



August 20, 2024

Danita Carlson, Government Relations Director  
Central California Alliance for Health  
1600 Green Hills Road.  
Scotts Valley, CA 95066

*Via E-mail*

RE: Department of Health Care Services Medical Audit

Dear Ms. Carlson:

The Department of Health Care Services (DHCS), Audits and Investigations Division conducted an on-site Medical Audit of Central California Alliance for Health, a Managed Care Plan (MCP), from January 29, 2024 through February 9, 2024. The audit covered the period from November 1, 2022, through October 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 and Monitoring Division (MCQMD)

Joshua Hunter, Lead Analyst *Via E-mail*  
Audit Monitoring Unit  
Process Compliance Section  
DHCS - Managed Care Quality and Monitoring Division (MCQMD)

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

Kimberly Lamounry, Contract Manager *Via E-mail*  
Managed Care Contract Oversight Branch  
DHCS – Managed Care Operations Division (MCOD)

# ATTACHMENT A

## Corrective Action Plan Response Form



**Plan:** Central California Alliance for Health  
**Audit Type:** Medical Audit

**Review Period:** 11/01/22 – 10/31/23  
**On-site Review:** 01/29/24 – 02/09/24

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.

### 3. Access and Availability of Care

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
<p><b>3.6.1 Timely Payment of Claims</b></p> <p>The Plan did not ensure that family planning claims are paid to providers within 45 working days.</p>	<ol style="list-style-type: none"> <li>1. Claims Supervisors reviewed the two claims in the audit sample with claims processors to provide education.</li> <li>2. Claims Quality Manager highlighted the claims data entry issues during a department meeting and discussed the expected workflows to follow for hardcopy claims.</li> <li>3. The HSP Processing Workflow document was updated with a reminder of the data entry verification workflow.</li> <li>4. The Benefits Operations Committee re-reviewed the list of diagnosis that qualify for a referral waiver</li> </ol>	<ol style="list-style-type: none"> <li>1. Email from Supervisor confirming review and education is complete. Refer to "3.6.1 SD_0040680645 Staff Ed." Also refer to "3.6.1 SD_0041132439 Staff Ed."</li> <li>2. Claims Department meeting minutes from 02/22/2024 meeting. Refer to page 6, section DHCS and DMHC Audit in "3.6.1 SD_Claims Depart. Meeting Minutes 02222024."</li> </ol>	<ol style="list-style-type: none"> <li>1. Short-Term. Completed 6/7/2024.</li> <li>2. Short-Term. Completed 2/22/2024.</li> </ol>	<p>The following documentation supports the MCP's efforts to correct this finding:</p> <p><b>POLICY AND PROCEDURES</b></p> <ul style="list-style-type: none"> <li>• Ticket, "System Requirements TDX-1380434" as evidence that the MCP's HSP claims system was updated. A system update was performed to demonstrate that family planning claims are paid to providers and were not incorrectly denied. (3.6.1 SD System Requirements TDX-1380434).</li> <li>• Updated, "Claims Department Workflow Manual" (04/24/24) which includes a reminder of the data entry verification workflow. Before denying any services billed on a hardcopy claim, MCP claims staff must review the scanned image for data entry errors, omissions, remarks, attachments, etc., that could make the service payable. (3.6.1 SD HSP PW 04242024 Reminder Hardcopy Claims).</li> </ul> <p><b>TRAINING</b></p> <ul style="list-style-type: none"> <li>• Email from MCP Staff (05/06/24) and (06/07/24) as evidence that the MCP provided education and training to MCP claims staff. The affected claims were reviewed with MCP claims staff to</li> </ul>

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
	<p>to ensure alignment with Medi-Cal policy and system was updated as a result of this review to include additional diagnoses that will qualify for a referral waiver.</p> <p>5. A pre-check run audit will be added to monitor that FP services do not deny for referral or authorization.</p> <p>a. Submit workflow for pre-check run audit.</p> <p>b. Submit pre-check run audit results.</p>	<p>3. Page 2-3 of HSP Processing Workflow manual with description of workflow reminder. Refer to 4/24/2024 - Reminder: Hardcopy Claims' entry in document "3.6.1 SD_HSP PW 04242024 Reminder Hardcopy Claims"</p> <p>4. Benefits Ops Com meeting minutes from discussion that occurred 02/13/2024, document "3.6.1 SD_Benefits Ops Com Meeting</p>	<p>3. Short-Term, 4/24/2024.</p> <p>4. Short-Term, 3/8/2024.</p>	<p>discuss the error that occurred, expected workflow, and any education needed to support an understanding of the workflows. (3.6.1 SD 0040680645 Staff Ed, 3.6.1 SD 0041132439 Staff Ed).</p> <ul style="list-style-type: none"> <li>• "Claims Department Meeting Minutes" (02/22/24) in which the MCP discussed about the claims processing finding in the DHCS Medical Audit. Claims were denied due to a claims data entry issue, and the claims team were reminded to double-check data entry for KFI claims to avoid inaccurately denying claims. (3.6.1 SD Claims Depart. Meeting Minutes 02222024).</li> </ul> <p><b>MONITORING AND OVERSIGHT</b></p> <ul style="list-style-type: none"> <li>• "Pre-Check Run Audit Workflow" (7/15/24) which states that this weekly audit serves as a secondary validation to monitor and confirm that claims for Family Planning and State Supported Services are not denied for referral or authorization. If a claim was pended for referral or authorization, a ticket request will be created to waive the referral or authorization. If the claim is not pended for referral or authorization and was manually denied, the claim will be sent to a supervisor for review. The service will be re-adjudicated to manually override referral and authorization requirement. (FP SSS Denial Audit WF).</li> </ul>

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
		<p>Minutes 0213202." Also refer to System Requirements TDX-1380434 as documentation that HSP system was updated in "3.6.1 SD_System Requirements TDX-1380434."</p> <p>5. Refer to CCAH ticket request as attestation that this report will be monitored and completed by the specified implementation due date. Document "3.6.1 SD_TDX-1388488 Pre-checkrun report_ FP SS</p>	<p>5. Long-Term, 7/1/2024 and 8/1/2024.</p>	<ul style="list-style-type: none"> <li>Microsoft Excel Spreadsheet, "Family Planning and State Supported Services Pre-Check Run Audit" (7/26/24, 8/2/24, 8/9/24) as evidence that the MCP has implemented a monitoring process to demonstrate that family planning claims are paid to providers within 45 working days. On a weekly basis, a pre-check run audit will be conducted to monitor that Family Planning and State Supported Services do not deny for referral or authorization and to prevent denials and thus delayed payments. The audit contains claim received dates and allows the MCP to track that claims are resolved timely. (FP and SSS Ref Auth DY precheck run audit 07262024, 08022024, 08092024).</li> </ul> <p><b>The corrective action plan for finding 3.6.1 is accepted.</b></p>

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * <small>(*Short-Term, Long-Term)</small>	DHCS Comments
		denied for referral."		

### SSS. State Supported Services

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
<p><b>SSS.1 Timely Payment of Claims</b></p> <p>The Plan did not ensure that state supported service claims are paid to providers within 45 working days.</p>	<ol style="list-style-type: none"> <li>1. Claims Supervisors reviewed the four claims in the audit sample with claims processors to provide education.</li> <li>2. Claims Quality Manager highlighted the claims data entry issues during a department meeting and discussed the expected workflows to follow for hardcopy claims.</li> <li>3. The HSP Processing Workflow document was updated with a reminder of the data entry verification workflow.</li> <li>4. The Benefits Operations Committee re-reviewed the list of diagnosis that qualify for a referral waiver to ensure alignment with Medi-Cal</li> </ol>	<ol style="list-style-type: none"> <li>1. Email from Supervisor confirming review and education is complete. Refer to documents: "SSS.1 SD_0036230604 0039126855 0035315510 Staff Ed" and "SSS.1 SD_0036230604 0039126855 0035315510 Staff Ed."</li> <li>2. Claims Department meeting minutes from 02/22/2024 meeting. Refer</li> </ol>	<ol style="list-style-type: none"> <li>1. Short-Term. Completed 6/7/2024.</li> <li>2. Short-Term. Completed 2/22/2024.</li> </ol>	<p>The following documentation supports the MCP's efforts to correct this finding:</p> <p><b>POLICY AND PROCEDURES</b></p> <ul style="list-style-type: none"> <li>• Ticket, "System Requirements TDX-1380434" as evidence that the MCP's HSP claims system was updated. A system update was performed to demonstrate that family planning claims are paid to providers and were not incorrectly denied. (SSS.1 SD System Requirements TDX-1380434).</li> <li>• Updated, "Claims Department Workflow Manual" (04/24/24) which includes a reminder of the data entry verification workflow. Before denying any services billed on a hardcopy claim, MCP claims staff must review the scanned image for data entry errors, omissions, remarks, attachments, etc., that could make the service payable. (SSS.1 SD HSP PW 04242024 Reminder Hardcopy Claims).</li> </ul> <p><b>TRAINING</b></p> <ul style="list-style-type: none"> <li>• Email from MCP Staff (02/05/24) and (02/06/24) as evidence that the MCP provided education and training to MCP claims staff. The affected claims were reviewed with MCP claims staff to</li> </ul>



Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
	<p>policy and system was updated as a result of this review to include additional diagnoses that will qualify for a referral waiver.</p> <p>5. A pre-check run audit will be added to monitor that SSS services do not deny for referral or authorization.</p> <p>a. Submit workflow for pre-check run audit.</p> <p>b. Submit pre-check run audit results.</p>	<p>to page 6, section DHCS and DMHC Audit in "SSS.1 SD_Claims Depart. Meeting Minutes 02222024."</p> <p>3. Page 2-3 of HSP Processing Workflow manual with description of workflow reminder. Refer to 4/24/2024-Reminder: Hardcopy Claims' entry in document "SSS.1 SD_HSP PW 04242024 Reminder</p>	<p>3. Short-Term, 4/24/2024.</p>	<p>discuss the error that occurred, expected workflow, and any education needed to support an understanding of the workflows. ("SSS.1 SD 0036230604 0039126855 0035315510 Staff Ed, SSS.1 SD_0036699431 Staff Ed).</p> <ul style="list-style-type: none"> <li>• "Claims Department Meeting Minutes" (02/22/24) in which the MCP discussed about the claims processing finding in the DHCS Medical Audit. Claims were denied due to a claims data entry issue, and the claims team were reminded to double-check data entry for KFI claims to avoid inaccurately denying claims. (SSS.1 SD Claims Depart. Meeting Minutes 02222024).</li> </ul> <p><b>MONITORING AND OVERSIGHT</b></p> <ul style="list-style-type: none"> <li>• "Pre-Check Run Audit Workflow" (7/15/24) which states that this weekly audit serves as a secondary validation to monitor and confirm that claims for family planning and state supported services are not denied for referral or authorization. If a claim was pended for referral or authorization, a ticket request will be created to waive the referral or authorization. If the claim is not pended for referral or authorization and was manually denied, the claim will be sent to a supervisor for review. The service will be re-adjudicated to manually override referral and authorization requirement. (FP SSS Denial Audit WF).</li> </ul>

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
		<p>Hardcopy Claims."</p> <p>4. Benefits Operations Committee meeting minutes from discussion that occurred 02/13/2024, document "SSS.1 SD_Benefits Ops Com Meeting Minutes 0213202." Also refer to System Requirements TDX-1380434 as documentation that HSP system was</p>	<p>4. Short-Term, 3/8/2024.</p>	<ul style="list-style-type: none"> <li>Microsoft Excel Spreadsheet, "Family Planning and State Supported Services Pre-Check Run Audit" (7/26/24, 8/2/24, 8/9/24) as evidence that the MCP has implemented a monitoring process to demonstrate that family planning claims are paid to providers within 45 working days. On a weekly basis, a pre-check run audit will be conducted to monitor that Family Planning and State Supported Services do not deny for referral or authorization and to prevent denials and thus delayed payments. The audit contains claim received dates and allows the MCP to track that claims are resolved timely. (FP and SSS Ref Auth DY precheck run audit 07262024, 08022024, 08092024).</li> </ul> <p><b>The corrective action plan for finding SSS.1 is accepted.</b></p>

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
		<p>updated in "SSS.1 SD_System Requirements TDX-1380434."</p> <p>5. Refer to CCAH ticket request as attestation that this report will be monitored and completed by the specified implementation due date. Document "SSS.1 SD_TDX-1388488 Pre-checkrun report_ FP SS denied for referral."</p>	<p>5. Long-Term, 7/1/2024 and 8/1/2024.</p>	

\*Attachment A must be signed by the MCP’s compliance officer and the executive officer(s) responsible for the area(s) subject to the CAP.

**Submitted by:** Jenifer Mandella  
**Title:** Chief Compliance Officer

**Signed by:** [Signature on File]  
**Date:** 06/12/2024