



December 29, 2023

Ms. Cindy Chung, Sr. Manager Business Compliance Officer
Aetna Better Health of California, Inc.
10260 Meanley Drive
San Diego, CA 92131

RE: Department of Health Care Services Medical Audit

Dear Ms. Chung:

The Department of Health Care Services (DHCS), Audits and Investigations Division conducted an on-site Medical Audit of Aetna Better Health of California, Inc., a Managed Care Plan (MCP), from April 17, 2023 through April 27, 2023. The audit covered the period of April 1, 2022 through March 31, 2023.

The items were evaluated and DHCS accepts 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
Managed Care Quality and Monitoring Division
Department of Health Care Services Department of Health Care Services

Enclosures: Attachment A (CAP Response Form)

cc: Stacy Nguyen, Chief
Managed Care Monitoring Branch
Managed Care Quality and Monitoring Division
Department of Health Care Services

Joshua Hunter, Lead Analyst
Audit Monitoring Unit
Managed Care Quality and Monitoring Division
Department of Health Care Services

Matt Nabayan, Contract Manager
Medi-Cal Managed Care Division
Department of Health Care Services

ATTACHMENT A
Corrective Action Plan Response Form



Plan: Aetna Better Health of California

Review Period: 4/1/22 – 3/31/23

Audit Type: Medical Audit and State Supported Services

On-site Review: 4/17/23 – 4/28/23

MCPs are required to provide a 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 that will reduce turnaround time for DHCS to complete its review. According to ADA requirement, 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, and 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. Implementation Documentation, and 4. Completion/Expected Completion Date. The MCP will be required to include 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 detail such as 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. For deficiencies that require short-term corrective action, implementation 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 completely remedy or operationalize, the MCP is to indicate that it has initiated remedial action and is on the way towards achieving an acceptable level of compliance. In those instances, the MCP will be required in addition to the above steps, to include the date when full compliance will be achieved. Policies and procedures submitted during the CAP process must still be sent to the MCP's Contract Manager for review and approval, as applicable in accordance with existing requirements.

DHCS expects the Plan to take swift action to implement improvement interventions as proposed in the CAP by December 31, 2023, due to the Plan's exit at the end of 2023.

DHCS will maintain close communication with the MCP throughout the CAP process and provide technical assistance to ensure the MCP provides sufficient documentation to correct deficiencies. Depending on the volume and complexity of deficiencies identified, DHCS may require the MCP to provide weekly updates, as applicable.

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date* (*Short-Term, Long-Term)	DHCS Comments
4. Member Rights				
<p>4.1.1 Billing Medi-Cal Members</p> <p>The Plan providers billed fully Medi-Cal eligible members for services which were covered under the contract.</p>	<p>In May of 2023, a Balance Billing workgroup was launched by the plan to review and discuss all data related to balance billing. The group has continued to meet monthly and has developed a warning notification as a result. This notification outlines all the laws and codes prohibiting providers from balance billing members. Whenever a balanced billing case is identified, the provider will receive this letter. To further communicate with providers, the plan has been using fax blasts to inform them of the balance billing issue. Notifications were sent out on 10/27/22, 1/9/23, 3/15/23 and 6/16/23. Beginning in 11/2023, the plan will begin implementing the warning letter to providers. Additionally, providers fax blast were sent out on 10/26/2023 to inform them of the upcoming warning letters. Lastly, the desktop</p>	<ol style="list-style-type: none"> 1. Balance Billing Provider Warning letter template 2. Balance Billing Workgroup agenda 3. Member Bills and Reimbursement Desktop clean and redline copies 4. Provider Fax Blast on Balance Billing 5. Provider Fax Blast on Warning Letter Notification 	<p>11/2023</p>	<p>The following documentation supports the MCP's efforts to correct this finding:</p> <p>PROCEDURE</p> <ul style="list-style-type: none"> • Desktop: 4500.09D Member Bills and Reimbursements has been updated with a procedure to send a letter to providers to instruct them to cease billing members and a procedure to refer providers who are repeat violators to the Special Investigations Unit. (4.1.1_4500.09D Member Bills and Reimbursements REDLINE 10.24.2023) <p>IMPLEMENTATION</p> <ul style="list-style-type: none"> • Balance Billing Provider Warning letter template demonstrates the MCP has a process in place to warn and educate a provider that when they receive proof of Medi-Cal eligibility they are not to seek reimbursement from the member. (4.1.1_2023 Prov Bal Billing template_) • Balance Billing Warning Notification FAX Blast to inform providers of the upcoming warning letter. Notification sent on 10/26/23. (4.1.1_Balance.Billing.Warning.Notification.docx.10.26.23)

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	<p>procedure has been updated to incorporate a procedure for referring a particular provider to SIU if there have been multiple violations.</p>			<ul style="list-style-type: none"> Balanced Billing Reminder FAX blasts were sent to inform providers about the balanced billing issue. Notifications went out on 10/27/22, 1/9/23, 3/15/23 and 6/16/23. (4.1.1_Balance Billing Reminder.docx.01.9.23, 4.1.1_Balance Billing Reminder.docx.03.15.23, 4.1.1_Balance Billing Reminder.docx.06.16.23, 4.1.1_Balance Billing Reminder.docx.10.27.2022) <p>MONITORING</p> <p>5/24/23 Balanced Billing Workgroup meeting agenda demonstrates the MCP meets regularly to discuss data related to balanced billing and strategies to reduce the occurrence. Additionally, agendas demonstrate the MCP is monitoring its IPAs for balance billing activities. The Workgroup examines the root causes of member's receiving bills, the examination of data and network billing grievances. (4.1.1_2023.5.24 Balance Billing Workgroup Agenda, 5.1.1_2023.6.22 Balance Billing Workgroup Agenda notes, 5.1.1_2023.7.24 Balance Billing Workgroup Agenda notes, 5.1.1_2023.8.17 Balance Billing Workgroup Agenda notes, 5.1.1_2023.11.30 Balance Billing Workgroup Agenda)</p> <p>The corrective action plan for finding 4.1.1 is accepted.</p>

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<p>4.1.2 Grievance Classification and Processing</p> <p>The Plan did not properly classify and process members' expressions of dissatisfaction as a grievance.</p>	<p>The plan has developed a Grievance Call Tracking Template to assist the Member Services Rep. with the grievance classification. This template helps in identifying when an inquiry should be classified as a grievance and when to submit the information to the G&A Department. This template was put into action on 5/5/23, and training was provided to all MSRs on 5/12/23. The team was trained again on 10/22/23.</p>	<ol style="list-style-type: none"> 1. Training deck 2. Team Meeting Notes -5.12 3. Team Meeting Notes_10.20.23 4. Template screenshot 	<p>10/2023</p>	<p>The following documentation supports the MCP's efforts to correct this finding:</p> <ul style="list-style-type: none"> • Grievance Call Tracking Template assists MSR with the classifications of grievances with the inclusion of two additional questions regarding the member's expression of dissatisfaction. (4.1.2_Template Screenshot_5.5.2023) <p>TRAINING</p> <ul style="list-style-type: none"> • Meeting notes from ABHCA Member Services Team Meetings from 5/12/23 and 10/20/23 demonstrate the MCP instructed its MSR to file a grievance if a member expresses any dissatisfaction. (4.1.2_Team Meeting Notes_5.12.23, 4.1.2_Team Meeting Notes_10.20.2023) • G&A Training Deck demonstrates the MCP provided training to MSRs on processing of member grievances. (4.1.2_Grievance & Appeal Training slide deck 4.21.2022) • Team Meeting Training Agenda from 10/20/23 demonstrates the MCP performed another round of training staff classifying member's expression of dissatisfaction. (4.1.2_Team Meeting Training)

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				<p>MONITORING</p> <ul style="list-style-type: none"> Call tracking audit results from 5/23 – 12/23 demonstrate the MCP has conducted an audit on proper grievance classification to assess the effectiveness of its corrective action showing significant improvement. (Documentation Call Tracking Audit Results 12.14.2023) <p>The corrective action for finding 4.1.2 is accepted.</p>
<p>4.1.3 Filing Grievance</p> <p>The Plan did not implement and maintain a process to categorize a complaint as a grievance and not an inquiry when a member expressly declined to file a grievance.</p>	<p>The Member Grievances and Appeals Call Desktop has been updated to reflect that if a member declines to file a grievance, the call will be categorized as exempt. The plan introduced an audit process in August 2022 to review call notes monthly to ensure accurate categorization. However, the process only included a sample of call notes. The audit process has been enhanced to review all closed calls not categorized as G&A. The updated process will allow the plan to identify any potential</p>	<ol style="list-style-type: none"> Call Tracking Audit Results Desktop 4500.42D_Redline Desktop 4500.42D_Clean 	<p>12/2023</p>	<p>The following documentation supports the MCP's efforts to correct this finding:</p> <p>POLICIES AND PROCEDURES</p> <ul style="list-style-type: none"> Desktop: 4500.42D Accepting Member Grievances and Appeals Calls was updated to state that if a member declines to file a grievance, the MCP will document the complaint as a grievance for tracking and trending purposes. (4.1.3_4500.42D CA Taking Member Grievances and Appeals Desktop_REDLINE) <p>MONITORING</p> <ul style="list-style-type: none"> Call Tracking Audit Results demonstrate the MCP is monitoring all calls not categorized as grievances to identify any potential member complaints that are not

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	member complaints that are not correctly routed to the G&A department. The plan will continue to audit every month to achieve to a 0% error rate by 12/2023.			<p>correctly routed to the G&A department. (4.1.3_Documentation Call Tracking Audit Results 11.15.2023)</p> <p>The corrective action plan for finding 4.1.3 is accepted.</p>
5. Quality Management				
<p>5.1.1 Quality Improvement Oversight</p> <p>The Plan did not impose corrective action and financial sanctions on subcontractors upon discovery of noncompliance with Medi-Cal requirements.</p>	<p>The plan has been communicating and educating the IPAs regarding balance billing during the Joint Operations Meeting (JOM). In collaboration with the G&A department, the plan has developed warning letters to inform the IPA of members who had filed a complaint about being balance billed. These warning letters were sent to the IPA on 10/25/23. Moving forward, the plan will continue to monitor the activity of balance billing alongside the G&A department to impose corrective action and financial sanctions if necessary.</p>	<ol style="list-style-type: none"> 1. JOM slide 2. Warning Letter Template 	<p>10/2023</p>	<p>The following documentation supports the MCP's efforts to correct this finding:</p> <p>TRAINING</p> <ul style="list-style-type: none"> • Joint Operations Meeting slide demonstrate the MCP has educated its IPAs on the prohibition of balance billing Medi-Cal beneficiaries. (5.1.1_JOM Slide) <p>MONITORING</p> <ul style="list-style-type: none"> • Balance Billing Workgroup Meeting Notes and Agendas demonstrates the MCP is monitoring its IPAs for balance billing activities. The Workgroup examines the root causes of member's receiving bills, the examination of data and network billing grievances. (5.1.1_2023.6.22 Balance Billing Workgroup Agenda notes, 5.1.1_2023.7.24 Balance Billing Workgroup Agenda notes, 5.1.1_2023.8.17 Balance Billing Workgroup Agenda notes, 5.1.1_2023.11.30 Balance Billing Workgroup Agenda)

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				IMPLEMENTATION <ul style="list-style-type: none">Warning Letter template for IPAs that are found to be balance billing Medi-Cal beneficiaries demonstrates that the MCP is requiring the IPAs to stop the practice and warning that failure to stop balance billing Medi-Cal beneficiaries will lead to additional enforcement actions including financial sanctions. (5.1.1_TEMPLATE - NOFI-WARNING LETTER) The corrective action plan for finding 5.1.1 is accepted.

Submitted by Plan: Cindy Chung
Title: Sr. Manager Business Compliance Officer

Date: 10/30/2023