

May 14, 2025

Mary Lourdes Leone, Chief Compliance Officer  
CalViva Health  
7625 N. Palm Avenue, Suite 109  
Fresno, CA 93711

*Via E-mail*

RE: Department of Health Care Services Medical Audit

Dear Ms. Leone:

The Department of Health Care Services (DHCS), Audits and Investigations Division conducted an on-site Medical Audit of CalViva Health, a Managed Care Plan (MCP), from May 20, 2024 through May 31, 2024. The audit covered the period from April 1, 2023, through March 31, 2024.

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)

Ms. Lourdes  
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Enclosures: Attachment A (CAP Response Form)

cc: Bambi Cisneros, Interim Chief  
DHCS - Managed Care Quality and Monitoring Division (MCQMD)

*Via E-mail*

Kelli Mendenhall, Branch Chief  
Managed Care Monitoring Branch  
DHCS - Managed Care Quality and Monitoring Division (MCQMD)

*Via E-mail*

Grace McGeough, Section Chief  
Process Compliance Section  
Managed Care Monitoring Branch  
DHCS - Managed Care Quality and Monitoring Division (MCQMD)

*Via E-mail*

Anthony Martinez, Lead Analyst  
Audit Monitoring Unit  
Process Compliance Section  
DHCS - Managed Care Quality and Monitoring Division (MCQMD)

*Via E-mail*

Jessica Delgado, Unit Chief  
Managed Care Contract Oversight Branch  
DHCS – Managed Care Operations Division (MCOD)

*Via E-mail*

Ikonkar Kaur, Contract Manager  
Managed Care Contract Oversight Branch  
DHCS – Managed Care Operations Division (MCOD)

*Via E-mail*

# ATTACHMENT A

## Corrective Action Plan Response Form

**Plan:** CalViva Health

**Review Period:** 04/01/2023 – 03/31/2024

**Audit:** Medical Audit

**On-site Review:** 05/20/2024 – 05/31/2024

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 * (*Short-Term, Long-Term)	DHCS Comments
<p><b>1.2.1 Prior Authorization Written Extension Notifications</b></p> <p>The Plan did not ensure the delegate, Health Net, met the contractual requirement that written PA extension notices specify the information Health Net requested but did not receive.</p>	<p>1. Plan issued a CAP to the Plan vendor Evolent.</p> <p>2. The Plan's Vendor Management updated the "Letter Audit Checklist" to include assurance the Deferral Notice (NOA) incorporates specific information on the additional information needed for a UM decision.</p> <p>3. The Plan vendor Evolent will establish and validate an IT solution that will support including specific information to be requested in the NOA Deferral Letter</p> <p>4. The Plan's policy, "UM-060 UM Decisions and Timely Access to Care", was submitted in the Pre-Audit Document Request" and included the requirement on page 8 under section IV.B.4.3.1.</p> <p>5. Evolent Staff Training</p> <p>6. Initiate reporting on ad hoc monthly monitoring to confirm sustained compliance over three</p>	<p>1. "Evolent CAP Member Notice Noncompliance"</p> <p>2. "CA Compliance Letter Audit Checklist"</p> <p>3. "Evolent CAP Member Notice Noncompliance"</p> <p>4. "UM-060 UM Decisions and Timely Access to Care"</p> <p>5. Evidence of Staff Training</p> <p>6. Ad hoc monthly reports</p> <p>7. Annual Vendor Management Audit</p> <p>8. Meeting reports and Minutes</p>	<p>1. 10/17/2024</p> <p>2. 10/17/24</p> <p>3. 11/30/24 – 1/31/2025</p> <p>4. Previously submitted to DHCS on 4/12/2024 with the Pre-Audit Request.</p> <p>5. 12/1/2024</p> <p>6. 3/1/2025</p> <p>(Submitted on a rolling basis)</p> <p>7. 2026</p> <p>8. On-going according to meeting schedules</p>	<p>The following additional documentation submitted supports the MCP’s subsequent efforts to correct this finding:</p> <p><b>POLICIES AND PROCEDURES</b></p> <p>» UM-060 UM Decisions and Timely Access to Care contains the requirement that deferral NOAs specify the additional information requested; requesting only that information that is reasonably necessary to make a decision. (UM-060 UM Decisions...)</p> <p>» Delay NOA samples specifies the information not received that was necessary to make the decision. (CalViva Health NOA Delay_Live Sample, CalViva NOA Delay_Live Sample_Spanish)</p> <p><b>TRAINING</b></p> <p>» Outbound Communication Request FAX and Evolent Training Certification demonstrate the delegate trained appropriate staff on 12/30/24 to follow extension letter requirements. (Evolent Training Certification, OCR Fax)</p> <p><b>MONITORING AND OVERSIGHT</b></p> <p>» CAP Notice for out of compliance delegate demonstrates the MCP is requiring the delegate to</p>

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
	<p>consecutive months.</p> <p>7. When ad hoc monthly results indicate 100% compliance, the Annual Vendor Management Audit cycle will resume.</p> <p>8. Results from Vendor Management's monthly ad hoc monitoring of NOA Deferral letter compliance will be presented to the Plan's QI Workgroup; and subsequently to the Plan's QIUM Committee. Additionally, the Annual Oversight Audit results are presented to the Management Oversight Meeting (MOM), QIUM Committee, and RHA Commission.</p>			<p>remediate the issue through a corrective action Plan. Delegate's action plan was to implement a system update to enhance the extension process to include specific missing information in the notice to both the member and provider. (Evotent CAP_Mbr Notice Noncomp</p> <p>» Updated Letter Audit checklist was updated to monitor whether deferral NOAs incorporate the additional information needed (CA Comp Ltr Audit Chklist)</p> <p>» Evotent Case Extension Monitoring Report March 2025 and Evotent Case Extension Validation Report March 202 demonstrate Adhoc monthly reports for extension monitoring have been implemented. Monitoring reports will be presented at the upcoming May 13, 2025 Management Oversight Meeting (MOM), and the May 15, 2025 QI Committee meeting. (Evotent Case Extension Validation Report_MAR 2025_CalViva, Evotent Case Extension Monitoring Report_MAR 2025_CalViva)</p> <p><b>The corrective action plan for finding 1.2.1 is accepted.</b></p>

6. Administrative and Organizational Capacity

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * <small>(*Short-Term, Long-Term)</small>	DHCS Comments
<p><b>6.2.1 Fraud, Waste, and Abuse Reporting</b></p> <p>The Plan did not ensure that all preliminary reports of suspected FWA were reported to DHCS within ten working days.</p>	<ol style="list-style-type: none"><li>1. Revised procedures "CO-005 Fraud and Abuse Prevention Detection Investigation".</li><li>2. Revised Annual Fraud, Waste and Abuse Audit Tool to include monitoring of the 10-day TAT.</li><li>3. Revised "Monthly Fraud, Waste and Abuse Tracker" to track 10-day TAT. Tracking Logs will be reviewed monthly to ensure all submissions were timely.</li><li>4. Conduct Annual Fraud, Waste and Abuse Oversight Audit.</li><li>5. Results from the monthly monitoring will be presented to the Plan's Compliance Committee; and the results from the Annual Audit will be presented to the Compliance Committee, QIUM Committee, and the RHA Commission.</li></ol>	<ol style="list-style-type: none"><li>1. "CO-005 Fraud and Abuse Prevention Detection Investigation".</li><li>2. Annual Fraud Waste &amp; Abuse Audit Tool Jan 2024-Dec 2024</li><li>3. "Monthly CalViva Health 2024 Fraud Waste Abuse Tracker"</li><li>4. "Annual Fraud Waste &amp; Abuse Audit Tool" Meeting reports and minutes</li></ol>	<ol style="list-style-type: none"><li>1. 11/1/2024</li><li>2. 11/1/2024</li><li>3. 11/1/2024</li><li>4. Q3 2025 (MY2024/RV2025) On-going according to meeting schedules</li></ol>	<p>The following documentation supports the MCP's efforts to correct this finding:</p> <p><b>POLICIES AND PROCEDURES</b></p> <p>» Plan Policy "Fraud, Waste and Abuse Prevention, Detection and Investigation" Procedure #CO-005 (revised 10/30/2024) was revised to include language that the Plan will promptly report any suspected FWA to the DHCS within ten working days from the Discovery Notice date. The Plan will submit a Completed Investigation Report to DHCS within ten working days from the completion of the FWA investigation. (CO-005 Fraud and Abuse Prevention Detection Investigation (Rev. 10/30/24), page 6, Section D, 2.2 through 2.6)</p> <p>» The Plan's Health Compliance Committee meets quarterly to review and report FWA cases within the quarter. A "Report Summary to Committee" is prepared with FWA case information and detailed summaries of each case. Results are then presented to the Plan's Compliance Committee. (Q3 2024 FWA Report)</p> <p><b>MONITORING AND OVERSIGHT</b></p>

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
				<p>» The Plan provided an updated monthly tracking log identifying columns to track FWA and timely reporting: "SIU Discovery Date," "Received Date from SIU," "MC609 Filing Date", and "Preliminary Report Work Days." The tracking log addresses the gap that contributed to the audit finding. (Monthly CalViva Health FWA Tracker_Updated)</p> <p>» The Plan revised its Annual Fraud, Waste, and Abuse Oversight Tool to include audits of MC609s and include evidence of reporting within 10 working days of notice or discovery. Results from the Annual Audit are then presented to the QIUM Committee and the RHA Commission. (Annual FWA Audit Tool (Redlined), Page 6)</p> <p><b>The corrective action plan for finding 6.2.1 is accepted.</b></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:** Mary Lourdes Leone

**Title:** Chief Compliance Officer

**Signed by:** [Signature on file]

**Date:** 11/05/2024

