

June 2, 2025

THIS LETTER SENT VIA EMAIL

Ms. Christy K. Bosse.
Senior Vice President & CA Compliance Officer
Health Net of California, Inc.
21281 Burbank Blvd
Woodland Hills, CA 91367

2024 HEALTH NET DENTAL AUDIT – CORRECTIVE ACTION PLAN

Dear Ms. Bosse,

On March 7, 2025, Department of Health Care Services (DHCS) sent Health Net (HN) their 2024 Health Net Audit Report and Notice of Deficiency (NOD) for the Audit review period of 4/1/2023 – 3/31/2024.

On April 3, 2025, Health Net submitted their CAP response. On April 7, 2025, DHCS inquired about the lack of supporting documentation because while referenced in CAP log, no substantiating documentation was submitted. On April 7, 2025, Health Net responded stating that supporting documents were under development and would be available upon implementation.

On April 15, 2025, DHCS hosted a Technical Assistance meeting with HN, during which DHCS confirmed that CAP approval is not possible without required supporting documentation for review, pursuant to All Plan Letter (APL) 22-009. HN acknowledged understanding.

On April 24, 2025, HN sent correspondence stating that the revised CAP with supporting documentation would be submitted to DHCS by May 6, 2025. On April 25, 2025, DHCS replied to HN stating that DHCS will be responding by May 2, 2025, which is within 30 days of HN's April 3, 2025, response.

HN submitted a revised CAP on May 5, 2025, with additional supporting documentation. On the enclosed CAP Response Form, DHCS has reviewed and responded to the findings. For any CAP that is not closed, please complete the CAP Response Form and submit supporting documentation organized in separate electronic folders that are clearly labeled by corresponding finding number (e.g., 1.1.1, 1.1.2, etc.).

DMC plans are required to complete CAPs within six (6) months of receiving notice of findings from DHCS. Plans are required to provide a monthly status update to DHCS utilizing the CAP Response Form and provide supporting CAP documentation until the CAP is completed. The DMC plan must demonstrate to DHCS ongoing active progress



toward implementation of the CAP within the monthly status update, including key milestones, date(s) of milestone completion, and the expected date of when full compliance will be achieved. DHCS will monitor the plan's progress towards full CAP resolution through the monthly status update from the DMC plan until the CAP is closed.

The CAP Response Form must be signed by the DMC Plan's Project Representative. The CAP Response Form and corresponding supporting documentation should be submitted to dmcdeliverables@dhcs.ca.gov.

Please note, in accordance with APL 22-009, DHCS can require or impose a CAP on a DMC plan and/or impose other enforcement actions for the violations set forth in WIC section 14197.7(a), and others. For example, sanctions can be imposed on a DMC plan together with a CAP, in lieu of a CAP, or if the DMC plan fails to meet CAP requirements. The factor(s) set forth in WIC section 14197.7(g) will be considered by DHCS when determining whether a preceding, concurrent, or subsequent CAP is appropriate when taking enforcement actions, including imposing a sanction.

If you have any questions regarding this response to Health Net's CAP, please contact DHCS at dmcdeliverables@dhcs.ca.gov.

Sincerely,

Original signed by:

Dana Durham
Chief, Medi-Cal Dental Services Division
Department of Health Care Services

Enclosure: CAP Response Form

Corrective Action Plan Response Form

DMC Plan: Health Net of California, Inc.

Review Period: 4/1/2023 – 3/31/2024

Audit Type: Department of Health Care Services Dental Audit

On-Site Review: 7/22/2024 – 8/2/2024

The Medi-Cal Dental Managed Care (DMC) plan is required to submit a corrective action plan (CAP) within 30 calendar days. The CAP response must include completion of the prescribed columns below to include a description of the corrective action, a list of all supporting documentation submitted, and the CAP implementation date. For systemic deficiencies that may be reasonably determined to require long-term corrective action for a period longer than 30 days to fully remediate or operationalize, the DMC plan must demonstrate that sufficient progress has been made toward implementation of the CAP. In those instances, the DMC plan is required to include the dates for key milestones as well as when full compliance will be achieved. CAP reporting on the deficiency(ies) will continue through demonstrative compliance.

The Department of Health Care Services will maintain close communication with the DMC plan throughout the CAP review process and provide technical assistance as needed.

Finding / Summary	Action Taken	Supporting Documentation	Implementation Date	DHCS Comments
<p>» 4.1.1 Written Explanations in Grievance Resolution Letters – The Plan did not provide clear and concise explanations of the decisions for</p>	<p>» Development of training Medical Directors to provider language that can be inserted into the resolution letters that include</p>	<p>» Training Material</p>	<p>» 6/1/2025</p>	<p>» 5/2/25: DHCS has reviewed and denies the CAP provided from Health Net submitted on April 3, 2025. The CAP submitted is missing supporting</p>

Finding / Summary	Action Taken	Supporting Documentation	Implementation Date	DHCS Comments
<p>members' complaints regarding QOC grievance resolution letters.</p>	<p>reasons for the decision of QOC case reviews.</p>			<p>documentation and does not satisfactorily demonstrate Health Net's resolution on providing clear and concise explanations of the decisions for members' complaints regarding QOC grievance resolution letters.</p> <p>» 6/2/25: DHCS has reviewed and denies the CAP provided from Health Net submitted on May 5, 2025. The training PowerPoint submitted does not</p>

Finding / Summary	Action Taken	Supporting Documentation	Implementation Date	DHCS Comments
				include any examples of updated QOC resolution letters or the Dental Director's QOC summary language. Additionally, this change represents a shift in existing process. As such, a revised policy and procedure should be submitted to formally reflect the new workflows.
» 4.1.1 Written Explanations in Grievance Resolution Letters – The Plan did not	» Implementing a focused letter audit for 30 days post training to ensure	» Regulatory BKB audit tool	» 8/1/2025	» 5/2/25: DHCS has reviewed and denies the CAP provided from Health Net submitted

Finding / Summary	Action Taken	Supporting Documentation	Implementation Date	DHCS Comments
<p>provide clear and concise explanations of the decisions for members' complaints regarding QOC grievance resolution letters.</p>	<p>language in the resolution letter reflects reason for the decision.</p>			<p>on April 3, 2025. The CAP submitted is missing supporting documentation and does not satisfactorily demonstrate Health Net's resolution on providing clear and concise explanations of the decisions for members' complaints regarding QOC grievance resolution letters.</p> <p>» 6/2/25: DHCS has reviewed and denies the CAP provided from Health Net submitted on May 5,</p>

Finding / Summary	Action Taken	Supporting Documentation	Implementation Date	DHCS Comments
				<p>2025. This tool is intended to support a focused 30-day audit of resolution letters to ensure appropriate language is used that reflects the reasoning for the decision. The CAP will be closed after the audit findings are submitted to and reviewed by DHCS.</p>