev 4.7.25.dotx NAR Upheld Decision DHCS 111317 PHC FR Form 16.3 Rev 4.7.25.dotx NOA - Carve Out Svcs Available thru Other Providers DHCS 111317 PHC FR Form 14.3 Rev 4.7.25.dotx NOA - Delay of Service DHCS 111317 PHC FR Form 10.3 Rev 4.7.25.dotx NOA - Denial of Service DHCS 111317 PHC FR		POLICIES AND PROCEDURES » Standard Operating Procedure, 507.0.0, "AHF Utilization Management System Monitoring/Audits SOP" (01/03/25), outlines the MCP's Utilization Management (UM) audit process. (AHF Utilization Management System Monitoring & Audits SOP) » Updated Boilerplate, "NOA Letter, Denial of Services DHCS 111317" (04/07/25) demonstrates that the MCP has updated their "Diverse Benefit Determination" letter that is sent to provider which includes the direct telephone number for the decision maker and the specific unit of the UM Department. (NOA-Denial of Service DHCS 111317 PHC FR Form 12.3 Rev 4.7.25) TRAINING » Training, "UM CM All Staff Meeting", (11/20/24) demonstrates the MCP provided training to UM CM staff in regard to authorization, denial modifications/appeal process review. Attestations provided. (UM CM All Staff_11.20.2024.pdf and UM CM ALL Staff Meeting – Attendance report 11-20-24 – Notepad) MONITORING » Analysis, "Monthly Delay/Denial/Modification Analysis" (03/2025) demonstrates the MCP reviewed three adverse benefit determination cases and all three were compliant with providing the name and telephone number of the Health Care Professional responsible for

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
		Form 12.3 Rev 4.7.25.dotx NOA - Modification of Service DHCS 111317 PHC FR Form 11.3 Rev 4.7.25.dotx NOA - Modifications to CBAS Enrollee Notice DHCS 120623 PHC FR Form 73.0_Rev 4.7.25.dotx NOA - Modifications to CBAS Enrollee Notice DHCS 120623 PHC FR Form 73.1 Rev 4.7.25.dotx NOA - Termination of		the denial, delay, or modification. (UM DDM Analysis March 2025.pdf) » The Case Audit Forms have been updated to reflect the applicable requirements. All employees were directed to utilize the updated Case Audit Forms for all audit activities going forward. (Attachment B) » Audit, "Um Case Audit #1, Case Audit Form – Deny/Delay/Modification" (03/2025) demonstrates the MCP has developed an audit tool designed to capture both the decision – maker and the specific UM unit responsible for the adverse benefit determination. (UM Case Audit #1_March 2025_Redacted) The corrective action plan for finding 1.2.2 is accepted.

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
		Service DHCS 111317 PHC FR Form 13.3 Rev 4.7.25.dotx		

6. Administrative and Organizational Capacity

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
6.3.1 Encounter Data The Plan did not ensure that rendering provider information in submitted encounter data was accurate and complete.	The Health Plan has been working with the DHCS Data Quality Unit and the Audit Monitoring Unit to resolve this issue. The Health Plan has continued quarterly audits and resubmitted encounter data that is accurate and complete.	Attachment B 2023 AHF Feb-Ext DHCS Comments.xlsx Finding 6.3.1 _Resubmitted Encounters - Rendering Provider.xlsx Finding 6.3.1_Screenshot.pdf 6.3.1 Response 2024-08-08.pdf 6.3.1_Plan Analysis and Request for Clarification.pdf Medi-Cal Provider Manual_ Non-Physician Medical Practitioners.pdf 6.3.1_Internal Audit_Rendering Provider_02.14.2025	Ongoing as part of DHCS Medical Audit CAP CY 2022-2023	The following documentation supports the MCP’s efforts to correct this finding: POLICIES AND PROCEDURES » Plan policy, <i>MC IT 2.4 PHC CA Encounter Data Submissions for Managed Care</i> (revised 09/19/2024), stated that the Compliance Officer or designee and the Associate Director of Electronic Data Interchange and Data Analytics or designee review Quality Measures for Encounter Data reports, Monthly Encounter Data reports, and Quarterly Stoplight reports, and other internal reports related to completeness, accuracy, reasonability, and timeliness measures. On a regular basis, the plan shall review sample claims with procedure code(s) 99211, identify providers who are not submitting rendering provider information per the Medi-Cal billing manual and inform providers of non-compliance. (DHCS Medical Audit Report (Issued 3/18/2025), page 12) » “Resubmitted Encounters - Rendering Provider” demonstrates the MCP resubmitted encounter data for calendar years 2023 and 2024. The resubmitted encounter data corresponds to the rendering NP or PA documented on member’s chart when services are rendered by NMP’s. PACES confirmed that the rendering provider encounter data MCP resubmitted was accepted. (Finding 6.3.1 Resubmitted Encounters - Rendering Provider) TRAINING

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
				» “6.3.1 Narrative” demonstrates the MCP held a meeting with Providers on 4/24/2025 that provided guidance on the following topics: Proper billing practices for services when they are rendered by physician assistants and nurse practitioners. Proper procedure and documentation of supervision when services are rendered by physician assistants and nurse practitioners. Certain cases where provider reported incorrect rendering provider information for other services. (6.3.1 Narrative 06.02.2025) MONITORING » Audit Report, “Q4 2024 Internal Audit of Rendering Providers,” demonstrates that the MCP is conducting quarterly audits to identify non-compliance. Quarter 4 2024 audit results reveal 98.9% of the paid claims had a rendering provider documented on the claim form. (6.3.1 Internal Audit Rendering Provider 02.14.2025) The corrective action plan for finding 6.3.1 is accepted.

*Attachment A must be signed by the MCP’s compliance officer and the executive officer(s) responsible for the area(s) subject to the CAP.

Submitted by: Sandra Holzner

Title: Compliance Officer

Signed by: [Signature on file]

Date: April 18, 2025

