



November 2, 2023

Kristen Cerf, Chief Executive Officer and President
Blue Shield of California Promise Health Plan
3840 Kilroy Airport Way
Long Beach, CA 90806-2452

RE: Department of Health Care Services Medical Audit

Dear Ms. Cerf:

The Department of Health Care Services (DHCS), Audits and Investigations Division conducted an on-site Medical Audit of Blue Shield of California Promise Health Plan, 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

Anthony Martinez, Lead Analyst
Audit Monitoring Unit
Managed Care Quality and Monitoring Division
Department of Health Care Services

Chengchoi Saelee, Contract Manager
Medi-Cal Managed Care Division
Department of Health Care Services

ATTACHMENT A
Corrective Action Plan Response Form



Plan: Blue Shield of California Promise Health Plan

Review Period: 04/01/22 – 03/31/23

Audit Type: Medical Audit

On-site Review: 04/17/23 – 04/27/23

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.

Please note, 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 prior approval for an extended implementation effort is granted by DHCS.

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
6. Administrative and Organizational Capacity				
<p>6.2.1 Timely Notification</p> <p>The Plan did not promptly report all identified or recovered overpayments nor provide prompt notification of changes in member's and network provider's circumstances within ten-working-days to DHCS.</p>	<p>1. Revised policies and procedures to align with timely notification of all identified or recovered overpayments, changes in provider circumstance, and changes in member circumstance to DHCS</p>	<p>1a. Identifying Investigating and Reporting Fraud Waste and Abuse Policy and Procedure 1b.10.3.19_Changes in Member's Circumstances That May Affect Their Eligibility 1c. CR105 Ongoing Monitoring and Interventions</p>	<p>1a. 08/21/2023 1b. 04/19/2023 1c. 09/06/2023</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"> Updated P&P, "Identifying, Investigating and Reporting Fraud, Waste and Abuse" (08/21/23) to state that in the event the MCP identifies or recovers an overpayment to a Provider due to potential fraud, the MCP must notify its Managed Care Operations Division (MCOD) Contract Manager (CM) and the DHCS Audits and Investigation Intake Unit within 10 days of identifying the overpayment, regardless of the amount. (2.3.1 Identifying Investigating and Reporting Fraud Waste and Abuse). Updated P&P, "Ongoing Monitoring and Interventions" (09/06/23) to state that the MCP's Credentialing Department will promptly report to the MCP's Compliance Department all changes in a provider's circumstances within five working days to be submitted to DHCS within ten working days. (2.3.3 CR105 Ongoing Monitoring and Interventions). <p>TRAINING</p> <ul style="list-style-type: none"> Meeting Agenda and Meeting Notes, "All Investigators Monthly Team Meeting" (04/26/23) and "DHCS Timely Notification Provider Change in Circumstance" (09/06/23) as evidence that the MCP conducted training to staff on the requirement to promptly report all identified or recovered overpayments and provide prompt notification of changes in member's and network provider's circumstances within ten-working-days to DHCS. (2.4.1 Overpayment Reporting Meeting Agenda 042623, 2.4.3 DHCS

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date* (*Short-Term, Long-Term)	DHCS Comments
				<p>Timely Notification Provider Change in Circumstance).</p> <p>MONITORING AND OVERSIGHT</p> <ul style="list-style-type: none"> Excel Spreadsheet, “Regulatory Reporting Tracking” as evidence that the MCP has a monitoring process to track the notification of changes in member’s and network provider’s circumstances within ten-working-days to DHCS. The Regulatory Reporting Tracking spreadsheet tracks the following categories: Internal Due Date Requirement, Internal Due Date, Internal Submission Status, Regulatory Submission Due Date, Regulatory Due Date, Regulatory Submission Status, Regulatory Submission Date. (3.1.1f Regulatory Reporting Tracking). Excel Spreadsheet, “Overpayment Report” as evidence that the MCP has a monitoring process to track all identified or recovered overpayments within 10 working days to DHCS. On a weekly basis, the MCP will extract weekly overpayment reports based on the Initial Demand Letter Sent Date and Demand MC 609 Sent Date related to the Medi-Cal line of business to confirm the overpayments are reported within 10 working days. (Overpayment Report 10232023). <p>The corrective action plan for finding 6.2.1 is accepted.</p>

Submitted by Plan: Blue Shield Promise Health Care Plan

Date: September 7, 2023

Title: Kristen Cerf [Signature on file]
Promise President & CEO