



March 13, 2024

Erika Oduro, Regulatory Affairs Manager
Inland Empire Health Plan
10801 6th Street, Suite 120
P.O. Box 1800
Rancho Cucamonga, CA 91729

RE: Department of Health Care Services Medical Audit

Dear Ms. Oduro:

The Department of Health Care Services (DHCS), Audits and Investigations Division conducted an on-site Medical Audit of Inland Empire Health Plan, a Managed Care Plan (MCP), from September 19, 2022 through September 30, 2022. The audit covered the period of August 1, 2021 through July 31, 2022.

The items were evaluated and DHCS accepts the MCP's submitted Corrective Action Plan (CAP). The CAP is hereby closed. 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]

Lyubov Poonka, Chief
Audit Monitoring Unit
Managed Care Quality and Monitoring Division
Department of Health Care Services Department of Health Care Services

Enclosures: Attachment A (CAP Response Form)

cc: Stacy Nguyen, Chief
Managed Care Monitoring Branch
Managed Care Quality and Monitoring Division
Department of Health Care Services

Diana O'Neal, Lead Analyst
Audit Monitoring Unit
Managed Care Quality and Monitoring Division
Department of Health Care Services

Rebeca Cabiedes, Contract Manager
Medi-Cal Managed Care Division
Department of Health Care Services

ATTACHMENT A
Corrective Action Plan Response Form



Plan: Inland Empire Health Plan (IEHP)

Review Period: 08/01/21 – 07/31/22

Audit Type: Medical Audit and State Supported Services

On-site Review: 09/19/22 – 09/30/22

MCPs are required to provide a 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 that will reduce turnaround time for DHCS to complete its review. According to ADA requirement, 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, and 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. Implementation Documentation, and 4. Completion/Expected Completion Date. The MCP will be required to include 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 detail such as 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. For deficiencies that require short-term corrective action, implementation 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 completely remedy or operationalize, the MCP is to indicate that it has initiated remedial action and is on the way towards achieving an acceptable level of compliance. In those instances, the MCP will be required in addition to the above steps, to include the date when full compliance will be achieved. Policies and procedures submitted during the CAP process must still be sent to the MCP's Contract Manager for review and approval, as applicable in accordance with existing requirements.

Please note, 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 prior approval for an extended implementation effort is granted by DHCS.

DHCS will maintain close communication with the MCP throughout the CAP process and provide technical assistance to demonstrate the MCP provides sufficient documentation to correct deficiencies. Depending on the volume and complexity of deficiencies identified, DHCS may require the MCP to provide weekly updates, as applicable.

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date* (*Short-Term, Long-Term)	DHCS Comments
1. Utilization Management				
<p>1.1 Prior Authorization of Medically Necessary Services</p> <p>The Plan did not demonstrate appropriate processes were used to approve provision of medically necessary covered services.</p>	<p>The Plan revised and implemented policies and procedures that expanded and strengthened review and oversight of the auto-authorization process, which helps demonstrate timely access to medically necessary covered services.</p> <p>The Plan developed a weekly process for retrospective review of auto-authorized services for clinical appropriateness.</p> <p>Recommendations to amend the auto-authorization process rules to either add, remove, or revise applicable services or procedure codes as a result of this review will be presented to the Senior Medical Director or their physician delegate, and UM Leadership for approval prior to implementation. The Plan will train its UM QA Team on the weekly retrospective</p>	<p>IEHP_MED_UM 04.cc - Auto Approval Process & Oversight</p> <p>IEHP_UM Prior Authorization Nurse Audit Tool</p>	<p>Implementation will be in monthly increments with final completion by July 1, 2023.</p>	<p>The following documentation supports the MCP's efforts to correct this finding:</p> <p><i>The Plan's retrospective prior authorization appropriateness review process was enhanced to include monitoring of auto-approval prior authorization rules.</i></p> <p><i>The updated retroactive review process began 4/3/23; results of the process were presented to UM Medical Directors on 4/11/23 and was approved by the UM Subcommittee on 5/10/23</i></p> <p>POLICIES AND PROCEDURES</p> <ul style="list-style-type: none"> • IEHP_MED_UM 04.cc - Auto Approval Process & Oversight <ul style="list-style-type: none"> ○ The Plan submitted a revised P&P committing the Plan to a <u>weekly</u> retrospective review process of auto-authorized prior authorizations reviewing for clinical appropriateness ○ Inappropriate or ambiguous auto-approved prior auths are removed or considered for focused review by a Senior Medical Director <p>MONITORING AND OVERSIGHT</p> <ul style="list-style-type: none"> • IEHP_QA Team Training - Agenda & Attendance (3/29/23, 4/11/23) <ul style="list-style-type: none"> ○ The Plan submitted an agenda for their <u>weekly</u> retrospective review process wherein auto-approved prior auths are reviewed by QA to determine appropriateness of approval ○ Findings are submitted weekly to management to review for

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date* (*Short-Term, Long-Term)	DHCS Comments
	<p>review process. The Plan will demonstrate sustainment of its remediation efforts through the weekly retrospective review and quarterly review by UM Subcommittee. Updates to auto-authorization rules will be presented to the UM Subcommittee for review and approval. The Plan will inform the UM Subcommittee of its new function to review and approve the Plan's auto-approval process rules on a quarterly basis. The Plan removed Chemical Peels and Platelet-Rich Plasma (PRP) Injection from its auto-authorization rules. The Plan will continue its review and revision of auto-authorization process rules per its new Policy.</p>			<p>removal or comprehensive MD review</p> <ul style="list-style-type: none"> • IEHP_Narrative UMSC Approval of Auto-Auth updates & UM Subcommittee Agenda (5/10/23) <ul style="list-style-type: none"> ○ The Plan submitted a UM Subcommittee meeting agenda wherein their P&P UM 04.cc and <u>quarterly</u> report review of their auto authorization updates were approved ○ Per A&I's report on the Finding, the Plan removed chemical peels and plasma injections from its auto-authorization rules • IEHP_UM Prior Authorization Nurse Audit Tool <ul style="list-style-type: none"> ○ The Plan submitted a tool used to document prior auths before their weekly review <p>The corrective action plan for finding 1.1 is accepted.</p>

3. Access and Availability of Care

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date* (*Short-Term, Long-Term)	DHCS Comments
<p>3.8 Medi-Cal Enrollment of Network Transportation Providers</p> <p>The Plan did not demonstrate its network providers were enrolled in the Medi-Cal program.</p>	<p>The Plan reviewed its policies and confirmed that while these were compliant, Plan procedures needed modifications to support policy and regulatory compliance. The Plan is no longer accepting into its network any new Transportation Providers that are not enrolled in the Medi-Cal program. The Plan will train the following departments on the monthly process – Provider Network, Transportation Team, Provider Contracting and Policy & Regulatory Operations. The Plan developed and implemented a monthly process that identifies any directly contracted Transportation Provider that is not enrolled with Medi-Cal. Upon identification of a non-compliant Transportation Provider, the Transportation Team reviews the volume of open active authorizations for this Provider against its established criteria for Member</p>	<p>IEHP_MC_05C, Provider Screening and Enrollment Requirements</p> <p>IEHP_MC 09C, Non-Emergency and Non-Medi-Cal Transportation Services and Related Travel Expenses</p> <p>IEHP_PRO_CON 09 Contracts - Processing Agreements for Prospective IEHP Direct Providers</p> <p>IEHP_PRO_CON 08 - Contracts - Processing Agreements for Prospective IEHP Direct Providers</p> <p>IEHP_Direct Transportation Medi-Cal Enrollment</p>	<p>Implementation is complete as of 3/21/23.</p>	<p>The following documentation supports the MCP’s efforts to correct this finding:</p> <p>POLICIES AND PROCEDURES</p> <p>The Plan updated P&Ps to address the gap that contributed to the deficiency:</p> <ul style="list-style-type: none"> • P&P “MC_09C NEMT & NMT Services” demonstrates the Plan will be tracking that the transportation providers are complying with all requirements set forth in APL 22-008, ensuring monitoring activities are performed no less than quarterly, including but not limited to Enrollment Status. The P&P also demonstrates the Plan has a corrective action process in place & will impose on its transportation providers should non-compliance be identified through monitoring activities. [9. Access Standards, B., page 9] • Plan policy “MC_05C_Prov Screening_Enrollment Reqs” demonstrates the Plan will allow the providers to participate in its network for up to 120 days pending the outcome of application and/or denial. The Plan will not contract with providers that have been denied enrollment or after the 120-day period. [Section 5, C., C. 1-3] <p>OVERSIGHT AND MONITORING</p> <p>The Plan identified, developed and deployed an internal auditing process to continuously self-monitor to detect and prevent future non-compliance:</p> <ul style="list-style-type: none"> • Plan procedure “Direct Transpor Prov Enrollment Verification_SOP”

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date* (*Short-Term, Long-Term)	DHCS Comments
	<p>Access Impact. If the Transportation Team determines impact on Member access, Provider Network will draft a Plan of Action and send to Compliance for submission to DHCS. If no impact on Member Access is determined, the Transportation Team will instruct the Provider Contracting Team to initiate termination for cause.</p>	<p>Verification SOP</p> <p>IEHP_Training Acknowledgement</p> <p>IEHP_Transportation Medi-Cal Enrollment Review Workflow - IEHP Direct</p>		<p>demonstrates the monthly verification process for direct transportation providers. The transportation roster is validated through data comparison with CHHS ODP. If provider is not Medi-Cal enrolled;</p> <ul style="list-style-type: none"> ○ Attempt to assist with transportation issues, document attempt. ○ Generate list of open/active authorizations for transportation provider ○ Redirect members ○ Terminate the provider <ul style="list-style-type: none"> ● P&P “MC_09C NEMT & NMT Services” demonstrates the Plan has a process in place for monitoring activities, occurring no less than quarterly, including but not limited to Enrollment Status. If non-compliance is identified through monitoring activities, this will result in intervention including Provider education, issuance of corrective action, freezing to new authorizations, and leading up to termination of contract. [9. Access Standards, B., page 9] ● Plan policy “MC_05C_Prov Screening_Enrollment Reqs” demonstrates the Plan is monitoring provider enrollment status, verifying using the CHHS ODP on a monthly basis. Providers are allowed to participate in the Plan’s network for up to 120 days pending the outcome of application and/or denial. If termination will impact member access, the Plan will notify DHCS & submit plan of action. The Plan will not contract with providers that have been denied enrollment or after the 120-day period. [Section 5, C., C. 1-3] ● Plan documents “IEHP POA Response 03_10_23” and “IEHP_POA_D Best & Aragon” demonstrates providers have since been terminated, enrolled, and/or are within their 120-day timeframe.

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date* (*Short-Term, Long-Term)	DHCS Comments
				The corrective action plan for finding 3.8 is accepted.
4. Member Rights				
<p>4.1 Quality of Care Resolution Letters</p> <p>The Plan's QOC grievance resolution letters did not contain an explanation of the Plan's decision.</p>	<p>The Plan configured updated letter templates in its medical management system to demonstrate that grievance resolution details are populated in the letter for mailing. The Plan developed a matrix of template language for commonly seen grievance resolution that Team Members can use to demonstrate clear and concise explanation of the Plan's decision without disclosing QOC grievance proceedings. The Plan trained its Grievance and QA Teams on the process change, as described. The Plan will sustain its remediation efforts by performing 100% QA on QOC resolution letters before they go out for mailing. The Plan</p>	<p>IEHP_IT Request - Medi-Cal QOC Resolution Letter Update</p> <p>IEHP_QOC Resolution Letter_Redacted</p> <p>IEHP_Job Aide - Generating a Resolution Letter and Case Closure</p> <p>IEHP_QOC Case Templates</p> <p>IEHP_QOC Resolution Letter Training</p> <p>IEHP_QOC</p>	<p>Implementation is complete as of 3/1/23.</p>	<p>DHCS has identified that finding 4.1 was a repeat finding on the subsequent 2023 Medical Audit; therefore, DHCS assessed remediation for the finding 4.1 in the superseding 2023 Corrective Action Plan (CAP).</p> <p>The following documentation supports the MCP's efforts to correct this finding:</p> <p>POLICIES AND PROCEDURES</p> <ul style="list-style-type: none"> P&P's, Med-GRV 2, "Member Grievance Resolution System – Medi-Cal", (01/01/24) demonstrates the Plan has updated its policy on grievance resolution system to demonstrate that quality of care (QOC) grievance resolution letters contains clear and concise explanation of the Plan's decision. <p>OVERSIGHT AND MONITORING</p> <ul style="list-style-type: none"> Audit Review, "Resolution Letter Quality Review" (12/08/23 – 12/22/23) demonstrates the Plan has daily reviews to verify QOC resolution letters contain a clear and concise explanation of the Plan's decision, as well as weekly meetings with the Grievance Appeals

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date* (*Short-Term, Long-Term)	DHCS Comments
	<p>reviewed and updated its policy on grievance resolution system to demonstrate that quality of care (QOC) grievance resolution letters contain clear and concise explanation of the Plan's decision without disclosing QOC grievance proceedings.</p>	<p>Resolution Letter Training Acknowledgment</p> <p>IEHP_Medi-Cal PQOC GRV Verint QA Tool</p> <p>IEHP_MED_GRV 02 - Member Grievance Resolution System - Medi-Cal</p>		<p>Leadership Team to evaluate quality scores, any patterns and remediation activities as needed.</p> <ul style="list-style-type: none"> Resolution Letter Template Language, "Grievance QOC Resolution Templates" (01/2024) demonstrates the Plan has developed a matrix of template language for commonly seen grievance resolutions that Team Members can use to demonstrate clear and concise explanation of the Plan's decision. Redacted Revised Resolution Letters, (01/16/24) demonstrates the Plan has implemented a QOC grievance resolution letter template which exclude the use of CA Evidence code 1157 and to make certain that a clear and concise explanation of the Plan's decision is given to the members. Revised Job Aid, "DTR-DHCS Audit Response – GA QOC Resolution Letter QA review" (12/13/23) Revision to Step 5 to include screenshot of resolution letter verbiage. Revision to Background to include, "The resolution letter verbiage is reviewed to demonstrate QOC grievance resolution letters include the explanation of the Plan's decision in a clear and concise manner." <p>TRAINING</p> <ul style="list-style-type: none"> Training, "QOC Resolution Letter Update", (01/02/24 – 01/04/24) demonstrates the Plan trained its QA Teams staff on the revised process on the importance of documenting dissatisfaction details of the Plan's investigation and any documentation related to the

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date* (*Short-Term, Long-Term)	DHCS Comments
				<p>resolution process in order to demonstrate clear and concise communication to the members.</p> <p>The corrective action plan for finding 4.1 is accepted.</p>
6. Administrative and Organizational Capacity				
<p>6.2 Potential Fraud, Waste, and Abuse Reporting to DHCS</p> <p>The Plan did not report to DHCS the results of their preliminary investigations of potential FWA incidents identified within ten working days.</p>	<p>The Plan implemented a process change to demonstrate reporting to DHCS the results of preliminary investigations of potential FWA incidents identified within ten working days. The Plan updated the referenced policy for clarification on when potential FWA is identified.</p>	<p>12.29.2022 Fraud Case Review - Recap Notes_Redacted</p> <p>PRO_CMP F-02 - Fraud Waste and Abuse Program - Reporting Procedures UPDATED</p>	<p>Implementation is complete as of 1/2/23.</p>	<p>The following documentation supports the MCP's efforts to correct this finding:</p> <p>POLICIES AND PROCEDURES</p> <p>The Plan updated policies and procedures to address the gap that contributed to the audit finding.</p> <ul style="list-style-type: none"> Updated P&P, "6.2_PRO_CMP F-02 - Fraud Waste and Abuse Program - Reporting Procedures UPDATED" (01/01/23). The Plan conducts, completes, and reports the results of a preliminary investigation of potential FWA to the Department of Health Care Services (DHCS) Program Integrity Unit (PIU) within ten (10) business days of the date when the Plan first becomes aware of, or is on notice of, such activity. If potential FWA is identified, the case is moved to investigation, an investigator assigned, and reporting dates are set (Pages 1-2). Sample "Fraud Case Review (12/29/22) demonstrates the Plan implemented new processes for identifying reportable cases and instruction on timely reporting to DHCS. (6.2_12.29.2022 Fraud Case Review - Recap Notes_Redacted)

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date* (*Short-Term, Long-Term)	DHCS Comments
				<p>MONITORING AND OVERSIGHT</p> <ul style="list-style-type: none"> The Plan conducts self-monitoring to confirm cases are reported to DHCS within 10 days of the Plan receiving notification of the potential FWA by documenting them in case management system. “All activity is documented in this system including activity performed during intake, initial assessment, investigation, final assessment, and reporting.”(5.15.23 Narrative Response_MCQMD Review_Draft_Internal) Daily monitoring reports are generated to demonstrate timely reporting as noted in “6.2_FWA DHCS Reportables”. This report/tracking tool is used daily to review and verify that updated policies and procedures implemented are successful. <p>The corrective action plan for finding 6.2 is accepted.</p>

Submitted by: Erika Oduro
Title: Manager, Regulatory Affairs

Date: March 23, 2023

Signed by Chief Executive Officer, Jarrod McNaughton

Signed by Chief Medical Officer, Dr. Takashi Wada

Signed by Chief Operating Officer, Susie White