



December 29, 2023

*THIS LETTER SENT VIA EMAIL*

Martha Santana-Chin, Chief Executive Officer  
Health Net Community Solutions, Inc.  
21281 Burbank Blvd.  
Woodland Hills, CA 91367

**NOTICE OF IMPOSITION OF MONETARY SANCTIONS FOR FAILURE TO MEET  
MINIMUM PERFORMANCE LEVELS FOR MEDI-CAL MANAGED CARE  
ACCOUNTABILITY SET PERFORMANCE MEASURES**

Dear Martha Santana-Chin,

The Department of Health Care Services (DHCS) sends this notice of imposition of monetary sanctions on Health Net Community Solutions, Inc. for failure to meet required minimum performance levels (MPLs) for measurement year (MY) 2022 Medi-Cal Managed Care Accountability Set (MCAS) performance measures.

Under the contract with DHCS, Health Net Community Solutions, Inc. is required to meet the DHCS established MPLs for each Health Effectiveness Data and Information Set (HEDIS) measure and all other required MCAS performance measures (Exhibit A, Attachment 4, Quality Improvement System, section 9 External Quality Review Requirements, A).

Successful administration of the Medi-Cal program requires a collaborative partnership between DHCS and Medi-Cal managed care plans (MCPs). This collaboration includes the expectation that MCPs will meet their contractual and programmatic requirements on an ongoing basis. Health Net Community Solutions, Inc. and DHCS regularly collaborated on strategies for improving the Plan's MCAS performance measures required to meet MPLs. On July 20, 2023, DHCS received validated MCAS measure rates from the External Quality Review Organization and confirmed that Health Net Community Solutions, Inc. has 66 plan-wide measures below MPL across 4 domains for MY 2022. See Table 2 for enforcement tier designation triggers.

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Under Welfare and Institutions Code (W&I) section 14197.7 and the MCP contract, DHCS has the authority to impose monetary sanctions for Health Net Community Solutions, Inc.'s failure to meet its MPLs for all applicable MCAS performance measures (Exhibit E, Attachment 2, Program Terms and Conditions, section 17 Sanctions, B; W&I § 14197.7(f)(1)). As noted above, the MCP contract requires it to meet the DHCS established MPLs for each MCAS performance measure (Exhibit A, Attachment 4, Quality Improvement System, section 9 External Quality Review Requirements, A). Health Net Community Solutions, Inc. confirming failure to meet the MPLs as outlined in the contract creates good cause for DHCS to impose monetary sanctions (Exhibit E, Attachment 2, Program Terms and Conditions, section 17 Sanctions, B; W&I § 14197.7(f)(1)).

DHCS is imposing monetary sanctions for Health Net Community Solutions, Inc.'s failure to comply with its obligations set forth in the contract. Under W&I section 14197.7(f), DHCS is authorized to impose a \$25,000 sanction per violation of Health Net Community Solutions, Inc.'s contractual obligation to meet MPLs for each MCAS performance measure.

**The total sanction amount for Health Net Community Solutions, Inc. is \$655,000 for the following 66 measures below the MPL for MY 2022:**

Reporting Unit	Measures*	Domains*	MCP Rates	MPL	Trending Difference from HEDIS MY 2021	Population Impacted
Kern	FUA-30Day	BH	19.53%	21.24%	10.01	346
	FUM-30Day	BH	32.67%	54.51%	18.1	136
	CIS-10	CH	26.03%	34.79%	0.24	767
	IMA-2	CH	28.17%	35.04%	-0.73	1257
	LSC	CH	47.93%	63.99%	0	542
	W30-2	CH	52.36%	65.83%	8.55	465
	W30-6	CH	42.89%	55.72%	4.5	253
	WCV	CH	32.21%	48.93%	-5.56	22096
	CBP	CD	53.81%	59.85%	-2.15	2057
	BCS	RC	47.91%	50.95%	2.75	1846
	CCS	RC	46.02%	57.64%	-3.68	8888
	CHL-Tot	RC	46.99%	55.32%	-23.88	1303
	PPC-Post	RC	72.92%	77.37%	-6.04	206
PPC-Pre	RC	80.90%	85.40%	0.41	145	
Los Angeles	FUM-30Day	BH	39.35%	54.51%	19.19	2401

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	CIS-10	CH	22.63%	34.79%	-6.32	9000
	LSC	CH	52.07%	63.99%	0	5597
	W30-2	CH	61.37%	65.83%	1.78	4722
	W30-6	CH	43.14%	55.72%	-0.75	2850
	WCV	CH	45.15%	48.93%	-2.79	200232
	CCS	RC	55.12%	57.64%	1.95	101129
Sacramento	FUM-30Day	BH	48.75%	54.51%	20.38	471
	CIS-10	CH	28.47%	34.79%	-2.43	1374
	LSC	CH	42.74%	63.99%	0	1100
	W30-2	CH	62.85%	65.83%	-0.01	727
	W30-6	CH	48.39%	55.72%	0.99	546
	BCS	RC	41.40%	50.95%	-0.55	3537
	CCS	RC	53.90%	57.64%	0.28	12994
	PPC-Post	RC	75.39%	77.37%	1.3	371
San Diego	FUM-30Day	BH	43.91%	54.51%	29.29	267
	LSC	CH	60.83%	63.99%	0	384
	W30-2	CH	58.88%	65.83%	-2.58	403
	W30-6	CH	45.61%	55.72%	-0.87	161
	WCV	CH	39.90%	48.93%	-5.95	18369
	BCS	RC	49.05%	50.95%	3.02	1530
	CCS	RC	44.77%	57.64%	0.97	8815
		PPC-Pre	RC	78.38%	85.40%	-2.13
San Joaquin	FUM-30Day	BH	43.93%	54.51%	35.6	60
	CIS-10	CH	25.00%	34.79%	-5.63	224
	IMA-2	CH	24.57%	35.04%	-3.9	320
	LSC	CH	37.16%	63.99%	0	187
	W30-2	CH	38.46%	65.83%	-6.47	184
	W30-6	CH	44.26%	55.72%	4.92	68
	WCV	CH	31.05%	48.93%	0.38	6214
	HBD-H9	CD	42.22%	39.90%	1.42	469
	BCS	RC	32.80%	50.95%	-1.77	678
	CCS	RC	44.28%	57.64%	-1.71	2870
		PPC-Pre	RC	81.42%	85.40%	0.02
Stanislaus	FUM-30Day	BH	46.63%	54.51%	32.31	190
	CIS-10	CH	23.84%	34.79%	-5.36	654
	IMA-2	CH	31.14%	35.04%	2.62	1096
	LSC	CH	34.79%	63.99%	0	562
	W30-2	CH	42.18%	65.83%	-1.15	525
	W30-6	CH	32.26%	55.72%	-1.71	273
		WCV	CH	28.70%	48.93%	-0.62

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	CBP	CD	57.00%	59.85%	1.14	1215
	HBD-H9	CD	42.30%	39.90%	3.61	1402
	BCS	RC	39.43%	50.95%	0.47	1742
	CCS	RC	44.81%	57.64%	-4.58	7337
	CHL-Tot	RC	50.52%	55.32%	2.04	1000
	PPC-Post	RC	71.34%	77.37%	-0.88	195
	PPC-Pre	RC	77.31%	85.40%	-4.54	154
Tulare	CIS-10	CH	33.09%	34.79%	-3.89	1516
	LSC	CH	59.37%	63.99%	0	925
	W30-2	CH	65.66%	65.83%	3.65	833
	WCV	CH	46.26%	48.93%	-0.23	30065

\*Please see Table 1 for acronym definitions

Pursuant to W&I section 14197.7 and in accordance with the December 4, 2023, Quality Sanction Bulletin, DHCS has considered the factors set forth in W&I section 14197.7(f) and (g) in determining the sanction amount, including the following:

- Scope of the violations, which are determined by the number of eligible members impacted by the quality-of-care violation (i.e., the number of eligible members who did not receive the recommended preventive service.) If an MCP's failure to meet an MPL impacts more than 25,000 eligible members, then each impacted beneficiary will constitute a separate violation and the MCP may be sanctioned more than \$25,000 total, as provided by W&I sections 14197.7(f)(1) and (g)(1).
- In determining the nature, scope, and gravity of the violation under W&I section 14197.7(g)(1), DHCS will consider the degree to which the MCP is below the MPL for the measure at issue and will increase sanction amounts per violation based upon the severity of the violation. (Please see Table 3 for violation factors).
- DHCS will consider whether the MCP's performance on the MPL at issue has improved or worsened over the previous MY under W&I section 14197.7(g)(6). If performance has gotten worse over the previous MY, the sanction amount will increase; if performance has improved, the sanction amount will decrease. (Please see Table 4 for trending factors).
- DHCS has reduced the total sanction amount for MCPs in counties with Healthy Places Index (HPI) scores under the 50<sup>th</sup> percentile, as determined by DHCS (Please see Table 5 for HPI percentile and impact factors). **This amount has already been accounted for in the sanction total above.**

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MCP by County	HPI Percentile	HPI Impact Factor
Health Net of California/Kern	1.7%	50.0%
Health Net of California/LA	33.3%	20.0%
Health Net of California/Sacramento	49.1%	10.0%
Health Net of California/San Diego	63.1%	0.0%
Health Net of California/San Joaquin	26.3%	30.0%
Health Net of California/Stanislaus	28.0%	30.0%
Health Net of California/Tulare	5.2%	50.0%

Health Net Community Solutions, Inc. is also required to submit a revised comprehensive quality strategy on or before January 31, 2024, that includes new interventions designed to meet or exceed the required 2024 milestones and details how it intends to devote adequate resources and staff to quality improvement.

Sincerely,

DocuSigned by:  
*Sarah Lahidji*  
CF9B74026BA741A...

Sarah Lahidji

Division Chief, Quality and Health Equity  
Quality and Population Health Management  
Department of Health Care Services



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CC

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Department of Health Care Services

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Department of Health Care Services

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Enclosure

<b>TABLE 1: DOMAIN, MEASURE, &amp; ACRONYM</b>		
<b>Domain</b>	<b>Measure</b>	<b>Acronym</b>
<b>Children's Health (CH)</b>	Child and Adolescent Well-Care Visits	WCV
	Childhood Immunization Status: Combination 10	CIS-10
	Immunizations for Adolescents: Combination 2	IMA-2
	Lead Screening in Children	LSC
	Well-Child Visits in the First 30 Months of Life – Well-Child Visits in the First 15 Months – Six or More Visits	W30-6
	Well-Child Visits in the First 30 Months of Life – Well-Child Visits for Age 15 Months to 30 Months – Two or More Visits	W30-2
<b>Reproductive Health and Cancer Prevention (RC)</b>	Breast Cancer Screening	BCS
	Cervical Cancer Screening	CCS
	Chlamydia Screening in Women	CHL
	Prenatal and Postpartum Care: Postpartum Care	PPC-Post
	Prenatal and Postpartum Care: Timeliness of Prenatal Care	PPC-Pre
<b>Chronic Disease Management (CD)</b>	Comprehensive Diabetes Care: HbA1c Poor Control (>9.0%)*	HBD-H9*
	Controlling High Blood Pressure	CBP
<b>Behavioral Health (BH)</b>	Follow-up After Emergency Department Visit for Mental Illness – 30-day Follow-Up	FUM-30Day
	Follow-up After Emergency Department Visit for Substance Use – 30-day Follow-Up	FUA-30Day

\*A lower rate is better for this measure

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<b>TABLE 2: QUALITY ENFORCEMENT TIER DESIGNATION TRIGGERS</b>			
<b>Enforcement Tiers</b>	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>
<b>Triggers</b>	One (1) measure below the MPL in any one (1) domain	Two (2) or more measures below the MPL in any one (1) domain	Three (3) or more measures below the MPL in two (2) or more domains
<b>Enforcement Action</b>	Not subject to monetary sanction	Subject to monetary sanction	Subject to monetary sanction

<b>TABLE 3: VIOLATION AND BENEFICIARY IMPACT (W&amp;I section 14197.7(g)(1))</b>		
<b>Severity/Beneficiary Impact</b>	<b>Violation per Measure</b>	<b>Severity Violation Factor</b>
Minimal Violation	<1.00% below MPL	1.0
Minor violation	1.00% - 5.99% below MPL	1.2
Moderate Violation	6.00% - 10.99% below MPL	1.4
Moderately severe violation	11.00% - 15.99% below MPL	1.6
Severe Violation	16.00% - 20.99% below MPL	1.8
Extremely severe violation	≥21.00% below the MPL	2.0

<b>TABLE 4: TRENDING FACTOR (W&amp;I section 14197.7(g)(6))</b>		
<b>Degrees of Improvement</b>	<b>Trending Difference per Measure</b>	<b>Trending Factor</b>
Significant Worsening	≤(-)15.01%	2.0
Moderately Significant Worsening	(-)15.00% - (-)11.01%	1.8
Moderate Worsening	(-)11.00% - (-)7.01%	1.6
Minimal Worsening	(-)7.00% - (-)4.01%	1.4
Slight worsening	(-)4.00% - (-)0.01%	1.2
No Improvement	0.00 - 1.00%	1.0
Slight Improvement	1.01% - 4.00%	0.8
Minimal Improvement	4.01% - 7.00%	0.6
Moderate Improvement	7.01% - 11.00%	0.4
Moderately Significant Improvement	11.01% - 15.00%	0.2
Significant Improvement	≥15.01%	0.0

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<b>TABLE 5: HPI IMPACT AND SANCTION REDUCTION</b>		
<b>Severity (Impact) of HPI (per county and MCP)</b>	<b>HPI Percentile</b>	<b>HPI Impact Factor (Sanction Reduction)</b>
Very High	0-9%ile	50%
High	10-19%ile	40%
Moderate	20-29%ile	30%
Low Moderate	30-39%ile	20%
Low	40-49%ile	10%

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**NOTICE OF APPEAL RIGHTS**

Health Net Community Solutions, Inc. has the right to request a hearing in connection with any sanctions within 15 business days after receipt of the notice to impose sanctions. DHCS will stay the imposition of sanctions upon receipt of the request for a hearing until the effective date of a final decision from the Office of Administrative Hearings and Appeals. Health Net Community Solutions, Inc. may request a hearing by sending a letter so stating to the Office of Administrative Hearings and Appeals at the address below:

Chief Administrative Law Judge  
Office of Administrative Hearings and Appeals  
Department of Health Care Services  
3831 N. Freeway Blvd., Suite 200  
Sacramento, CA 95834

A copy of the hearing request shall also be sent to:

Thomas Mahoney  
Quality and Health Equity Measurement Monitoring Section Chief  
Quality and Population Health Management  
Department of Health Care Services  
MS 0020  
P.O. Box 997413  
Sacramento CA 95899-7413

Judith Recchio  
Deputy Director and Chief Counsel  
Office of Legal Services  
Department of Health Care Services  
MS 0010  
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