

**DHCS REPORT ON THE SPECIALTY  
MENTAL HEALTH SERVICES (SMHS) AUDIT  
OF:  
Lassen County Mental Health Plan  
2024**



DEPARTMENT OF HEALTH CARE SERVICES  
AUDITS AND INVESTIGATIONS  
CONTRACT AND ENROLLMENT REVIEW DIVISION  
BEHAVIORAL HEALTH REVIEW BRANCH

REPORT ON THE SPECIALTY MENTAL HEALTH SERVICES (SMHS) AUDIT OF

**Lassen County Mental Health Plan**

**2024**

Contract Number: 22-20109

Audit Period: July 1, 2022  
through  
June 30, 2023

Dates of Audit: June 4, 2024  
through  
June 21, 2024

Report Issued: October 2, 2024

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## **I. INTRODUCTION**

Lassen 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 supporting the mental health needs of the community.

Lassen County is located in northeastern California. The Plan provides services throughout Lassen County, which consists of 17 cities and communities, including its only incorporated city: Susanville.

In calendar year 2022, the Plan served a total of 616 Medi-Cal beneficiaries.

## **II. EXECUTIVE SUMMARY**

This report presents the audit findings of the DHCS SMHS audit for the period of July 1, 2022, through June 30, 2023. The audit was conducted from June 4, 2024, through June 21, 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 September 27, 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 September 27, 2024, the Plan submitted a response after the Exit Conference. The Plan's responses are reflected in this report.

The audit evaluated six categories of performance: Network Adequacy and Availability of Services, Care Coordination and Continuity of Care, Access and Information Requirements, Coverage and Authorization of Services, Beneficiary Rights and Protection, and Program Integrity.

The prior DHCS triennial compliance review, (covering Fiscal Year 2017 through 2020), identified deficiencies incorporated in the Corrective Action Plan (CAP). This year's audit included a review of the Plan's compliance with its DHCS Contract and assessed its implementation of the prior year's CAP.

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:

### **Category 1 – Network Adequacy and Availability of Services**

The Plan has an affirmative responsibility to determine if children and youth who meet beneficiary access criteria for SMHS need Therapeutic Foster Care (TFC). The Plan did not ensure the assessment for the need of TFC services to children and youth who met beneficiary access and medical necessity criteria for SMHS.

### **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**

Category 3 was not evaluated as part of this year's audit.

### **Category 4 – Access and Information Requirements**

The Plan is required to provide a statewide, toll-free telephone number 24 hours a day, seven days per week, that provides information to beneficiaries about how to access SMHS. The Plan did not ensure its 24/7 Access Line provided required information to beneficiaries about how to access SMHS and information needed to treat a beneficiary's urgent condition.

#### **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 shall designate a Discrimination Grievance Coordinator and adopt procedures to ensure the prompt and equitable resolution of discrimination-related complaints. Plan did not designated Discrimination Grievance Coordinator or implement a procedure to ensure the prompt and equitable resolution of discrimination-related complaints.

#### **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 this audit of the Plan to ascertain that medically necessary services provided to beneficiaries comply with federal and state laws, Medi-Cal regulations and guidelines, and the state's SMH(S) Contract.

#### **PROCEDURE**

The audit was conducted from June 4, 2024, through June 21, 2024, for the audit period of July 1, 2022, through June 30, 2023. The audit included a review of the Plan's policies for providing services, the procedures used 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 1 – Network Adequacy and Availability of Services**

TFC Determination and Provision of Services: Ten children and youth beneficiary files were reviewed for assessment criteria, service determination, and provision of services.

#### **Category 2 – Care Coordination and Continuity of Care**

Coordination of Care Referrals: Two beneficiary referrals from the Managed Care Plan (MCP) to the Mental Health Plan (MHP) and ten beneficiary referrals from the MHP to MCP were reviewed for evidence of referrals, initial assessments, progress notes of treatment planning and follow-up care between the MCP and the MHP.

#### **Category 4 – Access and Information Requirements**

Access Line Test Calls: Five test calls requesting information about SMHS and how to treat an urgent condition were made to the Plan's statewide 24/7 toll-free number to confirm compliance with regulatory requirements; two test calls requesting information about the beneficiary problem resolution and fair hearing processes were made to the Plan's statewide 24/7 toll-free number to confirm compliance with regulatory requirements.

Access Line Test Call Log: The Plan's call log was reviewed to ensure all required log components were documented for five test calls made to the Plan.

## **Category 6 – Beneficiary Rights and Protection**

Grievance Procedures: Nine grievances were reviewed for timely resolution, appropriate response to complainant, and submission to the appropriate level for review.

❖ COMPLIANCE AUDIT FINDINGS ❖	
<b>PLAN: LASSEN COUNTY MENTAL HEALTH PLAN</b>	
<b>AUDIT PERIOD:</b> July 1, 2022, through June 30, 2023 <b>DATES OF AUDIT:</b> June 4, 2024, through June 21, 2024	

<b>CATEGORY 1 – NETWORK ADEQUACY AND AVAILABILITY OF SERVICES</b>
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<b>1.2</b>	<b>Children’s Services</b>
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**1.2.1 Provision of TFC Services**

The Plan is required to provide or arrange, and pay for, TFC services for beneficiaries under the age of 21. (*Contract, Exhibit A, Attachment 2(2)(A)(13)*)

The Plan must provide TFC services to all children and youth who meet beneficiary access criteria for SMHS as medically necessary. (*Behavioral Health Information Notice (BHIN) 21-073, Criteria for Beneficiary Access to SMHS, Medical Necessity and other Coverage Requirements; Medi-Cal Manual for ICC, IHBS, and TFC Services for Medi-Cal Beneficiaries, (3rd ed., Jan. 2018), pp. 34.*)

Plan policy BH 18-74, *Intensive Services for Medi-Cal Youth/Pathways to Wellbeing (Formerly Katie A. Services) (effective 6/18/2021)* stated that the Plan must provide TFC services to all children and youth who meet medical necessity criteria for TFC. In addition, it states that TFC is currently not available in Lassen County and the Plan will attempt to contract with TFC agencies to provide this level of care.

**Finding:** The Plan did not ensure the provision of TFC services to children and youth who met beneficiary access and medical necessity criteria for SMHS.

In an interview, the Plan acknowledged that it does not have a contract with a TFC provider. The Plan stated it disseminates a Request For Proposal (RFP) annually to obtain a contract for this service, however this has been unsuccessful. The Plan stated its local foster care agencies do not want to provide TFC services due to the burden of responsibilities for this level of service. The Plan acknowledged providing TFC services was a contractual requirement; however, it was unable to contract for the services.

The Plan submitted its RFP for TFC services that was distributed in January 2023. The Plan also provided ads placed in the Modoc County Record to advertise the RFP. However, these attempts to obtain a contract have been unsuccessful.

When the Plan does not provide TFC services to children and youth, it may cause delays in accessing medically necessary services. This may result in poor health outcomes for children and youth eligible for SMHS.

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<b>PLAN:</b> LASSEN COUNTY MENTAL HEALTH PLAN
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**This is a repeat of the 2020-2021 audit finding – Network Adequacy and Availability of Services.**

**Recommendation:** Implement policies and procedures and referral process to ensure TFC services are provided.

## ❖ COMPLIANCE AUDIT FINDINGS ❖

**PLAN:** LASSEN COUNTY MENTAL HEALTH PLAN

**AUDIT PERIOD:** July 1, 2022, through June 30, 2023

**DATES OF AUDIT:** June 4, 2024, through June 21, 2024

### CATEGORY 4 – ACCESS AND INFORMATION REQUIREMENTS

#### 4.2 24/7 Access Line and Written Log of Requests for SMHS

##### 4.2.1 24/7 Access Line Required Information

The Plan shall provide a statewide, toll-free telephone number 24 hours a day, seven days per week, that provides language capabilities in all languages spoken by beneficiaries of the county; provides information to beneficiaries about how to access specialty mental health services, including specialty mental health services required to assess whether medical necessity criteria are met; services needed to treat a beneficiary's urgent condition; and how to use the beneficiary problem resolution and fair hearing processes. (*California Code of Regulations, Title 9, Chapter 11, sections 1810.405(d) and 1810.410(e)(1)*)

Plan policy BH 18-09, *Access Line and Access Log; Availability of 24/7 Services (effective 6/16/2021)*, stated the Plan provides a statewide, toll-free telephone number 24 hours a day, seven days a week. The 24/7 access line responds to both routine and crisis calls; provides information to individuals about accessing services and programs; and provides information about how to use the beneficiary problem resolution and fair hearing processes. In addition, the access line is made available in languages other than English and Spanish for individuals who require it.

**Finding:** The Plan did not ensure its 24/7 Access Line provided required information regarding how to access SMHS or how to treat a beneficiary's urgent condition.

The verification study identified two of two DHCS test calls conducted during after-hours, in which the Plan did not provide information about how to access SMHS and how to treat a beneficiary's urgent condition.

Upon review of the Plan's quarterly test call reports, the Plan's contractor did not consistently assess the provision of required information regarding how to treat a beneficiary's urgent condition during after-hours.

In a narrative, the Plan confirmed that its consulting contractor performs random test calls during business hours and after-hours regarding access to services, urgent conditions, and beneficiary problem resolution information. However, during the audit period, the Plan's contractor performed after-hour test calls that only related to access to services.

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When the Plan does not provide information about how to access specialty mental health services and services needed to treat a beneficiary's urgent condition beneficiaries may not have adequate knowledge to make informed decisions. This can result in poor mental health outcomes due to missed or delayed access to necessary behavioral health services.

**This is a repeat of the 2020-2021 audit finding – Access and Information Requirements.**

**Recommendation:** Implement and monitor staff to ensure its 24/7 access line system provides required information on how to access specialty mental health services and information about how to treat an urgent condition.

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<b>CATEGORY 6 – BENEFICIARY RIGHTS AND PROTECTIONS</b>
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<b>6.1</b>	<b>Grievance and Appeal System Requirements</b>
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**6.1.1 Discrimination Grievances**

The Plan shall designate a Discrimination Grievance Coordinator who is responsible for ensuring compliance with federal and state nondiscrimination requirements, and investigating discrimination grievances related to any action that would be prohibited by, or out of compliance with, federal or state nondiscrimination law. *(Contract, Exhibit A, Attachment 12(4)(A)(1))*

The Plan shall adopt procedures to ensure the prompt and equitable resolution of discrimination-related complaints. *(Contract, Exhibit A, Attachment 12(A)(2))*

**Finding:** The Plan did not designate a Discrimination Grievance Coordinator or adopt procedures to resolve discrimination-related complaints.

The Plan’s policy BH 18-27, *Client Problem Resolution Process (effective 7/18/2021)*, includes procedures to provide a resolution once a beneficiary files a formal grievance, either orally or in writing. The policy does not include procedures to handle discrimination-related grievances and to designate a Discrimination Grievance Coordinator.

In an interview, the Plan acknowledged it did not have the required discrimination grievance procedures or a designated Discrimination Grievance Coordinator.-The Plan stated it relies on Behavioral Health Information Notices for updates to Plan requirements and was not aware these criteria were added to the contract. Following the interview, the Plan drafted a new policy addressing discrimination grievance requirements.

When the Plan does not designate a Discrimination Grievance Coordinator or have procedures for handling discrimination grievances, it may result in members grievances being mishandled and civil rights being violated.

**Recommendation:** Designate a discrimination grievance coordinator and develop policies and procedures for the prompt and equitable resolution of discrimination grievances.