

DHCS AUDITS AND INVESTIGATIONS  
CONTRACT AND ENROLLMENT REVIEW DIVISION

**REPORT ON THE FOCUSED AUDIT OF SANTA  
CLARA FAMILY HEALTH PLAN 2023**

Contract Number: 04-35398

Audit Period: March 1, 2022 through February 28, 2023

Dates of Audit: March 27, 2023 through April 6, 2023

Report Issued: August 30, 2024

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        Category 2 – Case Management and Coordination of Care

# I. INTRODUCTION

## Background

In accordance with California Welfare and Institutions Code section 14456, the Department of Health Care Services (DHCS) may conduct additional reviews outside of the annual medical audit when DHCS determines there is good cause.

DHCS directed the Contract and Enrollment Review Division to conduct focused audits of all contracting Medi-Cal Managed Care Plans (Plans) to evaluate current Plans' performance in the areas of Behavioral Health and Transportation services.

These focused audits differ from DHCS' regular annual medical audits in scope and depth. The annual medical audits evaluate the Plan's organizational structures, policies and procedures, and systems for compliance with contractual requirements. The focused audits examined the operational issues that may hinder appropriate and timely member access to medically necessary care. The focused audit engagement formally commenced in January 2023 through December 2023.

For the Behavioral Health section, the focused audit evaluated the Plan's monitoring activities of specific areas such as Specialty Mental Health Services (SMHS), Non-Specialty Mental Health Services (NSMHS), and Substance Use Disorder Services (SUDS). The focused audit also reviewed potential issues that may contribute to the lack of member access and oversight for SMHS, NSMHS, and SUDS.

The focused audit conducted a more in-depth look at current Plan operations/practices for executing the delivery of transportation services. The audit examined potential causes for the systemic issues surrounding the Non-Emergency Medical Transportation (NEMT) and Non-Medical Transportation (NMT) services, specifically when transportation is delegated to a transportation broker.

The Santa Clara County Board of Supervisors established the Santa Clara County Health Authority (SCCHA) in 1995, under the authority granted by Welfare and Institutions Code section 14087.36. The SCCHA distinct from the county was given the mission to develop a community-based health plan, Santa Clara Family Health Plan (Plan), to provide coverage to Medi-Cal Managed Care recipients.

The Plan is licensed in accordance with the provisions of the Knox-Keene Health Care Service Plan Act of 1996. Since 1997, the Plan has contracted with DHCS as the local initiative for Santa Clara County under the Two-Plan Medi-Cal Managed Care model.

As of February 2023, the Plan had 329,594 Medi-Cal members.

## II. EXECUTIVE SUMMARY

This report presents the audit findings of DHCS' focused audit for the period of March 1, 2022, through February 28, 2023. The audit was conducted from March 27, 2023, through April 6, 2023. The audit consisted of document review, surveys, verification studies, interviews and file reviews with Plan representatives.

An Exit Conference with the Plan was held on July 1, 2024. The Plan was allowed 15 calendar days from the date of the Exit Conference to provide supplemental information addressing the draft audit report findings. The Plan submitted a response after the Exit Conference. The results of the evaluation of the Plan's response are reflected in this report.

The focused audit evaluated the areas of performance for Behavioral Health and Transportation services.

The summary of findings by performance area follows:

### **Performance Area: Behavioral Health**

#### **Category 2 – Case Management and Coordination of Care:**

- Specialty Mental Health Services
- Non-Specialty Mental Health Services
- Substance Use Disorder Services Category 3 – Access and Availability of Care

The Plan is required to complete screening, assessment, and referral within a reasonable period that ensures timely access to services for all beneficiaries. The Plan did not ensure timely access to services for all members in accessing screening and assessments for mental health services.

The Plan is required to ensure that a mental health screening of members is conducted. The Plan did not ensure that a mental health screening is conducted and did not ensure that members with positive screening were referred to a network mental health provider

### **Performance Area: Transportation**

#### **Category 3 – Access and Availability of Care**

- Non-Emergency Medical Transportation
- Non-Medical Transportation

There were no findings noted for this category during the audit period.

### **III. SCOPE/AUDIT PROCEDURES**

#### **SCOPE**

This focused audit was conducted by the DHCS Contract and Enrollment Review Division to ascertain the medical services provided to Plan members complied with federal and state laws, Medi-Cal regulations and guidelines, and the State Contract.

#### **PROCEDURE**

On November 3, 2022, DHCS informed Plans that it would conduct focused audits to assess their performance in certain identified high-risk areas. The focused audit was concurrently scheduled with the annual medical audit. The focused audit scope encompassed the following sections:

- Behavioral Health - SMHS, NSMHS, and SUDS
- Transportation – NEMT and NMT services

The audit was conducted from March 27, 2023, through April 6, 2023. The audit included a review of the Plan's policies for providing services, the procedures used to implement the policies, and verification studies of the implementation and effectiveness of the policies. Documents were reviewed and interviews were conducted with Plan administrators and staff.

The following verification studies were conducted:

#### **Category 2 – Case Management and Coordination of Care**

SMHS: Ten samples were reviewed to evaluate care coordination with the county Mental Health Plans (MHPs) and compliance with All Plan Letter (APL) requirements.

NSMHS: Ten samples were reviewed to evaluate compliance with APL requirements.

SUDS: Ten samples were reviewed to evaluate compliance with APL requirements.

#### **Category 3 – Access and Availability of Care**

NEMT: Ten samples were reviewed to evaluate compliance with APL requirements.

NMT: Ten samples were reviewed to evaluate compliance with APL requirements.

A description of the findings for each category is contained in the following report.

# COMPLIANCE AUDIT FINDINGS

## Performance Area: Behavioral Health – SMHS, NSMHS, and SUDS

### Category 2 – Case Management and Coordination of Care

#### 2.1 Timely Access to Services

The Plan shall comply with all existing final Policy Letters and APLs issued by DHCS.  
(Contract, Exhibit E, Attachment 2(1)(D))

The Plan and County MHP shall develop and agree to written policies and procedures for screening, assessment, and referral processes, including screening and assessment tools for use in determining if the Plan or MHP will provide mental health services. The screening, assessment, and referral must be completed within a reasonable period that ensures timely access to services for all beneficiaries. The Plan is obligated to conduct a mental health assessment for members with a potential mental health condition using a tool mutually agreed upon with the MHP to determine the appropriate care needed.  
(APL 18-015, Attachment 2, Memorandum of Understanding Requirements for Medi-Cal Managed Care Plans)

Plan Memorandum of Understanding with County of Santa Clara states that the screening, assessment, and referral must be completed within reasonable period that ensures timely access to services for members.

Plan policy, *CM.50 Coverage and Coordination of Mental Health Services* (revised 2/14/2023), outlines the responsibilities of the Plan to ensure members receive timely and consistent mental health services regardless of the initial delivery system from which they were referred. Furthermore, the policy states the Plan's responsibilities for the provision and/or arrangement of clinically appropriate and timely covered NSMHS, as well as the delineation of responsibilities for referring to and coordinating with Santa Clara County Behavioral Health Services Department (SCCBHSD) for the delivery of SMHS. The Plan's Behavioral Health Department and SCCBHSD are responsible for coordinating services in order to ensure timely, consistent, clinically appropriate, and comprehensive NSMHS and SMHS are delivered to members.

**Finding:** The Plan did not ensure timely access to services for all members in accessing screening and assessments for mental health services.

For members to obtain screening, the Plan's customer service directed members to

either call the county MHP for screening or informed members to schedule an appointment with their primary care provider for assessment. For members referred to the county MHP for initial screening, members experienced delays.

The Plan's January 2023 *Internal Med Deep Dive* presentation identified the average wait time for member calling the county for assessment was two to four hours. Due to overloaded calls to the county, the customer call center potentially caused delayed or extended wait time for members when accessing mental health assessment.

During the interview, the Plan stated that the Behavioral Health Department did not have a process to conduct initial screening internally for members who called the Plan directly. The Plan acknowledged that there were delayed service and that the Plan had started to provide screenings to members in late February 2023.

Without timely access to mental health screening, members may experience delays in accessing medically necessary mental health services.

**Recommendation:** Implement policies and procedures for screening, assessment, and referral to be completed within a reasonable period to ensure timely access to mental health services.

## 2.2 Screening and Referrals for Mental Health Services

The Plan shall comply with all existing final Policy Letters and APLs issued by DHCS. (Contract, Exhibit E, Attachment 2(1)(D))

The Plan is obligated to ensure that a mental health screening of members is conducted by network Primary Care Providers (PCP). Members with positive screening results may be further assessed either by the PCP or by referral to a network mental health provider. The member may then be treated by the PCP within the PCP's scope of practice. When the condition is beyond the PCP's scope of practice, the PCP must refer the member to a mental health provider, first attempting to refer within the Plan network. (APL 22-006 Medi-Cal Managed Care Health Plan Responsibilities for Non-Specialty Mental Health Services).

Plan policy, CM.50, Coverage and Coordination of Mental Health Services (revised 2/14/2023), states that for mental health assessment, the Plan works with in-network PCPs to ensure mental health screenings are conducted as appropriate. If a member screens positive for a mental health condition, the PCP can treat the member within the scope of their practice or refer to an in-network mental health provider.

**Finding:** The Plan did not ensure that network PCPs conducted mental health screenings of members.

A verification study identified nine NSMHS cases that did not demonstrate screening, assessment, and referral. The Plan did not provide any documentation that they tracked referral and referral status for members to ensure screenings are completed and members are appropriately referred, specifically for members that are not enrolled in care coordination.

In the interview, the Plan acknowledged they only can identify members that received NSMHS through utilization management referral and paid claims history. Additionally, the Plan can track and subsequently ensure members with positive screenings are properly referred for services if the member is enrolled in the Plan's care management program. However, there was no mechanism for those not enrolled and managed by the members' PCP. As a result, the Plan was unable to ensure the screening and referrals were being completed on the PCP level because the Plan was not tracking and monitoring screenings and referrals for mental health services.

Without timely screening, assessment and referral to mental health services, members may not receive the necessary care.

**Recommendation:** Implement policies and procedures to ensure mental health screenings are conducted.