

DHCS AUDITS AND INVESTIGATIONS  
CONTRACT AND ENROLLMENT REVIEW DIVISION  
SUBSTANCE USE DISORDER REVIEW SECTION

**REPORT ON THE SUBSTANCE USE DISORDER  
(SUD) AUDIT OF BUTTE COUTY  
FISCAL YEAR 2024-25**

Contract Number(s): 23-30087

Contract Type: Drug Medi-Cal (DMC)

Audit Period: July 1, 2023 — June 30, 2024

Dates of Audit: April 15, 2025 — April 25, 2025

Report Issued: September 16, 2025

## TABLE OF CONTENTS

I.	INTRODUCTION .....	3
II.	EXECUTIVE SUMMARY .....	4
III.	SCOPE/AUDIT PROCEDURES .....	6

## I. INTRODUCTION

Butte County Behavioral Health (Plan) is governed by a Board of Supervisors and contracts with the Department of Health Care Services (DHCS) for the purpose of providing substance use disorder services to county residents.

The Plan is located in the northern Sacramento of the state of California. The Plan provides services within the unincorporated county and in four main cities: Chico, Oroville, Paradise, and Gridley.

As of April 2025, the Plan had a total of 1,160 members receiving SUD services and a total of 25 active providers.

## II. EXECUTIVE SUMMARY

This report presents the audit findings of the DHCS audit for the period of July 1, 2023, through June 30, 2024. The audit was conducted from April 15, 2025, through April 25, 2025. 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 8, 2025. 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 12, 2025, 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 five categories of performance Availability of Drug Medi-Cal Services (DMC), Quality Assurance and Performance Improvement, Access and Information Requirements, Beneficiary Rights and Protection, and Program Integrity.

The prior DHCS compliance report, covering the review period from July 1, 2022, through June 30, 2023, identified deficiencies incorporated in the Corrective Action Plan (CAP). The prior year CAP was closed at the time of the audit. This year's audit included a review of documents to determine the implementation and effectiveness of the Plan's corrective actions.

The summary of the findings by category follows:

### **Category 1 – Availability of Drug Medi-Cal 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 6 – Beneficiary Rights and Protection**

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

## **Category 7 – Program Integrity**

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

### **III. SCOPE/AUDIT PROCEDURES**

#### **SCOPE**

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

#### **PROCEDURE**

DHCS conducted an audit of the Plan from April 15, 2025, through April 25, 2025, for the audit period of July 1, 2023, through June 30, 2024. The audit included a review of the Plan's policies for providing services, procedures 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:

#### **Category 1 – Availability of Drug Medi-Cal Services**

There were no verification studies conducted for the audit review.

#### **Category 3 – Quality Assurance and Performance Improvement**

There were no verification studies conducted for the audit review.

#### **Category 4 – Access and Information Requirements**

There were no verification studies conducted for the audit review.

#### **Category 6 – Beneficiary Rights and Protection**

There were no verification studies conducted for the audit review.

#### **Category 7 – Program Integrity**

There were no verification studies conducted for the audit review.