



August 16, 2024

Daniel Quan, Compliance Director
Santa Clara Family Health Plan
6201 San Ignacio Ave.
San Jose, CA 95119

Via E-mail

RE: Department of Health Care Services Medical Audit

Dear Mr. Quan:

The Department of Health Care Services (DHCS), Audits and Investigations Division conducted an on-site Medical Audit of Santa Clara Family Health Plan, a Managed Care Plan (MCP), from March 27, 2023 through April 6, 2023. The audit covered the period from March 1, 2022, through February 28, 2023.

The items were evaluated, and DHCS accepted 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

Process Compliance Section
DHCS - Managed Care Quality and Monitoring Division (MCQMD)

Enclosures: Attachment A (CAP Response Form)

cc: Stacy Nguyen, Chief *Via E-mail*
Managed Care Monitoring Branch
DHCS - Managed Care Quality and Monitoring Division (MCQMD)

Grace McGeough, Chief *Via E-mail*
Process Compliance Section
Managed Care Monitoring Branch
DHCS - Managed Care Quality and Monitoring Division (MCQMD)

Diana O'Neal, Lead Analyst *Via E-mail*
Audit Monitoring Unit
Process Compliance Section
DHCS - Managed Care Quality and Monitoring Division (MCQMD)

Arianna Ngo, Unit Chief *Via E-mail*
Managed Care Contract Oversight Branch
DHCS – Managed Care Operations Division (MCOD)

Brandon Montgomery, Contract Manager *Via E-mail*
Managed Care Contract Oversight Branch
DHCS – Managed Care Operations Division (MCOD)

ATTACHMENT A

Corrective Action Plan Response Form



Plan: Santa Clara Family Health Plan
Audit Type: Medical Audit

Review Period: 03/01/2022 – 02/28/2023
On-site Review: 03/27/2023 – 04/06/2023

MCPs are required to provide a Corrective Action Plan (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, which will reduce the turnaround time for DHCS to complete its review. According to ADA requirements, 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, as well as 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. Supporting Documentation, and 4. Completion/Expected Completion Date. The MCP must include a 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 details, such as the 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. Implementing deficiencies requiring short-term corrective action 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 remedy or operationalize completely, the MCP is to indicate that it has initiated remedial action and is on the way toward achieving an acceptable level of compliance. In those instances, the MCP must include the date when full compliance will be completed in addition to the above steps. Policies and procedures submitted during the CAP process must still be sent to the MCP's Contract Manager for review and approval, as applicable, according to existing requirements.

Please note that 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 DHCS grants prior approval for an extended implementation effort.

DHCS will communicate closely with the MCP throughout the CAP process and provide technical assistance to confirm that the MCP offers sufficient documentation to correct deficiencies. Depending on the number and complexity of deficiencies identified, DHCS may require the MCP to provide weekly updates.

5. Quality Management

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * <small>(*Short-Term, Long-Term)</small>	DHCS Comments
<p>5.1.1 Evaluation of PQI</p> <p>The Plan did not evaluate PQIs and did not take effective actions to address needed improvements.</p>	<p>Recruiting qualified nurses and Medical Director to assist with PQI evaluation and investigations. Developed monitoring and reporting mechanism to ensure PQIs are timely evaluated and take appropriate actions to address needed improvement.</p>	<p>QI.05.01 - Potential Quality of Care Issues</p> <p>QI Dashboard_PQI August 2023</p>	<p>11/1/2023</p>	<p>The following documentation supports the MCP’s efforts to correct this finding:</p> <p>STAFFING</p> <ul style="list-style-type: none"> The MCP provided confirmation that a temporary QI RN was hired in January 2024. MCP continues to recruit for a full-time nurse as of March 2024. <p>POLICIES AND PROCEDURES</p> <ul style="list-style-type: none"> Policy QI.05.01 - Potential Quality of Care Issues was updated to strengthen its clinical review process for PQIs. If medical records are still not received two weeks before the deadline, an escalation email is resent to the PNO and the Executive Team for assistance. (QI.05.01 - Potential_Quality_of_Care_Issues_(2768_-1)) <p>MONITORING</p> <ul style="list-style-type: none"> August 2023 PQI Dashboard demonstrates the MCP has process in place to monitor PQIs for timely evaluation. (QI Dashboard_PQI August 2023)

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
				<ul style="list-style-type: none"> Quality & Safety (Q&S) Manager to review and monitor progress of closing cases within 90 days on a weekly basis. 10/13/2023 Implemented weekly meetings with G&A Clinical Specialist RN/Temp RN and QI Coordinators to ensure all the medical records needed for QI RN/Temp QI RNs and Temp Medical Director to work on PQI cases in order to close them timely. Dashboard/Medical Record Requests documentation from 10/13/23 through 11/8/23 demonstrates these meetings are in practice. (Dashboard Review - 10.13.2023, Dashboard Review - 10.20.2023, Dashboard Review - 10.27.2023, Dashboard Review - 11.03.2023, Dashboard Review - 11.08.2023) PQI Open Cases in Beacon Report and Open Case Spreadsheet demonstrate the MCP is tracking individual PQI cases. (Open Cases in Access) <p>The corrective action plan for finding 5.1.1 is accepted.</p>
<p>5.1.2 Reporting of PQI to Governing Board</p> <p>The Plan's QIC did not report actions taken and improvements</p>	<p>Revised procedure QI.05.01 to identify and report actions and improvements made for PQIs to the Governing Board.</p>	<p>QI.05.01 - Potential Quality of Care Issues</p> <p>QI PQI Tracking and Tending Jan_Jun_2023</p>	<p>11/1/2023</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"> Revised P&P, QI.05.01 v12, "Potential Quality of Care Issues" (07/11/24) demonstrates the Plan made revisions to include, QIC

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made for PQI processing issues to the governing board.				<p>meeting minutes will document discussion and review of quality improvement activities. In addition, any actions and/or improvements taken by QIC will be provided to the Governing Board.</p> <p>IMPLEMENTATION</p> <ul style="list-style-type: none"> Meeting, "Governing Board Meeting" (09/28/23) as evidence the Governing Body reviewed the QIC meeting minutes from 08/08/23 that discussed Potential Quality Issues (PQI). The PQI discussions included that there is a backlog due to limited resources. The next step includes recruiting for open Registered Nurse and Temp Registered Nurse positions. In addition, it was also discussed that the Potential Quality of Care Issues (PQIs), noting 83.3% of PQIs, due from April to June 2023, closed on time, within 90 days. Meeting, "Governing Board Meeting" (12/14/23) as evidence the Governing Board reviewed the QIC 11/14/23 meeting minutes that discussed the 2023 DHCS audit findings and actions taken for the three findings. The PQI Tracking/Trending Report for Q1 And Q2 2023 was presented to the Governing Board, there were 70 closed PQI's, insight was provided on the top three PQI case categories: Diagnosis Issues, Adverse Occurrence, and Treatment Issues. A CAP was issued for providers who had three or more CAPs in Q1 and Q2 2023; transportation vendor had five CAPs and SNF had 3 CAPs. Each

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				<p>provider had one downgrade of PQI after their CAP response was received. In addition, the Plan informed the Committee about unresolved PQIs resulting from staffing challenges. A goal has been set to clear the backlog PQIs by the end of December. A temporary Medical Director was hired to help review the PQIs to help meet the goal.</p> <ul style="list-style-type: none"> • Workplan, "Medi-Cal (MC) 2023 Quality Improvement Work Plan" (11/2023) demonstrates the current progress and action items for PQI's. <p>Per Plan response, (03/15/23) "The responsibility to monitor PQI falls on the Quality Improvement Committee (QIC) (now known as Quality Improvement and Health Equity Committee (QIHEC)), which is a committee of the Governing Board. Any reports, actions taken, and improvements would be discussed within QIC/QIHEC. The Governing Board receives reports and minutes from the QIC/QIHEC, which is documented within the minutes, however a discussion may not occur if members accept the written QIC/QIHEC minutes as-is.</p> <p>MONITORING AND OVERSIGHT</p> <ul style="list-style-type: none"> • Monitoring Tool (10/2023) this tool verifies if the QIC is reporting actions taken and improvements made for PQI processing issues to the Governing Board. The Compliance Officer will monitor this tool

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				<p>and will consult with the Director. In addition, the Quality Improvement will ensure compliance.</p> <p>The corrective action plan for finding 5.1.2 is accepted.</p>
<p>5.1.3 Provider Involvement of PQI cases</p> <p>The Plan did not demonstrate provider involvement in the review of PQI cases.</p>	<p>Revised procedure QI.05.01 to develop an escalation process for requesting medical records to ensure oversight of contracted providers' respond to PQI issues.</p>	<p>QI.05.01 - Potential Quality of Care Issues</p>	<p>11/1/2023</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"> • Desktop Procedure - Medical Record Requests, which demonstrates the actions required to escalate the requests of medical records. • Revised P&P, QI.05.01 v12 (07/11/24) demonstrates the Plan made revisions to include two additional escalation processes in order to receive medical records on a timely basis from providers, hospitals and facilities. Per Plan response, "Since the Plan has implemented its escalation process, there hasn't been an issue with non-responsiveness." <p>MONITORING AND OVERSIGHT</p> <ul style="list-style-type: none"> • Escalation Tracker serves as documentation that the MCP is monitoring its Providers for medical records not received timely. (Escalation Tracker 2023.revised)

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
				<ul style="list-style-type: none"> • QI PQI Tracking and Trending Report (January – June 2023) demonstrates the Plan presented a PowerPoint to their QIC Committee. This report is processed every 6 months. (QI PQI Tracking and Trending Jan_Jun_2023) • QI PQI Tracking and Trending Report, (July – December 2023) demonstrates the Plan demonstrates the Plan presented a PowerPoint to their QIHEC Committee. This report is processed every 6 months. (QI PQI Tracking and Trending Jul_Dec_2023_CB.pptx) • QI Workplan Medi-Cal 2023 Q3 Update, to Identify Potential Quality of Care Issues (PQIs) (QI Work Plan_Medi-Cal 2023_Q3 Update) <p>TRAINING</p> <ul style="list-style-type: none"> • Various JOC (Joint Operations Committee) meeting agendas that demonstrates the updates escalation process was shared with delegated entities. (11.03.2022 PCNC JOC Agenda (002)-final, SCFHP-KFHP_JOC_Agenda 11-16-2022, 11.17..22 NEMS JOC Agenda, 11.18.22_VHP_JOC_Agenda_, and 2022.11.03 PMG JOC Packet (002)) <p>The corrective action plan for finding 5.1.3 is accepted.</p>

*Attachment A must be signed by the MCP's compliance officer and the executive officer(s) responsible for the area(s) subject to the CAP.

Submitted by: Laurie Nakahira D.O., Chief Medical Officer & Daniel Quan, Compliance Officer

Signed by: [Signatures on File]

Date: October 19, 2023