

November 24, 2025

THIS LETTER SENT VIA EMAIL

Dorothy Seleski, Senior Vice President Plan Product
Health Net Community Solutions, Inc.
21281 Burbank Boulevard
Woodland Hills, CA 91367

**FINAL NOTICE OF MONETARY SANCTION FOR FAILURE TO MEET AND EXCEED
MINIMUM PERFORMANCE LEVELS FOR MEDI-CAL MANAGED CARE
ACCOUNTABILITY SET PERFORMANCE MEASURES**

Dear Dorothy Seleski,

The Department of Health Care Services (DHCS) sends this Final Notice of Monetary Sanction Letter to Health Net Community Solutions, Inc. (Health Net) for failure to meet and exceed the required minimum performance levels (MPLs) for measurement year 2024 (MY24)¹ Medi-Cal Managed Care Accountability Set (MCAS) performance measures (Managed Care Plan (MCP) Contract, Exhibit A, Attachment 3, section 2.2 Quality Improvement System, subsection 2.2.9 External Quality Review Requirements).

Under California Welfare and Institutions Code (W&I) section 14197.7 and the MCP contract, DHCS has the authority to impose monetary sanctions for Health Net's failure to meet and exceed required MPLs for MY24, which has directly impacted Health Net's Members (MCP Contract, Exhibit A, Attachment 3, section 2.2 Quality Improvement System, subsection 2.2.9 External Quality Review Requirements). Pursuant to W&I section 14197.7(f) and the MCP contract, DHCS is authorized to impose a \$25,000 sanction per violation of Health Net's contractual obligation to meet and exceed MPLs for each MCAS performance measure (MCP Contract, Exhibit E, Program Terms and Conditions, section 1.1.19 Sanctions; W&I section 14197.7(e)).

Successful administration of the Medi-Cal program requires a collaborative partnership between DHCS and Health Net. This collaboration includes the expectation that Health Net meet their contractual and programmatic requirements on an ongoing basis. DHCS provides Health Net with regular opportunities for collaboration on strategies for

¹ Measurement Year 2024 (MY 24) covered activities conducted from January 1, 2024, to December 31, 2024



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improving Health Net's MCAS performance measures required to meet and exceed MPLs, including engaging directly with Health Net on required Quality Improvement (QI) work, providing QI coaching, and providing opportunities to participate in statewide and regional quality improvement collaboratives.

On April 25, 2025, DHCS published APL 25-007 Attachment C², which provided MCPs with an overview of the MCAS monetary sanction methodology.

On August 21, 2025, DHCS received Health Net's reported MCAS rates through the External Quality Review Organization (EQRO).

On October 7, 2025, DHCS sent Health Net the Quality Sanction Bulletin via the Quality Monitoring Inbox, which provided a detailed overview of MCAS monetary sanction methodology for MY24.

DHCS determined that Health Net has 49 county-level measures below the MPL across four domain(s), triggering Tier 2 or Tier 3 quality sanctions in five county(ies). See Table 2 for enforcement tier designation triggers.

On October 16, 2025, DHCS notified Health Net that DHCS was imposing monetary sanctions in the amount of \$329,000.00 for Health Net's failure to comply with its obligations set forth in the contract. See Table 3 and/or 4 for Health Net's Sanction Determination Details.

Health Net requested a Meet and Confer Conference with DHCS. DHCS and Health Net met on October 31, 2025. DHCS also considered the following information provided by Health Net in conjunction with the Meet and Confer Conference:

- Health Net asked DHCS to consider using a larger county-level denominator for the hybrid measures to be more representative of their MCAS rate performance. Health Net provided administrative rates for CBP, CIS-10, LSC, and IMA-2 because of the larger denominator.
 - DHCS recognizes that Plans may need clarification on the minimum county-level denominator for hybrid measures. Sanction determinations were adjusted utilizing the administrative rates for CBP, CIS-10, LSC, and IMA-2.
- Health Net asked DHCS to consider that their MY23 performance rates are not comparable to their MY24 performance rates because of the transition from reporting unit- to county-level reporting. Health Net requested setting the trending

² Department of Health Care Services. Attachment C – Managed Care Accountability Set (MCAS) Monetary Sanction Methodology. APL 25-007, 2025.



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factor to 1.0 for a sanctioned measure when the trending factor was greater than 1.0.

- DHCS recognizes the transition from reporting unit- to county-level reporting. DHCS did not apply a trending factor of 1.0 only for the sanctioned measures that had a trending factor greater than 1.0. DHCS is instead applying a single trending factor methodology for all sanctioned MCAS measures. DHCS thus modeled sanction determination using a trending factor of 1.0 for all of Health Net's sanctioned MCAS measures. However, this adjustment would result in a higher sanction amount because Health Net had a trending factor less than 1.0 for other sanctioned MCAS measures. Therefore, DHCS did not make this adjustment.

As a result of the information provided by Health Net in conjunction with the Meet and Confer Conference, the final sanction amount is **\$327,000.00**, which will be paid to DHCS via ACH/Wire or check payment. Please follow the included payment instructions to effectuate payment in full to DHCS. Please indicate the name of the MCP, MY, and the reason for payment when submitting your payment to DHCS. The effective date of this sanction is November 24, 2025. Payment for the MCAS MY24 Quality Sanctions is due immediately.

If Health Net does not pay within 30 business days, Health Net will receive a past due notice. Please provide notice of receipt and payment via email to DHCS' Quality Monitoring inbox at QualityMonitoring@dhcs.ca.gov. Please include the account number and check number, or wire transfer number, once payment has been sent. Notice of Appeal Rights is included in the letter below.

If you have any questions, send an email to the Quality Monitoring inbox at QualityMonitoring@dhcs.ca.gov.

Sincerely,

Original signed by

Pamela Riley, MD, MPH
Assistant Deputy Director, Chief Health Equity Officer
Quality and Population Health Management
Department of Health Care Services



Dorothy Seleski, Senior Vice President Plan Product

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ACH/Wire to:

Beneficiary Account Name: Department of Health Care Services

Bank Name: US Bank

Laurel Heights Branch

3471 California St

San Francisco, CA 94118

Routing Number: 122235821

Bank Account Number: 1-583-0005-7623

Reference: Sanction or any identifier

For Check Payment:

Payable to: Department of Health Care Services

Cash Receipts Unit

1501 Capitol Avenue MS 1101

PO Box 997415

Sacramento, CA 95899-7415

For check payment, please include the Final Notice of Monetary Sanction Letter and any backup documents that will identify the payment.



Dorothy Seleski, Senior Vice President Plan Product

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CC

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Director
Department of Health Care Services

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State Medicaid Director
Chief Deputy Director, Health Care Programs
Department of Health Care Services

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NOTICE OF APPEAL RIGHTS

Health Net has the right to request a hearing in connection with any sanctions within fifteen (15) working days after the notice of the effective date of sanctions has been given. 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 (OAHA). Health Net 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 must also be sent to:

Angelico Razon
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
P.O. Box 997413
Sacramento CA 95899-74



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Enclosure**TABLE 1: DOMAIN, MEASURE, & ACRONYM**

Domain	Measure	Acronym
Behavioral Health (BH)	Follow-Up After ED Visit for Mental Illness—30 days	FUM
	Follow-Up After ED Visit for Substance Use—30 days	FUA
Children's Health (CH)	Child and Adolescent Well-Care Visits	WCV
	Childhood Immunization Status: Combination 10	CIS-10
	Developmental Screening in the First Three Years of Life	DEV
	Immunizations for Adolescents: Combination 2	IMA-2
	Lead Screening in Children	LSC
	Topical Fluoride for Children	TFL-CH
	Well-Child Visits in the First 30 Months of Life – 0 to 15 Months – Six or More Visits	W30-6+
	Well-Child Visits in the First 30 Months of Life – 15 to 30 Months – Two or More Visits	W30-2+
Reproductive Health and Cancer Prevention (RC)	Chlamydia Screening in Women	CHL
	Prenatal and Postpartum Care: Postpartum Care	PPC-Pst
	Prenatal and Postpartum Care: Timeliness of Prenatal Care	PPC-Pre
	Breast Cancer Screening	BCS-E
	Cervical Cancer Screening	CCS
Chronic Disease Management (CD)	Asthma Medication Ratio	AMR
	Controlling High Blood Pressure	CBP
	Glycemic Status Assessment for Patients with Diabetes (>9%)*	GSD

*A lower rate is better for this measure.



TABLE 2: QUALITY ENFORCEMENT TIER DESIGNATION TRIGGERS

Enforcement Tiers	Tier 1	Tier 2	Tier 3
Triggers	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
Enforcement Action	Not subject to monetary sanction	Subject to monetary sanction	Subject to monetary sanction



TABLE 3: HEALTH NET MY24 MCAS QUALITY SANCTION DETERMINATION DETAILS

County	Measure	MCP Rate	MPL	Severity Factor	Trending Factor	Population Impacted	HPI Reduction Factor	Sanction per Measure Per County
Los Angeles	AMR	56.89%	66.24%	1.4	0.8	2470	30%	\$1,936.48
Los Angeles	CCS	54.02%	57.18%	1.2	1.2	114539	30%	\$115,455.31
Los Angeles	CIS-10	25.93%	27.49%	1.1	1.2	9277	30%	\$8,571.95
Los Angeles	FUA	31.79%	36.18%	1.2	0.4	4336	30%	\$1,456.90
Los Angeles	FUM	41.11%	53.82%	1.6	0	3160	30%	\$0.00
Los Angeles	W30-2	65.40%	69.43%	1.2	0.8	4217	30%	\$2,833.82
Los Angeles	W30-6	50.35%	60.38%	1.4	1	2668	30%	\$2,614.64
Los Angeles	WCV	51.11%	51.81%	1	0.6	154192	30%	\$64,760.64
Sacramento	AMR	66.11%	66.24%	1	0.6	285	0%	\$171.00
Sacramento	BCS-E	48.68%	52.68%	1.2	0.6	3244	0%	\$2,335.68
Sacramento	CBP	55.00%	64.48%	1.4	1.2	2797	0%	\$4,698.96
Sacramento	CCS	47.00%	57.18%	1.4	1.2	14838	0%	\$24,927.84
Sacramento	CIS-10	24.32%	27.49%	1.2	1.4	1510	0%	\$2,536.80
Sacramento	W30-2	66.85%	69.43%	1.1	0.8	607	0%	\$534.16
Sacramento	W30-6	57.00%	60.38%	1.2	1.2	384	0%	\$552.96
Sacramento	WCV	48.20%	51.81%	1.2	1.2	24186	0%	\$34,827.84
San Joaquin	AMR	56.76%	66.24%	1.4	1	48	40%	\$40.32
San Joaquin	BCS-E	42.64%	52.68%	1.4	0.4	616	40%	\$206.98
San Joaquin	CBP	57.39%	64.48%	1.4	1.4	467	40%	\$549.19
San Joaquin	CCS	37.00%	57.18%	1.8	1.4	3902	40%	\$5,899.82
San Joaquin	DEV	34.14%	35.70%	1.1	0.4	602	40%	\$158.93

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County	Measure	MCP Rate	MPL	Severity Factor	Trending Factor	Population Impacted	HPI Reduction Factor	Sanction per Measure Per County
San Joaquin	FUA	33.94%	36.18%	1.1	0.2	183	40%	\$24.16
San Joaquin	FUM	41.84%	53.82%	1.6	0	82	40%	\$0.00
San Joaquin	GSD	39.00%	33.33%	1.2	1.2	776	40%	\$670.46
San Joaquin	LSC	54.00%	63.84%	1.4	0	191	40%	\$0.00
San Joaquin	PPC-Post	78.00%	80.23%	1.1	1.2	80	40%	\$63.36
San Joaquin	PPC-Pre	78.00%	84.55%	1.4	1.2	80	40%	\$80.64
San Joaquin	TFL-CH	17.90%	19.00%	1.1	0.8	6869	40%	\$3,626.83
San Joaquin	W30-2	49.33%	69.43%	1.8	0.6	190	40%	\$123.12
San Joaquin	W30-6	49.01%	60.38%	1.6	0.8	77	40%	\$59.14
San Joaquin	WCV	32.92%	51.81%	1.8	0.8	5192	40%	\$4,485.89
Stanislaus	AMR	57.97%	66.24%	1.4	1.2	153	30%	\$179.93
Stanislaus	BCS-E	47.51%	52.68%	1.2	0.6	1485	30%	\$748.44
Stanislaus	CBP	57.00%	64.48%	1.4	1.4	1199	30%	\$1,645.03
Stanislaus	CCS	55.00%	57.18%	1.1	0.4	5858	30%	\$1,804.26
Stanislaus	CIS-10	25.00%	27.49%	1.1	0.8	590	30%	\$363.44
Stanislaus	DEV	12.83%	35.70%	2	0.6	1651	30%	\$1,386.84
Stanislaus	FUA	35.29%	36.18%	1	0.4	330	30%	\$92.40
Stanislaus	IMA-2	29.00%	34.30%	1.2	1.2	997	30%	\$1,004.98
Stanislaus	LSC	45.13%	63.84%	1.8	0.4	445	30%	\$224.28
Stanislaus	PPC-Post	69.00%	80.23%	1.6	1.4	205	30%	\$321.44
Stanislaus	PPC-Pre	79.00%	84.55%	1.2	1	139	30%	\$116.76
Stanislaus	W30-2	56.04%	69.43%	1.6	0.4	364	30%	\$163.07

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County	Measure	MCP Rate	MPL	Severity Factor	Trending Factor	Population Impacted	HPI Reduction Factor	Sanction per Measure Per County
Stanislaus	W30-6	55.74%	60.38%	1.2	0.4	131	30%	\$44.02
Stanislaus	WCV	33.75%	51.81%	1.8	1.2	14326	30%	\$21,660.91
Tulare	DEV	15.95%	35.70%	1.8	0.6	4680	50%	\$2,527.20
Tulare	FUA	33.16%	36.18%	1.2	0.4	391	50%	\$93.84
Tulare	W30-2	68.08%	69.43%	1.1	0.8	716	50%	\$315.04
Tulare	WCV	51.76%	51.81%	1	0.8	25915	50%	\$10,366.00

TABLE 4: HEALTH NET MY24 MCAS QUALITY SANCTION DETERMINATION DETAILS WITH AGGREGATION OF COUNTY-LEVEL RATES WITH SMALL DENOMINATORS USING RATING REGION GROUPINGS

Aggregated Counties*	Measures	Aggregated Rates	Severity Factor	Population Impacted	HPI Reduction Factor	Sanction Amount
No measures met criteria (i.e., small eligible population) for rate aggregation.						

*See Table 5 for the detailed Quality Rating Regions and associated counties.

TABLE 5: QUALITY RATING REGIONS

Quality Rating Region	Counties
Central California	Mariposa, Merced, Monterey, Santa Cruz
Central Coast	San Luis Obispo, Santa Barbara
Inland Empire	Riverside, San Bernardino
North Bay	Marin, Napa, Solano, Sonoma, Yolo
Rural Central	Alpine, El Dorado



Quality Rating Region	Counties
Rural North	Del Norte, Humboldt, Lake, Lassen, Mendocino, Modoc, Shasta, Siskiyou, Trinity
Rural South	Amador, Calaveras, Inyo, Mono, Tuolumne
Rural Upper Central	Butte, Colusa, Glenn, Nevada, Placer, Plumas, Sierra, Sutter, Tehama, Yuba
San Joaquin Valley	San Joaquin, Stanislaus
Tri County	Fresno, Kings, Madera
Alameda	Alameda
Contra Costa	Contra Costa
Imperial	Imperial
Kern	Kern
Los Angeles	Los Angeles
Orange	Orange
Sacramento	Sacramento
San Benito	San Benito
San Diego	San Diego
San Francisco	San Francisco
San Mateo	San Mateo
Santa Clara	Santa Clara
Tulare	Tulare
Ventura	Ventura

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