CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES
Michelle Baass | Director

May 19, 2025

Sharrah White, Director of Regulatory Affairs
Senior Care Action Network Health Plan
3800 Kilroy Airport Way, Suite 100
Long Beach, CA 90806

Via E-mail

RE: Department of Health Care Services Medical Audit

Dear Ms. White:

The Department of Health Care Services (DHCS), Audits and Investigations Division conducted an on-site Medical Audit of Senior Care Action Network Health Plan, a Managed Care Plan (MCP), from June 3, 2024 through June 7, 2024. The audit covered the period from March 1, 2023, through February 29, 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)

Enclosures: Attachment A (CAP Response Form)

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

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

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

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

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

ATTACHMENT A

Corrective Action Plan Response Form

Plan: SCAN Health Plan

Review Period: 03/01/2023 – 02/29/2024

Audit: Medical Audit

On-site Review: 06/03/2024 – 06/07/2024

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
1.1.1 Qualified Staff of Utilization Management Program The Plan did not ensure that the UM Director met qualification requirements, including RN licensure in California.	The plan's Utilization Management (UM) Department has taken the following corrective actions: » The UM Director obtained a California nursing license. » Updated the UM Director job description to include the requirement of a California nursing license. » Implemented an annual license validation report. This annual validation license report will be monitored and reported as a metric at the November 19th Enterprise Compliance Committee (ECC) Meeting.	1.1.1_Health Care Professional Current and Unrestricted License.pdf 1.1.1_Dir Value-based UM JD.pdf 1.1.1_UM Licenses_092024.xlsx 1.1.1_CA Nursing License Amanda Schneider.pdf	9/27/2024 11/19/24	The following documentation supports the MCP's efforts to correct this finding: » Director, Value Bases Utilization Management Job description was updated to require a California RN license. (1.1.1_HCS113_Director Value-based Utilization Management) » CA RN License for UM Director demonstrates the MCP's UM Director has a California Registered Nursing License. (1.1.1_CA Nursing License XXXXXX) **MONITORING** » 11/19/24 ECC Meeting and Clinical license Verification Report demonstrate the MCP is monitoring the licenses of its UM staff. (1.1.1_Clinical Licenses Verification UM Sept 2024, 1.1.1_11.19.24 ECC CAP Updates) **The corrective action plan for finding 1.1.1 is accepted**.
1.3.1 Timely Acknowledgment of Appeals	As a corrective action, the plan's Grievance and Appeals Department (GAD) has implemented a report to monitor appeal acknowledgments.	1.3.1_Medi-Cal Appeal Process_Std-Exp.pdf	6/3/2024	The following documentation supports the MCP's efforts to correct this finding: **POLICIES AND PROCEDURES**

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
The Plan did not provide members with appeal acknowledgment letters within five calendar days.	» Initially, the Appeal Acknowledgment Report was sent twice a week to identify all grievances and appeals with a due date but without an acknowledgment mailed date. » The distribution frequency has been increased to daily until the grievance oversight process can be fully automated.	1.3.1 Appeal Acknowledgment Report (example).pdf		» Standard Appeals DTPs have been updated to include the 5 day timeframe for providing members acknowledgement letters for appeals. (1.3.1 Integrated DSNP Standard Part C Pre-Service Appeal Process DTP, 1.3.1 Integrated DSNP Standard Part C Post-Service Appeal Process DTP) **MONITORING** » The MCP demonstrates that it deployed a monitoring process prevent non-compliance in the area of acknowledgement letter timeframes by creating an Appeal Acknowledgment Report that tracks grievance and appeals acknowledgment due dates. Report distribution changed from being sent twice a week to being sent daily to identify any potential errors prior to the due date. (1.3.1 Appeal Acknowledgment Report) **The corrective action for finding 1.3.1 is accepted.**
1.3.2 Translation of Member Appeal Notice Letters The Plan did not provide fully translated appeal	The plan's Grievance and Appeals Department (GAD) has implemented the following corrective action: » The Spanish letter template received Compliance approval on June 10, 2024, and has been in use since then.	1.3.2_Spanish Translation Request DTP.pdf 1.3.2 (71476) DSNP INT APPEAL Uphold_Partial OT	6/10/2024	The following documentation supports the MCP's efforts to correct this finding: **POLICIES AND PROCEDURES** » "Spanish Letter Template" as evidence that the MCP has a Spanish-translated letter notice. The Spanish letter template was approved

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
notices in the member's required language.		Closure SP - Gen.pdf		by the MCP's Compliance for use on 6/10/2024 and has been in use since that date. (DSNP INT APPEAL). » Updated Desktop Procedure, "Spanish Letter Translation Request" (July 2024) as evidence that the MCP has updated the list of email recipients for request for Spanish translation. (Spanish Translation Request DTP). **TRAINING** » Meeting Agenda, "Appeals Team Meeting" (06/27/24) in which the MCP conducted staff training on translation requests. Training on translation requests is provided for new employees and for the department when there are any changes or updates made. The last training was provided on 6/27/24 as part of the Audit Updates/Reminders. (Appeals Meeting Agenda). **MONITORING AND OVERSIGHT** » Excel Spreadsheet, "Decision Reason Weekly Report" (11/04/24, 11/11/24, 11/18/24) as evidence that the MCP has implemented a monitoring process to track that appeal notices are fully translated in the member's required language. The MCP has implemented a weekly report that identifies all cases that meet the report parameters. All cases are quality reviewed to demonstrate compliance. (Decision Reason Weekly Report). **The corrective action plan for finding 1.3.2 is accepted.**

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
1.3.3 Decision Reasons in Notices of Appeal Resolution The Plan did not include reasons for its decisions in appeal resolution notices.	The plan's Grievance and Appeals Department (GAD) has taken the following corrective actions: » Reviewed the Medi-Cal appeals policy for accuracy. » Briefed and coached the staff handling appeals on the findings and processes. Additionally, GAD will implement these corrective actions: » Establish a new process to review all appeal cases closed in the previous week, along with the letters used to close them. » The auditor conducting the review will keep records of the number of letters reviewed post-closure, document any findings, and ensure all letters adhere to guidelines.	1.3.3_Medi-Cal Medical Appeal Process.pdf 1.3.3_Appeals Meeting Agenda 06_27_24.pdf	6/27/2024 11/1/2024	The following documentation supports the MCP's efforts to correct this finding: **PROCEDURES** » Desktop Procedure, "Medi-Cal Medical Appeal Process" (06/27/24) demonstrates the MCP has included a reason insert in their Draft Appeals Standard Resolution Closure Letter (Page 76). » Desktop Procedure, "Integrated DSNP Standard Part C Pre-Service Appeal Process" (05/06/24) demonstrates the MCP has developed a Desktop Procedure that outlines the requirement for resolution letters to provide a clear and concise explanation of the reasons behind the decision. **MONITORING** » Audit Tool, "Pre-Closure Audit Tool" (09/05/24) has created a tool to capture if resolution letters include the reasons for its decision in appeal resolution notices. » Report, "Decision Reason Weekly Report" (01/10/25) demonstrates the MCP has implemented a new process to review all appeal cases closed in the previous week, including the letters used for closure. The auditor responsible for the weekly review will document the number of letters examined after closure, note any findings, and

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				verify that all letters comply with the established guidelines. To date, there have been no specific appeal cases to report. The report will include the decision reason in the "Plan Description 1" field as confirmation. **TRAINING** » Team Meeting, "Appeals Team Meeting" (06/27/24) demonstrates the MCP met with the Appeals Team to discuss the finding and the Medi-Cal Medical Appeal Process Desktop Procedure. **The corrective action plan for finding 1.3.3 is accepted.**

3. Access and Availability of Care

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
3.8.1 Enrollment of Transportation Providers The Plan did not ensure contracted NEMT and NMT providers were enrolled in the Medi-Cal program.	The plan's Product team has taken the following corrective actions: » Updated the oversight policy to include additional oversight practices and reviews. » Implemented a monthly oversight process to review all transportation providers. » Created a desktop resource for the transportation broker oversight process. » Established and continue to hold oversight meetings on a monthly and quarterly basis.	3.8.1_Transport Broker Oversight DTP.pdf 3.8.1_Transportation Meetings 2024	9/2/2024	The following documentation supports the MCP's efforts to correct this finding: **POLICIES AND PROCEDURES** » Plan procedure "Transport Broker Oversight DTP" was updated to reflect additional oversight practices & review. Revisions included the Plan implementing a monthly oversight process to review all transportation providers. If a deficiency is identified, the Plan will take action to correct the issue & a CAP will be issued if continued non-compliance. (Procedure, 1. – 4., pages 1-2) **MONITORING AND OVERSIGHT** » Plan procedure "Transport Broker Oversight DTP" demonstrates the Plan's oversight process. The Plan reviews all transportation providers with its transportation broker on a monthly basis. The Plan & broker review transportation data for trends, utilization, provider network and/or issues regarding NEMT or NMT services. (3.8.1_Transport Broker Oversight DTP, Procedure, 1. – 4., pages 1-2) » Oversight meetings have been executed and continue on a monthly/quarterly cadence as evidenced on the Transportation Meetings document. A monthly oversight process to include the

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
				review of all transportation providers utilized. (3.8.1 Transportation Meetings 2024 and Transport Broker Oversight DTP) **The corrective action plan for finding 3.8.1 is accepted.**

5. Quality Management

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
5.1.1 Management of Potential Quality Issues The Plan did not fully investigate and take effective action to address needed improvements in the quality of care delivered by its providers.	The plan's Quality of Care (QOC) Team has taken the following corrective actions: » Reviewed and updated relevant policies and desktops. » Provided training for the QOC Team on the Initial Investigation Days 1-5 and CRTT Referral. » Implemented prospective oversight and review of cases using a QOC process tracker. » Established a Peer Review Committee (PRC) Corrective Action Monitoring Tracker.	5.1.1_PQI Adverse Event Policy.pdf 5.1.1_PRC Policy.pdf 5.1.1_CRT Policy.pdf 5.1.1_QOC Initial Investigation DTP.xlsx 5.1.1_QOC Process Oversight Tracker.xlsx 5.1.1_QOC CAP Tracker.xlsx 5.1.1_QOC Training_Audit Findings.pdf 5.1.1_QOC Training _CRTT	10/7/24	The following documentation supports the MCP's efforts to correct this finding: **POLICIES AND PROCEDURES** » QM-0023 Potential Quality Issues: Adverse Event and Quality of Care Investigations (9/10/24): Establishes severity codes and criteria for investigative process, including care/treatment provided/not provided, delay in diagnosis, and provider negligence. Requires the creation of separate QOC cases for each provider identified in a single grievance. Cases are referred to the Medical Director to review the case and assign severity level. Options include educational opportunities and corrective action. Moderate/severe QOC cases are referred to Peer Review Committee for final determination. » Clinical Resource Triage Policy (6/21/23) outlines processes for the receipt and management of member issues related to delays in access to care/services and/or safety issues. » QM-014 Peer Review Committee (9/10/24)

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		Referral Process.pdf 5.1.1_QOC Audit Tool.xlsx 5.1.1_QOC Post Audit Results.xlsx 5.1.1_QOC ECC Report.pdf 5.1.1_PRC Charter.pdf 5.1.1_PRC Minutes_Post Audit.pdf 5.1.1_QOC Org Structure.pdf		Outlines processes and function of the PRC relating to potential medical disciplinary issues, including terminations, restrictions, suspensions or non-renewal of provider contracts. QOC issues are identified by external and internal sources, complaints, and UM referrals, etc. Committees includes medical directors and participating network providers. QOC grievances can be referred for clinical review and investigation. Severity levels and course of action are determined. CAP process is outlined, including monitoring CAP responses, presentation of case to PRC for approval and/or further action, cases are documented in electronic system. » QOC Initial Investigation DTP Outlines investigation process requires the creation of separate cases for each provider discussed in a single grievance. **TRAINING** » QOC Training – Audit Findings (QOC Team) QOC team reviewed cases outlined in the audit verification study. Takeaway – scrutinize providers mentioned in the grievance and consult as needed to determine if requires creation of a new case. » QOC CRTT Referral Process Training (QOC Team)

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
				Reviewed verification studies identified in the audit report, reviewed processes and identified root causes that contributed to non-compliance. **MONITORING AND OVERSIGHT** » Process Oversight Tracker Plan requires all QOC grievances to be reviewed. All affiliated providers/provider types involved are identified and separate cases opened. » PRC CAP Tracker template » QOC Audit Tool Sample Categories include identity of all providers involved. Review and assessment for potential referrals. Documentation of clinical investigation. Severity levels. Peer review cases. System fields are filled out completely, no missing information. » QOC Post Audit Results (monthly). Internal audits demonstrate all providers involved were identified and separate cases opened. » Delegated Entity Oversight – Shearwater Health Q2 and Q3 2024

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
				» EEC Audit Report Delegated entity oversight – clinical review audit. Identify issues of non-compliance or other concerns. » PRC Meeting Minutes from 6/25/24 7/23/24 and 8/27/24 as evidence of case review/severity leveling/direction. **The corrective action plan for finding 5.1.1 is accepted.**

*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: Elizabeth Cordova

Title: Medicare Compliance Officer

Signed by: [Signature on file]

Date: October 24, 2024