CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES
Michelle Baass | Director

September 17, 2025

Erika Oduro, Regulatory Affairs Manager
Inland Empire Health Plan
10801 6th Street, Ste. 120
P.O. Box 1800
Rancho Cucamonga, CA 91729

Via E-mail

RE: Department of Health Care Services Medical Audit

Dear Ms. Oduro:

The Department of Health Care Services (DHCS), Audits and Investigations Division conducted an on-site Medical Audit of Inland Empire Health Plan, a Managed Care Plan (MCP), from November 4, 2024 through November 15, 2024. The audit covered the period from August 1, 2023, through July 31, 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. 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 the DHCS from taking additional actions it deems necessary regarding 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 final CAP remediation document (final Attachment A) will be made available on the DHCS website and to the public upon request.

If you have any questions, please reach out to CAP Compliance personnel.

Sincerely,

[Signature on file]
Lyubov Poonka, Chief
Audit Monitoring Unit
Process Compliance Section
DHCS - Managed Care Quality and Monitoring Division (MCQMD)

Enclosures: Attachment A (CAP Response Form)

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

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

Diana O'Neal, Lead Analyst *Via E-mail*
Audit Monitoring Unit
Process Compliance Section
DHCS - Managed Care Quality and Monitoring Division (MCQMD)

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

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

ATTACHMENT A

Corrective Action Plan Response Form

Plan: Inland Empire Health Plan **Review Period:** 08/01/2023 – 07/31/2024

Audit: Medical Audit **On-site Review:** 11/04/2024 – 11/15/2024

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 the 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
1.1.1 Mechanisms to Detect Overutilization of Behavioral Health Treatment Services The Plan did not ensure the UM program had a mechanism to detect overutilization of BHT services.	1. Updated policies and procedures to memorialize the Plan's intent to monitor BHT referral and claims data for the purpose of detecting overutilization of such services. 2. Continued monitoring BHT referrals and claims data for overutilization.	– Narrative 1.b_1.1.2_MED_UM 05.e - Over and Under Utilization Tracking and Reporting_Redlined 1.1.1_2024_HICE Report 1.1.1_UM Subcommittee Agenda 2024 05 08 1.1.1_UM Subcommittee Agenda 2024 08 14 1.1.1_UM Subcommittee Agenda 2024 10 23 1.1.1_UM Subcommittee Agenda 2025 02 12	5/31/24	The following documentation supports the MCP's efforts to correct this finding: **POLICIES AND PROCEDURES** » Policy MED_UM 5.e Over and Under Utilization Tracking and Reporting was revised to include the monitoring BHT referral and claims data for the purpose of detecting overutilization. (1.1.1_MED_UM 05.e - Over and Under Utilization Tracking and Reporting) **MONITORING AND OVERSIGHT** » 2024 Health Industry Collaboration Effort (HICE) report is used to monitor BHT authorization and claims data for overutilization against the established threshold of 40 hours per week. Findings and interventions were presented to and duly approved by the UMSC on May 8, 2024, August 14, and October 23, 2024. The most recent report below was presented on February 12, 2025 (1.1.1_2024_HICE Report) » UM Subcommittee Agendas, Meeting Minutes and UM Packets demonstrate the MCP is actively monitoring for overutilization of BHT services against the established threshold of 40 hours a week. (1.1.1_UM Subcommittee Agenda 2024 05 08, 1.1.1_Utilization

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
		1.1.1_Utilization Management Minutes 2024 05 08 1.1.1_Utilization Management Minutes 2024 08 14 1.1.1_Utilization Management Minutes 2024 10 23 1.1.1_Utilization Management Minutes 2025 02 12 DRAFT 1.1.1_Utilization Management Packet 2024 05 08		Management Minutes 2024 05 08, 1.1.1_UM Subcommittee Agenda 2024 08 14, 1.1.1_Utilization Management Minutes 2024 08 14) **The corrective action for finding 1.1.1 is accepted.**

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
		1.1.1_Utilization Management Packet 2024 08 14 1.1.1_Utilization Management Packet 2024 10 23 1.1.1_Utilization Management Packet 2025 02 12		

*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: __Lourdes Nery_____

Title: ____Compliance Officer_____

Signed by: ____Signature on File_____

Date: __May 2, 2025_____

Title: ____Chief Operations Officer_____

Printed name: _____Susie White__

Signed by: _____Signature on File__

Date: __May 2, 2025_____

Title: ____Chief Medical Officer_____

Printed name: __Takashi Wada, MD__

Signed by: _Signature on File____

Date: __May 2, 2025_____