

CONTRACT AND ENROLLMENT REVIEW –
SACRAMENTO SECTION
AUDITS AND INVESTIGATIONS
DEPARTMENT OF HEALTH CARE SERVICES

REPORT ON THE DENTAL AUDIT OF

Health Net Dental Plan
2023

Contract Number: 12-89342
13-90116

Audit Period: April 1, 2022
through
March 31, 2023

Dates of Audit: June 5, 2023 through
June 16, 2023

Report Issued: October 17, 2023

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I. INTRODUCTION

Health Net Dental Plan (Plan) has a contract with the California Department of Health Care Services (DHCS) to provide dental services to members in Sacramento and Los Angeles counties. The Plan has a license in accordance with the provisions of the Knox-Keene Health Care Service Plan Act of 1975.

The Plan is a specialty dental health plan with a statewide network of contracted general and specialty dental providers. The Plan provides dental services to members under their Sacramento Geographic Managed Care (GMC) and Los Angeles Prepaid Health Plan (PHP) programs.

The Plan has approximately 162 general providers and 49 specialists for Sacramento County and has approximately 692 general providers and 200 specialists for Los Angeles County.

The Plan currently serves 435,711 Medi-Cal members in California. As of June 2023, the Plan's membership was composed of 233,807 Los Angeles and 201,904 Sacramento members.

II. EXECUTIVE SUMMARY

This report presents the audit findings of the DHCS dental audit for the audit period of April 1, 2022 through March 31, 2023. The audit was conducted from June 5, 2023 through June 16, 2023. The audit consisted of document review, verification studies, and interviews with the Plan's personnel.

An Exit Conference with the Plan was held on September 22, 2023. The Plan was allowed 15 calendar days from the date of the Exit Conference to provide supplemental information addressing the draft audit report findings. The findings in the report reflect the evaluation of all relevant information received prior and subsequent to the Exit Conference.

The audit evaluated six categories of performance: Utilization Management, Case Management and Coordination of Care, Access and Availability of Care, Members' Rights, Quality Management, and Administrative and Organization Capacity.

The summary of the findings by category follows:

Category 5 – Quality Management

The Plan's Quality Improvement System (QIS) Manual did not list the education, experience, and training of all staff responsible for Quality Improvement (QI) studies and activities as stated as a requirement in the Contract.

The contract states that the Plan shall maintain a system to ensure the oversight and accountability for delegated QI activities, that at a minimum includes the continuous monitoring, evaluation, and approval of the delegated functions. During the audit period, the Plan did not have a system to ensure the accountability of its delegated entity in charge of Potential Quality Issues (PQI) and improving provider quality of care.

III. SCOPE/AUDIT PROCEDURES

SCOPE

DHCS, Contract and Enrollment Review Division, conducted this audit to ascertain whether the dental services provided to Plan members comply with federal and state laws, Medi-Cal regulations and guidelines, and the state's GMC/PHP contract.

PROCEDURE

An audit was conducted from June 5, 2023 through June 16, 2023. The audit included a review of the Plan's contract with DHCS, its policies for providing services, the procedures used to implement the policies, and verification studies of the implementation and effectiveness of the policies. Documents were reviewed and interviews were conducted with the Plan's administrators and staff.

The following verification studies were conducted:

Category 1 – Utilization Management

Prior Authorizations: 17 dental services prior authorization files were reviewed. This included 14 denied and three modified prior authorizations.

Appeals: Eight dental services appeals were reviewed and included the different specialties in dentistry, children and adults, and to reflect both Los Angeles and Sacramento counties.

Category 2 – Case Management and Coordination of Care

Case Management: Eight case management files, and ten special health care needs files were reviewed.

Oral Health Assessment: Nine Oral Health Assessment files were reviewed.

Special Health Care Needs (SHCN): Seven SHCN and seven children with SHCN files were reviewed.

Continuity of Care: Nine continuity of care files were reviewed.

Category 4 – Members' Rights

Grievances: 12 quality of care and 21 quality of service grievances were reviewed for timely resolution, compliance, and submission to the appropriate level of review. There were also five exempt grievances and five call inquiry files reviewed.

Category 5 – Quality Management

PQI: 12 PQI files were reviewed.

Provider Training: 15 provider training files were reviewed.

Category 6 – Administrative and Organizational Capacity

Fraud, Waste, and Abuse: Four fraud, waste, and abuse cases were reviewed.

Overpayment and Recovery: 15 overpayment and ten recovery cases were reviewed.

A description of the findings for each category is contained in the following report.

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CATEGORY 5 – QUALITY MANAGEMENT	
5.1	QUALITY IMPROVEMENT SYSTEMS

5.1.1 Qualifications of Staff in Quality Improvement System Manual

The Plan's QIS Manual shall include qualifications of staff responsible for QI studies and activities, including education, experience, and training.

(Contract 12-89342 A16 and 13-90116 A15 HN Exhibit A, Attachment 5 p 36/244)

Finding: The Plan's QIS Manual did not list the education, experience, and training of all staff responsible for QI studies and activities.

During a review of the Plan's QIS Manual, it was discovered that the manual did not list education, experience, and training for at least six staff responsible for QI studies and activities during the audit period.

A review of the Plan's Policies and Procedures (P&Ps) showed that there was no written procedure for listing QI staff qualifications in the Plan's QIS Manual.

The Plan's dental Director stated in an interview that it was an oversight by the Plan to not include the qualifications of staff responsible for QI activities.

Listing the qualifications of staff responsible for QI activities supports the Plan's commitment to ensure the provision of high value health care services through the employment of qualified individuals.

Recommendation: Establish a process to ensure the inclusion of qualifications of staff responsible for QI studies and activities in the QIS Manual.

5.1.2 Oversight of Delegated Entity

The Plan is required to monitor, evaluate, and take effective action to address any needed improvements in the quality of care delivered by all providers rendering services on its behalf, in any setting.

(Contract 12-89342 A16 and 13-90116 A15 HN Exhibit A, Attachment 5 p 33/244)

The Plan shall maintain a system to ensure accountability for delegated QI activities,

❖ COMPLIANCE AUDIT FINDINGS (CAF) ❖
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that at a minimum includes the continuous monitoring, evaluation, and approval of the delegated functions.

(Contract 12-89342 A16 and 13-90116 A15 HN Exhibit A, Attachment 5, p 35/244)

Finding: During the audit period, the Plan did not have a system to ensure the oversight and accountability of its delegated entity in charge of addressing PQI and improving provider quality of care.

During the audit period, the Plan did not perform oversight and evaluation of its delegate's PQI process. For example, the Plan received quarterly PQI reports from its delegate, however the reports did not include the details of the PQI cases, including the corrective actions taken by providers.

In addition, the Plan's annual audit of the delegate did not include an evaluation of the effectiveness of the delegate's PQI process.

The Plan stated in an interview that, there was no audit conducted on the delegate's PQI process during the audit period.

There was also no P&P during the audit period that included a process to oversee and evaluate a delegated entity's PQI process.

When the Plan does not oversee its delegated entity, the Plan cannot ensure that needed improvements and effective actions were addressed.

Recommendation: Develop and implement a policy to maintain a system that ensures the oversight and accountability for delegated QI activities.