

DEPARTMENT OF HEALTH CARE SERVICES  
AUDITS AND INVESTIGATIONS  
CONTRACT AND ENROLLMENT REVIEW DIVISION  
SAN DIEGO SECTION

REPORT ON THE MEDICAL AUDIT OF

**SANTA BARBARA SAN LUIS OBISPO  
REGIONAL HEALTH AUTHORITY  
DBA CENCAL HEALTH**

**2023**

Contract Number: 08-85212

Audit Period: October 1, 2022  
Through  
September 30, 2023

Dates of Audit: October 9, 2023  
Through  
October 19, 2023

Report Issued: December 14, 2023

**TABLE OF CONTENTS**

I. INTRODUCTION .....1

II. EXECUTIVE SUMMARY .....2

III. SCOPE/AUDIT PROCEDURES .....3

## I. INTRODUCTION

The Santa Barbara San Luis Obispo Regional Health Authority dba CenCal Health (Plan) was established in September 1983, as the first State-contracted County Organized Health System. Originally known as the Santa Barbara Health Initiative, the Plan began serving San Luis Obispo County in March 2008. Since then, the Plan's service area covered two counties, Santa Barbara and San Luis Obispo.

The Plan is a public entity governed by a 13-member Board of Directors appointed by the Santa Barbara and San Luis Obispo County Boards of Supervisors. The Board of Directors is composed of local government, physician, hospital, member, other health care provider, and business representatives.

As of September 2023, the Plan's total Medi-Cal enrollment was 232,768 members. Member enrollment is comprised of 164,515 in Santa Barbara County and 68,253 in San Luis Obispo County.

## II. EXECUTIVE SUMMARY

This report presents the findings of the Department of Health Care Services (DHCS) medical audit for the period of October 1, 2022 through September 30, 2023. The audit was conducted from October 9, 2023 through October 19, 2023. The audit consisted of document reviews, verification studies, and interviews with Plan representatives.

The audit evaluated four categories of performance: Utilization Management, Case Management and Coordination of Care, Member's Rights, and Administrative and Organizational Capacity.

An Exit Conference with the Plan was held on November 29, 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 Plan submitted a response after the Exit Conference. The results of the evaluation of the Plan's response are reflected in this report.

The prior DHCS medical audit issued on May 23, 2023, for the audit period of October 1, 2021 through September 30, 2022, identified deficiencies, which were addressed in a Corrective Action Plan (CAP). The prior year CAP was open during the audit period. This audit examined documentation for compliance to determine to what extent the Plan operationalized its CAP. The CAP closed on October 13, 2023.

The summary of the findings by category follows:

### **Category 1 – Utilization Management**

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

### **Category 2 – Case Management and Coordination of Care**

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

### **Category 4 – Member's Rights**

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

### **Category 6 – Administrative and Organizational Capacity**

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 this audit to ascertain that the medical services provided to Plan members comply with federal and state laws, Medi-Cal regulations and guidelines, and the state Contract.

#### **PROCEDURE**

The audit was conducted from October 9, 2023 through October 19, 2023. The audit included a review of the Plan's policies for providing services, the procedures used to implement the policies, and verification studies of the implementation and effectiveness of those policies. Documents were reviewed and interviews were conducted with Plan administrators and staff.

The following verification studies were conducted:

#### **Category 1 – Utilization Management**

Prior Authorization (PA) Requests: 36 medical PA requests (25 denied, nine modified, and two approved) were reviewed for timeliness, consistent application of criteria, appropriate review, and communication of results to members and providers.

Appeal Procedures: 30 appeals of denied medical PAs (ten upheld and 20 overturned) were reviewed for appropriate and timely adjudication.

#### **Category 2 – Case Management and Coordination of Care**

Initial Health Appointment (IHA): 20 medical records were reviewed for provision, completeness, and timeliness of IHAs.

Continuity of Care (COC): Ten medical records were reviewed for timeliness, appropriate review, and communication of COC request determination to members.

#### **Category 4 – Member's Rights**

Grievance Procedures: 28 Quality of Care (QOC) and 19 Quality of Service (QOS) standard grievances, three expedited grievances (two QOC and one QOS), ten exempt grievances, and ten call inquiries were reviewed. All grievances were reviewed for timely resolution, appropriate classification, response to the complainant, submission to the appropriate level for review, and translation into the member's preferred language (if applicable).

## **Category 6 – Administrative and Organizational Capacity**

Fraud and Abuse: Seven fraud and abuse cases were reviewed for processing and reporting requirements.

Encounter Data: Five encounter data records were reviewed for complete, accurate, reasonable, and timely encounter data submissions.

DEPARTMENT OF HEALTH CARE SERVICES  
AUDITS AND INVESTIGATIONS  
CONTRACT AND ENROLLMENT REVIEW DIVISION  
SAN DIEGO SECTION

REPORT ON THE MEDICAL AUDIT OF

**SANTA BARBARA SAN LUIS OBISPO  
REGIONAL HEALTH AUTHORITY  
DBA CENCAL HEALTH**

**2023**

Contract Number: 08-85219 and 22-20496  
State Supported Services

Audit Period: October 1, 2022  
Through  
September 30, 2023

Dates of Audit: October 9, 2023  
Through  
October 19, 2023

Report Issued: December 14, 2023

**TABLE OF CONTENTS**

I. INTRODUCTION .....1

II. COMPLIANCE AUDIT FINDINGS .....2

## I. INTRODUCTION

This report presents the audit findings of Santa Barbara San Luis Obispo Regional Health Authority dba CenCal Health (Plan) State Supported Services Contract Nos. 08-85219 and 22-20496. The State Supported Services Contract covers abortion services for the Plan.

The audit was conducted from October 9, 2023 through October 19, 2023 for the period of October 1, 2022 through September 30, 2023. The audit consisted of document review, verification study, and interviews with Plan staff.

The audit reviewed 31 service claims for appropriate and timely adjudication.

An Exit Conference with the Plan was held on November 29, 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 Plan submitted a response after the Exit Conference. The results of the evaluation of the Plan's response are reflected in this report.

❖ **COMPLIANCE AUDIT FINDINGS (CAF)** ❖

**PLAN:** Santa Barbara San Luis Obispo Regional Health Authority dba CenCal Health

**AUDIT PERIOD:** October 1, 2022 through September 30, 2023

**DATES OF AUDIT:** October 9, 2023 through October 19, 2023

**STATE SUPPORTED SERVICES**

The Plan is required to provide, or arrange to provide, to eligible members State Supported Services, which include abortion and abortion-related services. (*State Supported Services Contract, Exhibit A(1)*)

The Plan's policy CLM-09, *State Supported Services/Pregnancy Termination/Abortion* (revised August 9, 2023), states that members can access abortion services in and out of network without prior authorization. The Plan defines abortion services as a "sensitive service" and assures members' confidentiality and accessibility. Non-emergency inpatient hospitalization for the performance of an abortion requires prior authorization under the same criteria as other medical procedures.

The Member Handbook informs members that some providers may have a moral objection to abortion and have a right not to offer this service. However, members can contact the Plan for assistance. Members are also informed that referrals are not needed from primary care physicians for abortion and abortion-related services.

The Provider Manual informs providers of the members' freedom of choice in obtaining sensitive services, such as abortion services, without prior authorization.

The audit found no discrepancies in this section.

**Recommendation:** None.