

July 2, 2024

Christy Bosse
Vice President & Compliance Officer
Health Net of California, Inc.
11971 Fountain Pl, Building D
Rancho Cordova, CA 95670

**2022 HEALTH NET OF CALIFORNIA, INC. DENTAL PLAN AUDIT –
CORRECTIVE ACTION PLAN**

Dear Ms. Bosse:

The Department of Health Care Services (DHCS) issued a Notice of Deficiency on March 13, 2024, to Health Net of California, Inc. (Health Net) in response to the 2022 Health Net Dental Plan Audit, conducted by the DHCS Audits and Investigations Division. Health Net submitted a Corrective Action Plan (CAP) to DHCS on April 12, 2024. DHCS responded to Health Net's CAP on May 10, 2024.

Health Net submitted the complete second CAP response to DHCS on June 11, 2024, in response to outstanding CAP findings within 32 calendar days, respectively, after the May 10, 2024 DHCS response.

On the enclosed CAP Response Form, DHCS reviewed and responded to each of the outstanding CAP findings. For any CAP that is not closed, please complete the CAP Response Form and submit supporting documentation organized in separate electronic folders that are clearly labeled by corresponding finding number (e.g., 1.1.1, 1.1.2, etc.).

The Dental Managed Care (DMC) plan is required to submit a CAP in response to outstanding findings identified in the report within 30 calendar days of the date of this letter.

DMC plans are required to complete CAPs within six (6) months of receiving notice of findings from DHCS. Plans are required to provide a monthly status update to DHCS utilizing the CAP Response Form and provide supporting CAP documentation until the CAP is completed. The DMC plan must demonstrate to DHCS ongoing active progress toward implementation of the CAP within the monthly status update, including key milestones, date(s) of milestone completion, and the expected date of when full compliance will be achieved. DHCS will monitor the plan's progress toward full CAP The



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CAP Response Form must be signed by the DMC Plan's Project Representative. The CAP Response Form and corresponding supporting documentation should be submitted to dmcdeliverables@dhcs.ca.gov.

If you have any questions regarding this notice, please contact DHCS at dmcdeliverables@dhcs.ca.gov.

Sincerely,

Original signed by:

Adrianna Alcala-Beshara, JD, MBA
Chief, Medi-Cal Dental Services Division
Department of Health Care Services

Enclosure:
CAP Response Form

Corrective Action Plan Response Form



DMC Plan: Health Net of California, Inc.

Audit Type: Department of Health Care Services Dental Audit

Review Period: 4/1/2021 – 3/31/2022

On-Site Review: 3/21/2022 – 4/1/2022

The Medi-Cal Dental Managed Care (DMC) plan is required to submit a corrective action plan (CAP) within 30 calendar days. The CAP response must include completion of the prescribed columns below to include a description of the corrective action, a list of all supporting documentation submitted, and the CAP implementation date. For systemic deficiencies that may be reasonably determined to require long-term corrective action for a period longer than 30 days to fully remediate or operationalize, the DMC plan must demonstrate that sufficient progress has been made toward implementation of the CAP. In those instances, the DMC plan is required to include the dates for key milestones as well as when full compliance will be achieved. CAP reporting on the deficiency(ies) will continue through demonstrative compliance.

The Dental Managed Care Unit of the Department of Health Care Services will maintain close communication with the DMC plan throughout the CAP review process and provide technical assistance as needed.

1. Utilization Management

| Finding Number and Summary | Action Taken | Supporting Documentation | Implementation Date | DHCS Comments |
|---|---|---|---------------------|---|
| 1.3.1 Appeal Procedures The Plan did not utilize the DHCS Notice of Appeal (NAR) template for | Health Net has taken the following steps to correct this deficiency: » Health Net A&G updated NAR templates to include | » Policy and Procedures – Member Appeals and Grievances | | 5/10/2024: On the Policy and Procedure – Member Appeals and Grievances, the definition for |



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| appeals that are overturned or upheld. | <p>"Overturn" and "Upheld" per DHCS templates.</p> <p>» Health Net updated the existing Policies and Procedures to reflect the changes to the new protocol. Liberty's denial rationales were replaced with Health Net specific denial rationales.</p> <p>6/10/2024: CA.AG.50 Medi-Cal Dental P&P has been updated to include APL 22-006, definition for NAR.</p> <p><small>Health Net has issued <authorization number> for <requested service/supply>, with <provider name, address & telephone number>. This authorization is valid for <number of days the service is authorized>, from <begin & end dates>.</small></p> <p>Templates were updated. Please note this paragraph remains in the overturn templates as this was previously approved in November 2022.</p> | <p>» LA County Dental NAR Overturn Template</p> <p>» LA County Dental NAR Uphold Template</p> <p>» Sacramento County Dental NAR Overturn Template</p> <p>» Sacramento County Dental NAR Uphold Template</p> | | <p>Notice of Appeal Resolution should include Dental APL 22-006. The Plan's submitted LA County and Sacramento County Dental NAR Uphold and Overturn documents are not using the DHCS templates in APL 22-006. Please submit updated Dental NAR Uphold and Overturn documents using the DHCS NAR template.</p> <p>7/2/2024: The plan submitted a revised policy and procedure document adding information from APL 22-006 and ensured the DHCS NAR template is</p> |

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| | | | | <p>used for the member appeal process. Updated templates for "overturn" and "upheld" were submitted and approved.</p> <p>DHCS closes this CAP effective June 10, 2024. The Plan does not need to provide further documentation for finding 1.3.1.</p> |
| <p>1.3.2 Notice of Appeal Resolution (NAR)</p> <p>The NARs did not contain relevant information in the explanation of the Plan's decision.</p> | <p>Health Net has taken the following steps to correct this deficiency:</p> <ul style="list-style-type: none"> » Health Net created a denial rationale master excel file specific for Health Net's Dental Managed Care Program's line of business. | <ul style="list-style-type: none"> » Denial Rationales » DHCS Medi-Cal Dental CAP Refresher Training » DHCS Medi-Cal Dental CAP Refresher Training – | | <p>5/10/2024: The Plan submitted documentation that does not address the A&I recommendation. Please submit SOPs that demonstrate a quality assurance process that mitigates errors on the letters to ensure</p> |

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| | <ul style="list-style-type: none"> » Health Net A&G completed refresher training on denial rationales. » Health Net prepared a calendar timeline to plan what type of oversight/monitoring will be used to ensure letters are compliant. » Health Net communicated the changes with Director of Quality at Liberty to determine a deployment date in 2023. <p>6/10/2024: The A&G Case Coordinators have been trained to identify any discrepancies between the initial denial and the appeal outcome and have processes and workflows in place to consult with the</p> | <p>Attendance Report</p> <ul style="list-style-type: none"> » Performance Monitoring of Member Letters » 2023 Liberty Validation Audit | | <p>that the NAR contains accurate information. Also, please also submit the procedure code list that is being utilized to create the NARs.</p> <p>7/2/2024: The original finding is the NARs did not contain relevant information in the explanation of the Plan's decision. The Plan's response is "we will complete a focused dental appeal audit for the next 30 days to evaluate language within the appeal letter outcomes." Please submit appeal audit results to DHCS for review. Additionally, please also submit the</p> |

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| | <p>A&G Dental Director for correction if needed. In addition, the A&G Final Letter Audit team conducts sampling of resolution letters prior to case closure. This sampling includes validating appeal rationales vs what was initially denied ensuring that accurate information is properly documented. Feedback is provided in real time for any necessary corrections. Refer to CA.AG.27-AG Evaluation Procedure-Final Letter Review P&P. We will complete a focused dental appeal audit for the next 30 days to evaluate language within the appeal letter outcomes.</p> | | | <p>procedure code list that is being utilized to create the NARs to DHCS for review. Finding 1.3.2 will not be closed until documentation is received from the Plan.</p> |

2. Case Management and Coordination of Care

| Finding Number and Summary | Action Taken | Supporting Documentation | Implementation Date | DHCS Comments |
|---|--|--|---------------------|---|
| 2.1.1 Initial Health Screening The Plan did not ensure that all new members received initial health assessments within 90 days of enrollment. | Health Net has taken the following steps to correct this deficiency: <ul style="list-style-type: none"> » Health Net updated the Initial Oral Health Assessment Standard Operating Procedure. Policy was approved by DHCS on 3/8/2023. » Health Net reviewed and updated the Oral Health Information Form. Form was approved by DHCS on 3/8/2023. » Health Net updated the New Member | <ul style="list-style-type: none"> » Approved Standard Operating Procedure – Initial Health Information Process » Health Net sample GMC welcome packet » Q2 2023 Quarterly reporting – Initial Oral Health Risk Assessment Report | | The Plan submitted Initial Health Information Process Standard Operating Procedure and new welcome package with initial Oral Health Assessment form demonstrating that Health Net has developed and implemented policies and procedures to ensure that all new members receive an initial health assessment within 90 days of enrollment. Additionally, quarterly reporting was updated to include data to ensure that follow-up and outreach is completed if an OHRA form is not received. |

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| | <p>Welcome Package to include the initial Oral Health Assessment form.</p> <p>» Health Net revised the quarterly reporting to ensure follow-up and outreach to members if an OHRA form is not received.</p> | | | DHCS closes this CAP effective April 12, 2024. The Plan does not need to provide further documentation for finding 2.1.1. |
| <p>2.1.2 Initial Health Screening Changes</p> <p>The Plan did not report changes to their initial screening policy to DHCS within ten calendar days of any changes, and annually no later</p> | <p>Health Net has taken the following steps to correct this deficiency:</p> <p>» Health Net updated the Initial Oral Health Information Process Standard Operating</p> | <p>» Approved Standard Operating Procedure – Initial Health Information Process</p> <p>» Internal deliverable confirmation</p> | | The Plan submitted Initial Health Information Process Standard Operating Procedure and internal deliverable confirmation demonstrating that Health Net has developed and implemented a |

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| than 30 days after the first day of every calendar year. | <p>Procedure to include steps to submit any revisions to the policy to DHCS within 10 days and annually no later than 30 days after the first day of every calendar year</p> <p>» Health Net updated its internal process with an annual Dental Deliverable to submit Initial Oral Health Assessment Forms & Policies no later than 30 days after the first of every calendar year.</p> | | | <p>process to ensure reporting of any changes to initial health assessment or screening policies to DHCS within ten calendar days and annually after the first day of every calendar year and monitoring of the delegated entity.</p> <p>DHCS closes this CAP effective April 12, 2024. The Plan does not need to provide further documentation for finding 2.1.2.</p> |

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| <p>2.2.1 Special Health Care Needs (SHCN) and Children with Special Health Care Needs (CSHCN)</p> <p>The Plan did not implement mechanisms to identify, assess and treat members with SHCN or CSHCN.</p> | <p>Health Net has taken the following steps to correct this deficiency:</p> <ul style="list-style-type: none"> » Updated Initial Oral Health Assessment Forms and submitted to DHCS for approval. » Updated Policies to outline the following: <ul style="list-style-type: none"> ○ How the Plan identifies members with special needs ○ How the Plan assesses and treats members | <ul style="list-style-type: none"> » Oral Health Assessment Forms (adult and children) » Approved Standard Operating Procedure: CA Outreach Process for C/SHCN and LTC Members » Approved Standard Operating Procedure: Oral Health Information Process » Policies and Procedures: Coordination of Dental Services | | <p>The Plan submitted Oral Health Assessment Forms for adult and children, CA Outreach Process for C/SHCN and LTC Members, Oral Health Information Standard Operating Procedure and Coordination of Dental Services policies and procedures demonstrating that Health Net has developed and implemented policies and procedures to identify, assess, and treat members with SHCN and CSHCN.</p> <p>DHCS closes this CAP effective April 12, 2024. The Plan does not need to provide further</p> |

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| | <ul style="list-style-type: none"> ○ Workplan a full circle from identifying members to treatments | | | documentation for finding 2.2.1. |

4. Member's Rights

| Finding Number and Summary | Action Taken | Supporting Documentation | Implementation Date | DHCS Comments |
|---|---|--|---------------------|--|
| 4.1.1 Grievance Resolution Decision The Plan's QOC resolution letters did not contain a clear and concise explanation of the Plan's decision. | <ul style="list-style-type: none"> » The Plan updated QOC Dental letter templates. » The Plan provided training to staff that included processes and procedures to ensure that QOC resolution letters contain clear and | <ul style="list-style-type: none"> » Slide Deck of training » Grievance Quality of Care QOC Dental | | 5/10/2024: The Plan submitted a slide deck of training showing examples of discrepancies on the QOC resolution letters. Has there been a training on how to write QOC resolution letters to show a clear and concise explanation of decisions? If so, please submit supporting documents. Can you |

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| | <p>concise explanation of the Plan's decision.</p> <p>» The Plan audits all A&G cases for Final Letter Resolution monthly.</p> <p>6/10/2024: A&G continues to conduct training on writing resolution letters at least twice a year, which includes clear and concise explanation of decisions. Most recent resolution letter training was conducted May 14, 2024, and QOC Training was conducted March 22, 2023. Next QOC training is tentatively</p> | | | <p>please also submit revised SOPs that reflect language to ensure the QOC resolution letters contain a clear and concise explanation of decisions.</p> <p>7/2/2024: Per the Plan, the most recent resolution letter training was conducted May 14, 2024, and QOC Training was conducted March 22, 2023.</p> <p>Per the Plan, the next QOC training is tentatively scheduled for Q3/2024 and will include how to write clear and concise resolution letters. The Plan previously submitted a slide deck of training</p> |

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| | <p>scheduled for Q3/2024, it will include how to write clear and concise resolution letters. Please note one member complaint may have multiple components that may be addressed individually within different case files. Our policies already indicate that outcomes must be clear and concise. Any outcome that can be disclosed to the member will be and if the Dental Director indicates specific actions to be taken, this information will also be disclosed in the resolution letter.</p> | | | <p>showing examples of discrepancies on the QOC resolution letters on April 12, 2024.</p> <p>DHCS closes this CAP effective June 10, 2024. The Plan does not need to provide further documentation for finding 4.1.1.</p> |

5. Quality Management

| Finding Number and Summary | Action Taken | Supporting Documentation | Implementation Date | DHCS Comments |
|---|---|--|---------------------|---|
| <p>5.3.1 Provider Training Time Frame</p> <p>The Plan did not ensure newly contracted providers received training within ten business days of being placed on active status.</p> | <p>Health Net has taken the following steps to correct this deficiency:</p> <ul style="list-style-type: none"> » Health Net updated policies and procedure to outline the following: <ul style="list-style-type: none"> ○ Newly contracted providers received training within ten business days of being placed on active status. Attestation process. ○ How the Plan will perform follow-up procedures | <ul style="list-style-type: none"> » Policies and Procedure – Provider Orientations » Attestation of new provider form » Network Activity Report <p>6/10/2024:</p> <ul style="list-style-type: none"> » Policy “NM PP – Provider Orientations – California” (forthcoming) » Training Log (forthcoming) » Attestation of New Provider Orientation Form_Final | | <p>5/10/2024: The Plan’s submitted Provider Orientations Policy and Procedure is not in compliance with APL 13-014. The Plan’s Provider Orientations Policies and Procedure states, “Any Provider without a signed orientation attestation will not be submitted for activation within the network.” Pursuant to APL 13-014, “Contractor shall conduct training for all providers within ten (10) business days after the Contractor places a newly contracted provider on active status.” Please develop and implement policies</p> |

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| | <p>with the providers who did not attend the provider training.</p> <p>» Revised quarterly reporting.</p> <p>6/10/2024: Health Net updated the provider attestation form to include the provider signature date which indicates the date the provider completed the training. Policy “NM PP – Provider Orientations – California” was updated to ensure training for all new providers is completed within ten business days.</p> | | | <p>and procedures to ensure training for all new providers within ten business days, pursuant to APL 13-014, and provide updated SOPs and supporting documentation. Additionally, please provide a log of providers that completed the training, including the date that the training was completed.</p> <p>The Plan submitted the attestation of new provider form. Please clarify on the form the intent of the Date section. Currently, it looks like the Provider Signature date.</p> |

| Finding Number and Summary | Action Taken | Supporting Documentation | Implementation Date | DHCS Comments |
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| | | | | <p>7/2/2024: The Plan developed and implemented policy and procedures to ensure training for all new providers within ten business days. The Plan submitted the attestation of new provider form with date clarification, Training Log and Provider Orientations P&P.</p> <p>DHCS closes this CAP effective June 11, 2024. The Plan does not need to provide further documentation for finding 5.3.1.</p> |