

June 12, 2024

Erika Oduro
Regulatory Affairs Manager
Inland Empire Health Plan
10801 6th Street, Suite 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 September 18, 2023 through September 29, 2023. The audit covered the period from August 1, 2022, through July 31, 2023.

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: Stacy Nguyen, 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 & Monitoring Division (MCQMD)

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

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

Rebeca Cabiedes, 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

Audit Type: Medical Audit

Review Period: 08/01/2022 – 07/31/2023

On-site Review: 09/18/2023 – 09/29/2023

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 * <small>(*Short-Term, Long-Term)</small>	DHCS Comments
<p>1.1.1 Utilization Management Program Updates and Improvements</p> <p>The Plan did not ensure continuous updates and improvements to the UM program to ensure the provision of medically necessary covered services.</p>	<p>1. Removed Biofeedback training from auto-approval rules effective October 3, 2023</p> <p>2. Removed Gait Training from auto-approval rules effective February 7, 2024.</p> <p>3. Enhanced retrospective review by conducting focused reviews of auto-authorized services based on all diagnosis submitted.</p>	<p>1.a_1.1.1_UM Prior Auth Approvable List Meeting Minutes 07/11/23</p> <p>1.b_1.1.1_UM Subcommittee Agenda 02/14/24 (Pending)</p> <p>1.c_1.1.1_UM Subcommittee_Auto Auth Rule Changes (Pending)</p> <p>2.a_1.1.1_Blastfax - Prior Auth Requirements for Gait Training</p> <p>3.a_1.1.1_Narrative - Auto-Authorization & Oversight Process</p>	<p>10/3/23</p> <p>2/7/24</p> <p>2/1/24</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">• "Fax Blast - Change to PT Authorization Process to Avoid Potential Overutilization" demonstrates the MCP notified providers that Gait training from auto-approval effective 2/7/24 to prevent overutilization. (2.a_1.1.1_Blastfax - Prior Auth Requirements for Gait Training)• "UM Subcommittee Agenda from 2/14/24" and "UM Subcommittee Auto Auth Rule Changes PowerPoint" demonstrate the MCP's implementation of the removal of biofeedback training from auto auth approval rules. (1.1.1_UM Subcommittee Agenda 021424 & 1.1.1 UMSC Presentation Q3 2023 - Automated Authorizations) <p>OVERSIGHT AND MONITORING</p> <ul style="list-style-type: none">• Policy "MED_UM 4.cc Auto Approve Process & Oversight" has been updated to strengthen retrospective review of auto-authorized services. (3.c_1.1.1_MED_UM 04.cc - Auto Approval Process & Oversight_Redlined)

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
		3.b_1.1.1_MED_UM 04.cc - Auto Approval Process & Oversight_Clean 3.c_1.1.1_MED_UM 04.cc - Auto Approval Process & Oversight_Redlined		<ul style="list-style-type: none"> UM Quality Assurance Standard Operating Procedure describes the MCP's process for determining which auto-authorized services will undergo a focused review for appropriateness of the request. UM Clinical QA Auditor will review the clinical criteria for service in question and based off the clinical indications filter the report for any auto-authorized cases with an unrelated diagnosis. Those auto-authorized cases with unrelated diagnosis will be automatically selected for focused review. (1.1.1 UM QA_Auto Auth) "QA for Auto Auth Approval Audit" example the MCP process for auditing auto approved services retrospectively is active. (1.1.1 Retro Review – MBBs) <p>The corrective action plan for finding 1.1.1 is accepted.</p>
1.1.2 Mechanisms to Detect Overutilization of Behavioral Health Treatment Services The Plan's UM program did not have a mechanism to	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. Planned to begin monitoring BHT referrals and claims data for overutilization by Quarter 2 2024.	1.a_1.1.2_MED_UM 05.e - Over and Under Utilization Tracking and Reporting_Clean 1.b_1.1.2_MED_UM 05.e - Over and Under Utilization	2/1/24	The following documentation supports the MCP's efforts to correct this finding: POLICIES AND PROCEDURES <ul style="list-style-type: none"> Policy "MED_UM 5.e Over and Under Utilization Tracking and Reporting" was updated to include reporting on a quarterly basis Behavioral Health Department Utilization Reports including Behavioral Health Treatment referral; and claims reports to detect

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detect over utilization of BHT services.		<p>Tracking and Reporting_Redlined</p> <p>2.a_1.1.2_Narrative - Monitoring BHT for Overutilization</p> <p>2.b_1.1.2 - UM Subcommittee Agenda_ Q2 2024 (Pending)</p> <p>2.c_1.1.2 - HICE Report_UMSC Q2 2024 (Pending)</p>	5/31/24	<p>overutilization. (1.a_1.1.2_MED_UM 05.e - Over and Under Utilization Tracking and Reporting_Clean)</p> <p>OVERSIGHT AND MONITORING</p> <ul style="list-style-type: none"> Plan submitted the following documents to demonstrate measuring of BHT authorization claims are being monitored for over-utilization and being reported to the appropriate committee: "UM Subcommittee Agenda 5/8/24" demonstrates the MCP presented its report on BHT overutilization to the committee. (2.c_1.1.2 - HICE Report_UMSC Q2 2024) The "Health Industry Collaboration Effort (HICE) report summary" demonstrates the MCP is monitoring BHT authorization claims. The report reviewed over-utilization against the established threshold of 40 hours per week. (2.c_1.1.2 - HICE Report_UMSC Q2 2024) <p>The corrective action plan for finding 1.1.2 is accepted.</p>

4. Member's Rights

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
4.1.1 Quality of Care Resolution Letters The Plan's QOC grievance resolution letters did not contain an explanation of the Plan's decision.	3. Updated policies and procedures to ensure that QOC grievance resolution letters provide clear and concise explanation of the Plan's decision.	1.a - 4.1.1_MED_GRV 02 - Member Grievance Resolution Process_Clean	1/8/24	The following documentation supports the MCP's efforts to correct this finding: POLICIES AND PROCEDURES <ul style="list-style-type: none"> P&P's, "Med-GRV 2", "Member Grievance Resolution System – Medi-Cal", (01/01/24) demonstrates the Plan has updated its policy on grievance resolution system to demonstrate that quality of care (QOC) grievance resolution letters contains clear and concise explanation of the Plan's decision. OVERSIGHT AND MONITORING <ul style="list-style-type: none"> Audit Review, "Resolution Letter Quality Review" (12/08/23 – 12/22/23) demonstrates the Plan has daily reviews to verify QOC resolution letters contain a clear and concise explanation of the Plan's decision, as well as weekly meetings with the Grievance Appeals Leadership Team to evaluate quality scores, any patterns and remediation activities as needed. Resolution Letter Template Language, "Grievance QOC Resolution Templates" (01/2024) demonstrates the Plan has developed a matrix
	4. Implemented an updated QOC resolution letter to omit the taglines related to California Evidence Code Section 1157.	1.b - 4.1.1_MED_GRV 02 - Member Grievance Resolution Process_Redlined	1/8/24	
	5. Re-trained Team Members to ensure that QOC resolution letters include specific details that explain the Plan's decision.	2.a - 4.1.1_Grievance QOC Resolution Template		
	6. Continued to perform a daily Quality Assurance (QA) review process to ensure resolution letters adhere to this new process before these are mailed out to Members.	2.b - 4.1.1_Grievance QOC Resolution	1/4/24	

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
		<p>Letter Sample 1_Redacted</p> <p>2.c - 4.1.1_Grievance QOC Resolution Letter Sample 2_Redacted</p> <p>2.d - 4.1.1_Grievance QOC Resolution Letter Sample 3_Redacted</p> <p>3.a - 4.1.1_Resolution Letter Training 2023 Redacted</p> <p>4.a – 4.1.1_Resolution Letter QA Process</p>	1/8/24	<p>of template language for commonly seen grievance resolutions that Team Members can use to provide clear and concise explanation of the Plan’s decision.</p> <ul style="list-style-type: none"> Redacted Revised Resolution Letters, (01/16/24) demonstrates the Plan has implemented a QOC grievance resolution letter template which exclude the use of CA Evidence code 1157 and to make certain that a clear and concise explanation of the Plan’s decision is given to the members. Revised Job Aid, “DTR-DHCS Audit Response – GA QOC Resolution Letter QA review” (12/13/23) Revision to Step 5 to include screenshot of resolution letter verbiage. Revision to Background to include, “The resolution letter verbiage is reviewed to confirm QOC grievance resolution letters include the explanation of the Plan’s decision in a clear and concise manner.” <p>TRAINING</p> <ul style="list-style-type: none"> Training, “QOC Resolution Letter Update”, (01/02/24 – 01/04/24) demonstrates the Plan trained its QA Teams staff on the revised process on the importance of documenting dissatisfaction details of the Plan’s investigation and any documentation related to the

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * <small>(*Short-Term, Long-Term)</small>	DHCS Comments
				resolution process in order to provide clear and concise communication to the members. The corrective action plan for finding 4.1.1 is accepted.

Submitted by: Lourdes Nery
Title: Compliance Officer

Signed by: [Signature on File]
Date: February 7, 2024