

August 27, 2024

Health Net of California, Inc.
Christy Bosse, Vice President & Compliance Officer
21281 Burbank Blvd
Woodland Hills, CA 91367

2022 Health Net of California, Inc. Audit – CORRECTIVE ACTION PLAN CLOSE-OUT LETTER

Dear Ms. Bosse,

The Department of Health Care Services (DHCS) Audits and Investigations Division conducted an on-site audit of Health Net of California, Inc. (Health Net), a Medi-Cal Dental Managed Care (DMC) plan, from March 21, 2022, through April 1, 2022. The audit covered the review period of April 1, 2021, through March 31, 2022.

On March 13, 2024, DHCS issued a Notice of Deficiency to Health Net in response to the 2022 Health Net Audit. 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. On June 10, 2024, Health Net provided DHCS with additional information regarding its CAP. DHCS responded to Health Net's CAP on July 2, 2024. On July 31, 2024, Health Net provided DHCS with additional information regarding its CAP.

All items have been reviewed and DHCS accepts the DMC plan's submitted CAP. The CAP is hereby closed. Full implementation of the CAP and effectiveness of the interventions will be evaluated in the subsequent audit.

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: 04/01/2022 – 03/31/2022
On-Site Review: 03/21/2022 – 04/01/2022

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 appeals that are overturned or upheld.	Health Net 1st Submission: Health Net has taken the following steps to correct this deficiency: 1. Health Net A&G updated NAR templates to include "Overturn" and "Upheld" per DHCS templates. 2. Health Net updated the existing Policies and Procedures to reflect the changes to the new	1. Policy and Procedures – Member Appeals and Grievances 2. LA County Dental NAR Overturn Template 3. LA County		DHCS 1st Response: On the Policy and Procedure – Member Appeals and Grievances, the definition for 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.

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	<p>protocol. Liberty's denial rationales were replaced with Health Net specific denial rationales.</p> <p>Health Net 2nd Submission: 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>Dental NAR Uphold Template</p> <p>4. Sacramento County Dental NAR Overturn Template</p> <p>5. Sacramento County Dental NAR Uphold Template</p>		<p>DHCS 2nd Response: The plan submitted a revised policy and procedure document adding information from APL 22-006 and ensured the DHCS NAR template is 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</p> <p>The NARs did not contain relevant information in the explanation of the Plan's decision.</p>	<p>Health Net 1st Submission: Health Net has taken the following steps to correct this deficiency:</p> <p>1. Health Net created a denial rationale master excel file specific for Health Net's Dental Managed Care Program's line of business.</p> <p>2. Health Net A&G completed refresher training on denial rationales.</p>	<p>1. Denial Rationales</p> <p>2. DHCS Medi-Cal Dental CAP Refresher Training</p> <p>3. DHCS Medi-Cal Dental CAP Refresher Training – Attendance</p>		<p>DHCS 1st Response: 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 that the NAR contains accurate information. Also, please also submit the procedure code list that is being utilized to create the NARs.</p> <p>DHCS 2nd Response: The original finding is the NARs did not</p>

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	<p>3. Health Net prepared a calendar timeline to plan what type of oversight/monitoring will be used to ensure letters are compliant.</p> <p>4. Health Net communicated the changes with Director of Quality at Liberty to determine a deployment date in 2023.</p> <p>Health Net 2nd Submission: 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 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</p>	<p>Report</p> <p>4. Performance Monitoring of Member Letters</p> <p>5. 2023 Liberty Validation Audit</p> <p>6. 1.3.2 Focused A&G Dental Appeals Audit June 2024</p> <p>7. 1.3.2 NAR last edited denial rationales</p>		<p>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 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> <p>DHCS 3rd Response: The plan submitted their appeal audit results and the denial rationale for denied NARs demonstrating that Health Net implemented procedures to ensure the NAR contains relevant information.</p> <p>DHCS closes this CAP effective July 31, 2024. The Plan does not need to provide further documentation for finding 1.3.2.</p>

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	<p>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>Health Net 3rd Submission: See attached:</p> <ul style="list-style-type: none"> • 1.3.2 Focused A&G Dental Appeals Audit June 2024 • 1.3.2 NAR last edited denial rationales 			

2. Case Management and Coordination of Care

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date	DHCS Comments
<p>2.1.1 Initial Health Screening</p> <p>The Plan did not ensure that all new members received initial health assessments within 90 days of enrollment.</p>	<p>Health Net 1st Submission: Health Net has taken the following steps to correct this deficiency:</p> <ol style="list-style-type: none"> 1. Health Net updated the Initial Oral Health Assessment Standard Operating Procedure. Policy was approved by DHCS on 3/8/2023. 	<ol style="list-style-type: none"> 1. Approved Standard Operating Procedure – Initial Health Information Process 2. Health Net sample GMC 		<p>DHCS Response: 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</p>

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	<ol style="list-style-type: none"> 2. Health Net reviewed and updated the Oral Health Information Form. Form was approved by DHCS on 3/8/2023. 3. Health Net updated the New Member Welcome Package to include the initial Oral Health Assessment form. 4. Health Net revised the quarterly reporting to ensure follow-up and outreach to members if an OHRA form is not received. 	<ol style="list-style-type: none"> welcome packet 3. Q2 2023 Quarterly reporting – Initial Oral Health Risk Assessment Report 		<p>data to ensure that follow-up and outreach is completed if an OHRA form is not received.</p> <p>DHCS closes this CAP effective April 12, 2024. The Plan does not need to provide further documentation for finding 2.1.1.</p>
<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</p>	<p>Health Net Submission: Health Net has taken the following steps to correct this deficiency:</p> <ol style="list-style-type: none"> 1. Health Net updated the Initial Oral Health Information Process Standard Operating Procedure to include steps to submit any revisions to 	<ol style="list-style-type: none"> 1. Approved Standard Operating Procedure – Initial Health Information Process 2. Internal deliverable 		<p>DHCS Response: The Plan submitted Initial Health Information Process Standard Operating Procedure and internal deliverable confirmation demonstrating that Health Net has developed and implemented a 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</p>

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of any changes, and annually no later than 30 days after the first day of every calendar year.	<p>the policy to DHCS within 10 days and annually no later than 30 days after the first day of every calendar year</p> <p>2. 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>	confirmation		<p>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>
<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 Submission: Health Net has taken the following steps to correct this deficiency:</p> <ol style="list-style-type: none"> 1. Updated Initial Oral Health Assessment Forms and submitted to DHCS for approval. 2. Updated Policies to outline the following: <ol style="list-style-type: none"> a. How the Plan identifies members with special needs b. How the Plan assesses and treats members c. Workplan a full circle 	<ol style="list-style-type: none"> 1. Oral Health Assessment Forms (adult and children) 2. Approved Standard Operating Procedure: CA Outreach Process for C/SHCN and LTC Members 3. Approved Standard Operating Procedure: Oral 		<p>DHCS Response: 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. DHCS closes this CAP effective April 12, 2024. The Plan does not need to provide further documentation for finding 2.2.1.</p>

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	from identifying members to treatments	Health Information Process 4. Policies and Procedures: Coordination of Dental Services		

4. Member's Rights

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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.	Health Net 1st Submission: 1. The Plan updated QOC Dental letter templates. 2. The Plan provided training to staff that included processes and procedures to ensure that QOC resolution letters contain clear and concise explanation of the Plan's decision. 3. The Plan audits all A&G cases for Final Letter Resolution monthly. Health Net 2nd Submission:	1. Slide Deck of training 2. Grievance Quality of Care QOC Dental		DHCS 1st Response: 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 please also submit revised SOPs that reflect language to ensure the QOC resolution letters contain a clear and concise explanation of decisions. DHCS 2nd Response: Per the Plan, the most recent resolution letter training was conducted May 14, 2024, and QOC Training was conducted March 22, 2023. Per the Plan, the next QOC training is tentatively

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	<p>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 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,</p>			<p>scheduled for Q3/2024 and will include how to write clear and concise resolution letters. The Plan previously submitted a slide deck of training 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>

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	this information will also be disclosed in the resolution letter.			

5. Quality Management

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5.3.1 Provider Training Time Frame The Plan did not ensure newly contracted providers received training within ten business days of being placed on active status.	Health Net 1st Submission: Health Net has taken the following steps to correct this deficiency: 1. Health Net updated policies and procedure to outline the following: a. Newly contracted providers received training within ten business days of being placed on active status. Attestation process. b. How the Plan will perform follow-up procedures with the providers who did not attend the provider training.	1. Policies and Procedure – Provider Orientations 2. Attestation of new provider form 3. Network Activity Report 4. Policy “NM PP – Provider Orientations – California” (forthcoming) 5. Training Log (forthcoming)		DHCS 1st Response: 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 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.

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	<p>2. Revised quarterly reporting.</p> <p>Health Net 2nd Submission: 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> <ul style="list-style-type: none"> • Policy "NM PP – Provider Orientations – California" (forthcoming) • Training Log (forthcoming) • Attestation of New Provider Orientation Form_Final 	<p>6. Attestation of New Provider Orientation Form_Final</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> <p>DHCS 2nd Response: 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>

Submitted by: Maria G Rodriguez
Title: Senior Compliance Analyst
Date: 7/31/2024