

**DHCS REPORT ON THE SUSTANCE USE
DISORDER (SUD) AUDIT OF:
Lassen County Behavioral Health Services
2024**

DEPARTMENT OF HEALTH CARE SERVICES
AUDITS AND INVESTIGATIONS
CONTRACT AND ENROLLMENT REVIEW DIVISION
BEHAVIORAL HEALTH REVIEW BRANCH

REPORT ON THE SUBSTANCE USE DISORDER (SUD) AUDIT OF

**Lassen County Behavioral Health Services
dba Lassen County Behavioral Health**

2024

Contract Number: 20-10181
Drug Medi-Cal Organized Delivery System
(DMC-ODS)

Audit Period: July 1, 2022
through
June 30, 2023

Dates of Audit: June 4, 2024
through
June 21, 2024

Report Issued: October 2, 2024

TABLE OF CONTENTS

I. INTRODUCTION.....4

II. EXECUTIVE SUMMARY.....5

III. SCOPE/AUDIT PROCEDURES.....7

IV. COMPLIANCE AUDIT FINDINGS
 Category 7 – Program Integrity.....8

I. INTRODUCTION

Lassen County Behavioral Health (Plan) provides a variety of Substance Use Disorder Services (SUDS) for county residents. The Plan is governed by a Board of Supervisors and contracts with the Department of Health Care Services (DHCS) for the purpose of supporting the substance use prevention and treatment needs of the community.

Lassen County is located in northeastern California. The Plan provides services throughout Lassen County, which consists of 17 cities and communities, including its only incorporated city: Susanville.

As of July 1, 2020, Lassen County is one of seven counties that is part of the DMC-ODS Regional Model with the managed care organization, Partnership Health Plan of California (PHC). In calendar year 2022, the Plan served a total of 616 Medi-Cal beneficiaries.

II. EXECUTIVE SUMMARY

This report presents the audit findings of the DHCS audit for the period of July 1, 2022, through June 30, 2023. The audit was conducted from June 4, 2024, through June 24, 2024. The audit consisted of documentation review, verification studies, and interviews with the Plan's representatives.

An Exit Conference with the Plan was held on September 27, 2024. The Plan was allowed 15 calendar days from the date of the Exit Conference to provide supplemental information addressing the draft audit findings. On September 27, 2024, the Plan submitted a response after the Exit Conference. The evaluation results of the Plan's response are reflected in this report.

The audit evaluated six categories of performance: Availability of DMC-ODS Services, Quality Assurance and Performance Improvement, Access and Information Requirements, Coverage and Authorization of Services, Beneficiary Rights and Protection, and Program Integrity

The prior DHCS compliance report, covering the review period from July 1, 2021, through June 30, 2022, identified deficiencies incorporated in the Corrective Action Plan (CAP). This year's audit included a review of the Plan's compliance with its DHCS Contract and assessed its implementation of the prior year's CAP.

The summary of the findings by category follows:

Category 1 – Availability of DMC-ODS Services

There were no findings noted for this category during the audit period.

Category 3 – Quality Assurance and Performance Improvement

There were no findings noted for this category during the audit period.

Category 4 – Access and Information Requirements

There were no findings noted for this category during the audit period.

Category 5 – Coverage and Authorization of Services

There were no findings noted for this category during the audit period.

Category 6 – Beneficiary Rights and Protection

There were no findings noted for this category during the audit period.

Category 7 – Program Integrity

The Plan is required to implement and maintain arrangements or procedures that are designed to detect and prevent fraud, waste, and abuse. These arrangements or procedures shall include a provision for the prompt notification to DHCS when it receives information about a change in a beneficiary's circumstances that may affect the beneficiary's eligibility, including a change in residence or death. The Plan does not provide notification to DHCS when there is a change in a beneficiary's circumstances.

III. SCOPE/AUDIT PROCEDURES

SCOPE

The DHCS, Contract and Enrollment Review Division conducted this audit of the Plan to ascertain that medically necessary services provided to beneficiaries comply with federal and state laws, Medi-Cal regulations and guidelines, and the state's DMC-ODS Contract.

PROCEDURE

The audit was conducted from June 4, 2024, through June 21, 2024, for the audit period of July 1, 2022, through June 30, 2023. The audit included a review of the Plan's policies for providing services, the procedures used to implement these policies, and the process to determine whether these policies were effective. Documents were reviewed and interviews were conducted with Plan representatives.

The following verification studies were conducted for this audit:

Category 4 – Access and Information Requirements

Access Line Test Calls: Three test calls requesting information about SUD services and to assess the responsiveness of the Plan's beneficiary access line.

❖ COMPLIANCE AUDIT FINDINGS ❖

PLAN: LASSEN COUNTY – DRUG MEDICAL ORGANIZED DELIVERY SYSTEM (DMC-ODS)

AUDIT PERIOD: July 1, 2022, through June 30, 2023
DATES OF AUDIT: June 4, 2024, through June 21, 2024

CATEGORY 7 – PROGRAM INTEGRITY

7.3	Service Verification
------------	-----------------------------

7.3.1 Notifications to DHCS

The Plan shall implement and maintain arrangements or procedures that are designed to detect and prevent fraud, waste, and abuse. This includes a provision for prompt notification to DHCS when it receives information about changes in a beneficiary’s circumstances that may affect the beneficiary’s eligibility, including the following: i) changes in the beneficiary’s residence and ii) the death of a beneficiary. (*Contract, Exhibit A, Attachment 1(2)(H)(5)(ii)(c)*)

Finding: The Plan does not provide notification to DHCS when it receives information about changes in a beneficiary’s circumstances that may affect eligibility.

The Plan provided two policies from PHC, DT027, *Deceased Members (approved 11/17/2022)*, and MP339, *Member Address, Phone Number, and Demographics (approved 5/2/2023)*. Both policies only outlined PHC’s processes to notify the Plan of a beneficiary’s death or changes to a beneficiary’s name, phone number, or address. The policy does not include procedures for the Plan to provide notification to DHCS. Furthermore, the Plan did not submit its own policy nor documentation demonstrating DHCS notification upon a change in a beneficiary’s circumstance that may affect eligibility.

The Plan’s policy, BH 15-05, *Compliance Fraud, Waste, and Abuse (revised 01/04/2021)*, states that a compliance committee oversees the requirements of its contract with DHCS, however, it does not outline procedures to review those requirements. In an interview, the Plan stated they do not have a process to notify DHCS when there is a change in a beneficiary’s circumstances, including their residence. When the Plan becomes aware of a beneficiary’s death, they will close the beneficiary’s chart to eliminate the possibility of billing and submitting claims after the beneficiary’s reported death date. Additionally, in a written response, the Plan confirmed that it does not have its own policy involving notification to DHCS regarding changes affecting beneficiary eligibility.

❖ COMPLIANCE AUDIT FINDINGS ❖

PLAN: LASSEN COUNTY – DRUG MEDI-CAL ORGANIZED DELIVERY SYSTEM (DMC-ODS)

AUDIT PERIOD: July 1, 2022, through June 30, 2023

DATES OF AUDIT: June 4, 2024, through June 21, 2024

When the Plan does not notify DHCS of changes in a beneficiary’s circumstances, it may compromise the Medi-Cal program’s integrity and its process for detecting and preventing fraud, waste, and abuse.

Recommendation: Develop and implement a policy to ensure that the Plan promptly notifies DHCS of changes in beneficiary circumstances that may affect eligibility.