CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES
Michelle Baass | Director

August 3, 2026

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

RE: Department of Health Care Services Focused Medical Audit

Dear Ms. White:

The Department of Health Care Services (DHCS), Audits and Investigations Division conducted a Focused Audit of Senior Care Action Network Health Plan, a Managed Care Plan (MCP), from June 5, 2023 through June 16, 2023. The focused audit covered the period from March 1, 2022, through February 28, 2023.

DHCS is closing this Corrective Action Plan (CAP) based on the corrective actions submitted and accepted. As standard practice, DHCS will reassess these areas during subsequent audit cycles to ensure sustained compliance and evaluate implementation over time. DHCS acknowledges the Plan's continued efforts to implement the corrective actions from identified non-compliance in the audit. As DHCS issues updated policy guidance, the Plan must ensure all activities remain aligned with current requirements, including forthcoming updates to Transportation policy and the Behavioral Health Data Exchange expectations outlined in APL 26-004. 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]

Dennis Hsieh, Chief
Managed Care Quality and Monitoring Division (MCQMD)
Department of Health Care Services

Enclosures: Attachment A (CAP Response Form)
Attachment B
Final Audit Report

cc: Kelli Mendenhall, Branch Chief *Via E-mail*
Managed Care Monitoring Branch
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)

Lyubov Poonka, Unit Chief *Via E-mail*
Audit Monitoring Unit
Process Compliance Section
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: Senior Care Action Network Health Plan

Review Period: 03/01/2022 – 02/28/2023

Audit: Focused Audit of Behavioral Health and Transportation Services

On-site Review: 06/05/2023 – 06/16/2023

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.

2. Case Management and Coordination of Care

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
2.1 Confirmation of Referred Treatments for Substance Use Disorder The Plan did not make good faith efforts to confirm whether members received referred treatments for SUD.	The plan's Delegation Oversight Unit (DOU) has implemented the following corrective actions: • Updated Policy and Procedure • Updated Desktop • Created a reporting template to collect SUD referral/treatment data from medical groups • Created a reference document of all relevant codes for SUDs • Validation and outreach results are sent to the relevant workgroup/committee quarterly for review. Due to the cancellation of the March 2025 SNP Workgroup meeting, updates were presented at the Enterprise Compliance Committee (ECC) on 3/25/25.	• 2.1_2.2_DOU-0008 Routine Monitoring of Provider FDR Entities • 2.1_DO-028 SUD Referral Data Collection_Validation_Outreach • 2.1_DHCS_MG BH Data Request SUDS Template DRAFT • 2.1_SUD Treatment Diagnosis Codes • 2.1_2.2_SUDS follow up Q1-Q3 2024_03.17.25.xlsx • 2.1_2.2_Enterprise Compliance Committee Minutes_03.25.25_Draft_redacted	10/31/2024 3/31/2025	The following documentation supports the MCP's efforts to correct this finding: **POLICIES AND PROCEDURES** • Updated P&P, "DOU-0008: Routine Monitoring of Provider First Tier, Down Stream and Related (FDR) Entities" (09/17/2024) which states that First Tier Entities (FTE) are required to submit on a quarterly basis a report of all substance use disorder referrals approved or denied by FTEs in the template/format provided by SCAN DOU. All supplemental reports will be reviewed/analyzed by appropriate MCP units, including but not limited to: UM, Encounter Data, Pharmacy, Claims, and/or Member Services. (DOU-0008 Routine Monitoring of Provider FDR Entities, Page 5). • Updated Desktop Procedure, "DO-028: Substance Use Disorder (SUD) Data Collection, Validation, and Outreach (FIDE SNP)" (09/20/2024) which states that upon completion of review by MHSU/SNP workgroup, an email will be sent to Member Services/PAL Unit with the final report, requesting outreach to all members to determine the following: o Confirm referral awareness. o Identify barriers or provide referral information and support.

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				○ Record treatment dates if already received. ○ Note if referral is no longer needed. ○ Assist with access and coordinate with the medical group as needed. (DO-028 SUD Referral Data Collection Validation Outreach Desktop, Page 2). • Meeting Minutes, "Enterprise Compliance Committee" (03/25/2025) to demonstrate that the follow up actions were presented to the Enterprise Compliance Committee regarding the 2023 DHCS Focus Audit. The MCP's Personal Assistance Line (PAL) team outreached to members where there was a potential referral but no evidence of service receipt, ensuring that they did not face any barriers to access services. Subsequently, the MCP's Care Coordination team has completed outreach to the impacted members through Q3 of 2024 and is on track to start Q4 of 2024. (Enterprise Compliance Committee Minutes). **TRAINING** • Meeting Agenda, "SUD CAP – Member Services Engagement" (10/01/2024) to demonstrate that the MCP has conducted training to MCP staff on SUD outreach, data collection, and Desktop Procedure DO-028. (Training Meeting 1). **MONITORING AND OVERSIGHT** • Updated Desktop Procedure, "DO-028: Substance Use Disorder (SUD) Data Collection, Validation, and Outreach (FIDE

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				SNP)" (09/20/2024) which states that upon completion of outreach, the MCP's member services/PAL Unit will request to return the report with their notation of the outcome of outreach. This will be forwarded to the MCP's MHSU/SNP workgroup for review. Members who did not receive the referred treatment, but indicated still needing treatment will remain in the report for continuous monitoring and outreach. (DO-028 SUD Referral Data Collection Validation Outreach Desktop, Page 2). • Excel Spreadsheet, "SUDS Follow Up Quarter 1, 2024 – Quarter 3, 2024" (03/17/25) to demonstrate that the MCP has implemented a monitoring process track referrals and good faith efforts to confirm treatments. The SUDS Follow Up Excel Spreadsheet tracks the following categories: Member Name, Referring Provider, Attempt 1, Attempt 2, Attempt 3, Outcome, and Notes. (SUDS follow up Q1-Q3 2024). **The corrective action plan for finding 2.1 is accepted.**
2.2 Follow Up for Referred SUD Treatments The Plan did not have a process in place to	The plan's Delegation Oversight Unit (DOU) has implemented the following corrective actions: • Updated Policy and Procedure • Updated Desktop	• 2.1_2.2_DOU-0008 Routine Monitoring of Provider FDR Entities • 2.1_DO-028 SUD Referral Data Collection_Validation_Outreach	10/31/2024 3/31/2025	The following documentation supports the MCP's efforts to correct this finding: **POLICIES AND PROCEDURES** • Updated P&P, "DOU-0008: Routine Monitoring of Provider First Tier, Down Stream and Related (FDR) Entities" (09/17/2024) which states that First Tier Entities (FTE) are

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follow-up with members, understand barriers, and make subsequent adjustments to the SUD referrals if warranted.	• Created a reporting template to collect SUD referral/treatment data from medical groups • Created a reference document of all relevant codes for SUDs • Developed the Mental Health Substance Use (MHSU) oversight and monitoring structure • Validation and outreach results are sent to the relevant workgroup/committee quarterly for review. Due to the cancellation of the March 2025 SNP Workgroup meeting, updates were presented at the Enterprise Compliance Committee (ECC) on 3/25/25.	• 2.1_DHCS_MG BH Data Request SUDS Template DRAFT • 2.1_SUD Treatment Diagnosis Codes • 2.1_2.2_SUDS follow up Q1-Q3 2024_03.17.25.xlsx • Committee Structure • Training meeting 1 • Training meeting 2 • 2.1_2.2_Enterprise Compliance Committee Minutes_03.25.25_Draft_redacted		required to submit on a quarterly basis a report of all substance use disorder referrals approved or denied by FTEs in the template/format provided by SCAN DOU. All supplemental reports will be reviewed/analyzed by appropriate MCP units, including but not limited to: UM, Encounter Data, Pharmacy, Claims, and/or Member Services. (DOU-0008 Routine Monitoring of Provider FDR Entities, Page 5). • Updated Desktop Procedure, "DO-028: Substance Use Disorder (SUD) Data Collection, Validation, and Outreach (FIDE SNP)" (09/20/2024) which states that upon completion of review by MHSU/SNP workgroup, an email will be sent to Member Services/PAL Unit with the final report, requesting outreach to all members to determine the following: ○ Confirm referral awareness. ○ Identify barriers or provide referral information and support. ○ Record treatment dates if already received. ○ Note if referral is no longer needed. ○ Assist with access and coordinate with the medical group as needed. (DO-028 SUD Referral Data Collection Validation Outreach Desktop, Page 2). • Meeting Minutes, "Enterprise Compliance Committee" (03/25/2025) to demonstrate that the follow up actions were presented to the Enterprise Compliance Committee regarding

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				the 2023 DHCS Focus Audit. The MCP's Personal Assistance Line (PAL) team outreached to members where there was a potential referral but no evidence of service receipt, ensuring that they did not face any barriers to access services. Subsequently, the MCP's Care Coordination team has completed outreach to the impacted members through Q3 of 2024 and is on track to start Q4 of 2024. (Enterprise Compliance Committee Minutes). **TRAINING** • Meeting Agenda, "SUD CAP – Member Services Engagement" (10/01/2024) to demonstrate that the MCP has conducted training to MCP staff on SUD outreach, data collection, and Desktop Procedure DO-028. (Training Meeting 1). **MONITORING AND OVERSIGHT** • Updated Desktop Procedure, "DO-028: Substance Use Disorder (SUD) Data Collection, Validation, and Outreach (FIDE SNP)" (09/20/2024) which states that upon completion of outreach, the MCP's member services/PAL Unit will request to return the report with their notation of the outcome of outreach. This will be forwarded to the MCP's MHSU/SNP workgroup for review. Members who did not receive the referred treatment but indicated still needing treatment will remain in the report for continuous monitoring and outreach.

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				(DO-028 SUD Referral Data Collection Validation Outreach Desktop, Page 2). • Excel Spreadsheet, "SUDS Follow Up Quarter 1, 2024 – Quarter 3, 2024" (03/17/25) to demonstrate that the MCP has implemented a monitoring process track referrals and good faith efforts to confirm treatments. The SUDS Follow Up Excel Spreadsheet tracks the following categories: Member Name, Referring Provider, Attempt 1, Attempt 2, Attempt 3, Outcome, and Notes. (SUDS follow up Q1-Q3 2024). **The corrective action plan for finding 2.2 is accepted.**

3. Access and Availability of Care

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3.1 Out-of-Network Non-Medical Transportation Service for a Carved-Out Service The Plan did not have a written process in place during the audit period to address that it must not deny NMT services for an appointment to an out-of-network provider if the appointment is for a carved-out service.	The plan's Utilization Management (UM) and Product Departments have implemented the following corrective actions: • Updated applicable policy and desktop • Updated UM DTP has been communicated to staff. In addition to the existing UM oversight process, • Recurring meetings are in place to review and perform oversight of broker reporting • Automated reporting summaries are currently being tested to compilate and review monthly	• 3.1_NEMT-NMT Transportation (Medi-Cal) Product • 3.1_NMT and NEMT UM Desktop eff 062424 • 3.1_NMT Email Communication 091924 • 3.1_Monitoring and Oversight of Organizational Determinations eff 021124 • 3.1_Staff Assessment Process - Utilization	9/2/2024	The following documentation supports the MCP's efforts to correct this finding: **POLICIES AND PROCEDURES** • Plan policy "Non-Emergency Medical Transportation (NEMT) and Non-Medical Transportation (NMT) Transportation" was updated to include a section for transportation to non-covered destinations. The revisions included clearly stating that the Plan will provide transportation to non-covered services (carved out services) and will not deny NMT/NEMT services to/from out-of-network medical appointments or inpatient acute facilities if the appointment/facility is for a carved-out service. (3.1_NEMT-NEMT Transportation (Medi-Cal) Product, Transportation to Non-Covered Destinations, page 3) **MONITORING AND OVERSIGHT** • Plan policy "Non-Emergency Medical Transportation (NEMT) and Non-Medical Transportation (NMT) Transportation" includes a section of Monitoring & Oversight. The policy outlines that the Plan meets monthly with transportation vendors during its Joint Operations Committee meetings to review PCS form documentation, trip logs, referrals, utilization, grievances, and vendor overall performance. Additionally, the Plan will perform

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	transportation data and adherence. • And monthly reports are utilized to monitor spikes or inconsistencies in ride fulfillment.	Management eff 040424 • 3.1-3.3_Product Transportation Meetings 2024 • 3.1_SCAN_SafeRide_KPI_06012024 • 3.1-3.3_ Product DTP Transportation Broker Oversight		initial & periodic audits of providers to evaluate their ability to perform UM/SNP delegated activities. (3.1_NEMT-NEMT Transportation (Medi-Cal) Product, Monitoring & Oversight, pages 4-5) • Plan procedure "Transportation Broker Oversight" demonstrates the Plan's various monitoring & oversight efforts with its transportation broker. The Plan meets regularly with its broker to review transportation data, utilization, provider network & issues related to NEMT/NMT. Monthly reports are produced regarding Key Performance Indicators, Member Utilization, Transportation network & a broker analysis -which the Plan reviews ride trends, adherence to network & outlier trips reflected in the reporting. If any deficiencies are identified, the broker is contacted & action will be taken to correct the issue(s). 3.1-3.3_Product DTP Transportation Broker Oversight, Procedure, 4., pages 1-2) • Plan procedure "DTP: Monitoring and Oversight of Organizational Determinations" includes the internal process by which the Plan continuously monitors & oversees the timely processing of requests. The procedure outlines during business hours, the Plan is monitoring for any requests every two hours – noting on Friday it is monitored every one hour. The Plan's process includes the daily reporting of pending authorizations & timeliness of determinations & notifications. (3.1_Monitoring and Oversight of Organizational Determinations, pages 1-4)

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
				• Meeting materials "2024 Transportation Meetings" demonstrates all of the various transportation meetings the Plan had held in 2024. These meetings included the Joint Operations Committee meetings, which occurred monthly during this time. (See 3.1-3.3_Product Transportation Meetings 2024) • **TRAINING** • Internal notification "NMT Email Communication" demonstrates the Plan sending out email notification to internal staff regarding the revisions made for NMT/NEMT for non-covered/Carved out services. The notification makes staff aware that transportation to non-covered/carved out services should be provided, should be authorized within established timeframes & should not be denied. (See 3.1_NMT Email Communication 091924) **The corrective action plan for finding 3.1 is accepted.**
3.2 Corrective Action on Transportation Brokers The Plan did not have a process in place to impose corrective action on transportation brokers if non-compliance is identified through oversight and monitoring activities.	The plan's Product Department has implemented the following corrective actions: • Policy has been amended to include corrective action policy statement • Recurring meetings are in place to review and	• 3.1-3.3_ Product DTP Transportation Broker Oversight • 3.1-3.3_Product Transportation Meetings 2024	9/2/2024	The following documentation supports the MCP's efforts to correct this finding: **POLICIES AND PROCEDURES** • Plan policy "Non-Emergency Medical Transportation (NEMT) and Non-Medical Transportation (NMT) Transportation" includes a section of Monitoring & Oversight. The policy outlines that the Plan meets monthly with transportation vendors during its Joint Operations Committee meetings to review PCS form documentation, trip logs, referrals, utilization, grievances, and

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
	perform oversight of broker reporting			vendor overall performance. Additionally, the Plan will perform initial & periodic audits of providers to evaluate their ability to perform UM/SNP delegated activities. (3.1_NEMT-NEMT Transportation (Medi-Cal) Product, Monitoring & Oversight, pages 4-5) **MONITORING AND OVERSIGHT** • Plan procedure "Transportation Broker Oversight" demonstrates the Plan's various monitoring & oversight efforts with its transportation broker. The Plan meets regularly with its broker to review transportation data, utilization, provider network & issues related to NEMT/NMT. Monthly reports are produced regarding Key Performance Indicators, Member Utilization, Transportation network & a broker analysis -which the Plan reviews ride trends, adherence to network & outlier trips reflected in the reporting. If any deficiencies are identified, the broker is contacted & action will be taken to correct the issue(s). If continued non-compliance, the Plan will issue corrective action plan until deficiency is remediated. (3.1-3.3_Product DTP Transportation Broker Oversight, Procedure, 4., pages 1-2) • Meeting materials "2024 Transportation Meetings" demonstrates all of the various transportation meetings the Plan had held in 2024. These meetings included the Joint Operations Committee

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				meetings, which occurred monthly during this time. (See 3.1-3.3_Product Transportation Meetings 2024) • **The corrective action plan for finding 3.2 is accepted.**
3.3 Tracking The 120-day Contract Time Frame The Plan did not have a written process in place during the audit period to track the 120-day timeframe for contracted NEMT and NMT providers with pending applications to ensure the contracts do not exceed 120 days.	The plan's Product Department has implemented the following corrective actions: • Recurring meetings are in place to review and perform oversight of broker reporting • Automated reporting summaries are currently being tested to compilate and review monthly transportation data and adherence. SCAN's transportation broker will not include the 120-day provider pending status policy for the following reason:	• 3.1-3.3_ Product DTP Transportation Broker Oversight • 3.1-3.3_Product Transportation Meetings 2024	9/2/2024	The following documentation supports the MCP's efforts to correct this finding: **POLICIES AND PROCEDURES** • Plan policy "Plan procedure "Transportation Broker Oversight" includes a section regarding the 120-day contract timeframe. Policy states the Plan will not allow pending providers within the 120-day window to transport members. With this, the Plan does not track the 120-day timeframe, as it is not utilizing these providers to transport members. The Plan states the "increased complexity, the necessity for additional oversight, & the increased risk of using non-DHCS approved transportation providers – noting that this will help minimize the risk of human error & enhance the ability to ensure a DHCS-Approved Provider is used for Medi-Cal rides." (3.1-3.3_Product DTP Transportation Broker Oversight, Procedure, 4., page 2) **MONITORING AND OVERSIGHT** • Meeting materials "2024 Transportation Meetings" demonstrates all of the various transportation meetings the Plan had held in 2024. These meetings included the Joint Operations Committee

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	"Under the APL, it states that we "may" allow providers to participate in our network for up to 120 days while their application is processing. Due to the complexity of the verification process, we have opted out of this practice. The reason behind this decision is the increased complexity, the necessity for additional oversight, and the increased risk of using non-DHCS approved transportation providers. Further, we may not be notified of a denial by the state agency if the provider fails to proactively provide us with notice. Overall, this decision is one that we believe helps us minimize the risk of human error and enhances our ability to ensure we use DHCS-			meetings, which occurred monthly. (See 3.1-3.3_Product Transportation Meetings 2024) • **The corrective action plan for finding 3.3 is accepted.**

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
	Approved Providers for Medi-Cal rides."			

*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: August 6, 2025