



BRADLEY P. GILBERT, MD, MPP  
DIRECTOR

State of California—Health and Human Services Agency  
Department of Health Care Services



GAVIN NEWSOM  
GOVERNOR

June 2, 2020

Krisza Vitocruz, Compliance Manager  
CenCal Health  
4050 Calle Real  
Santa Barbara, CA 93110

RE: Department of Health Care Services Medical Audit

Dear Ms. Vitocruz:

The Department of Health Care Services (DHCS), Audits and Investigations Division conducted an on-site Medical Audit of CenCal Health, a Managed Care Plan (MCP), from November 6, 2018 through November 8, 2018. The survey covered the period of November 1, 2017 through October 31, 2018.

On May 21, 2020, the MCP provided DHCS with additional information regarding its Corrective Action Plan (CAP) in response to the report originally issued on April 4, 2019.

All items have been reviewed and DHCS accepts the MCP's submitted CAP. The CAP is hereby closed. Full implementation of the CAP will be monitored on the subsequent audit. The enclosed report will serve as DHCS' final response to the MCP's CAP.

Please be advised that in accordance with Health & Safety Code Section 1380(h) and the Public Records Act, the final report will become a public document and will be made available on the DHCS website and to the public upon request.

If you have any questions, feel free to contact me at (916) 345-7829 or Anthony Martinez at (916) 345-7828.

Page 2

Sincerely,

**Original Signed by**

Michael Pank, Chief  
Compliance Unit

Enclosures: Attachment A CAP Response Form

cc: Pete Plesha, Contract Manager  
Department of Health Care Services  
Medi-Cal Managed Care Division  
P.O. Box 997413, MS 4408  
Sacramento, CA 95899-7413

**ATTACHMENT A  
Corrective Action Plan Response Form**



**Plan: CenCal Health**

**Audit Type:** Medical Audit and State Supported Services

**Review Period:** 11/01/17 – 10/31/18

MCPs are required to provide a CAP and respond to all documented deficiencies within 30 calendar days, unless an alternative timeframe is indicated in the letter. MCPs may respond by using the DHCS Secure File Transfer Protocol (SFTP) by placing the submission into the folder marker 'Medical Audit CAP.' MCPs may also submit the CAP via email to [MCQMD\\_CAPs@dhcs.ca.gov](mailto:MCQMD_CAPs@dhcs.ca.gov) in Word format.

The CAP response must include a written statement identifying the deficiency and describing a plan of action to correct deficiencies, and the projected operational results expected from that action. For deficiencies that require a long-term correction or more than 30 days to remedy and operationalize, the MCP must demonstrate an interim short-term solution and provide a timeline toward achieving an acceptable level of compliance. The MCP is required to include a projected date to achieve full compliance. Any policy and/or procedure submitted during the CAP process must be sent to the MCP's Contract Manager for review and approval in accordance with existing requirements.

DHCS will maintain close communication with the MCP throughout the CAP process and provide technical assistance to ensure the MCP provides sufficient documentation to correct deficiencies.

Deficiency Number and Finding	Action Taken	Supporting Documentation	Short-Term Implementation Date	Long-Term Implementation Date	DHCS Comments
<b>2. Case Management and Coordination of Care</b>					
2.5.1 Behavioral Health Treatment (BHT) Plans. The Plan did not ensure that behavioral treatment	2.5.1 CenCal Health has taken the following steps to remediate the deficiency found during the Medical Audit:	2.5.1 <ul style="list-style-type: none"> <li>Policy and Procedure "HS-UM005 UM Delegation"</li> <li>Holman</li> </ul>		2.5.1 i. 6/30/19	<b>05/03/19</b> – The following documentation supports the MCP's efforts to correct this finding:  - P&P "HS-UM005: Attachment B – Behavioral

<p>plans meet criteria, including having a transition plan, crisis plan, and exit plan that is reviewed no less than every six month in accordance with the Contract and by All Plan Letter (APL) 18-006.</p>	<p>a. Conducted an annual onsite UM audit of BHT delegate and issued a CAP related to UM deficiencies (Onsite audit occurred on 12/13/18 and CAP was issued 2/12/19).</p> <p>b. Developed “HS-UM005 UM Delegation” Policy and Procedure to describe UM performance standards and activities of delegated entities and to ensure UM activities comply with regulatory standards. The policy describes the frequency of audits and the activities reviewed during the annual audit. (Completed on 4/11/19).</p> <p>c. Implemented Quarterly monitoring process using the updated BHT Oversight Tool in Q2 2019.</p>	<p>Annual Audit-Final Audit Findings (FAF) Summary</p>			<p>Health Tool (04/01/19) as evidence that the MCP is monitoring to ensure treatment plans are complete and reviewed timely. The Behavioral Health Oversight Tool is used for the MCP’s quarterly monitoring process to ensure criteria is met and treatment plans are reviewed every six months. The tool also checks if the treatment plan includes a transition plan, crisis plan, and exit plan.</p> <p><b>11/1/19</b> – The following additional documentation submitted supports the MCP’s subsequent efforts to correct this finding:</p> <ul style="list-style-type: none"> <li>- Meeting invitation, “Discussion – UM Quarterly Review of Holman” (05/28/19) in which the MCP discusses the UM Quarterly Review process.</li> <li>- Audit Instructions, “Pre-Audit Information Request and Submission Instructions” as evidence that the MCP has a process in place to conduct</li> </ul>
---	---	--	--	--	--

	<p>Implementation Process:</p> <ul style="list-style-type: none"> <li>i. CenCal Health will train new staff on updated BHT Oversight Tool and communicate the need to review BHT treatment plan at least quarterly.</li> </ul>			<p>quarterly audits of BHT services. The MCP will request from The Holman Group a list of members who received BHT services during the audit period.</p> <p>- Sample letter, "2019 Holman Quarterly Review Notification" (05/30/19) as confirmation of the MCP's quarterly UM BHT File Review of The Holman Group. The audit review period is quarterly with the scope of the review consisting of an evaluation of The Holman Group's compliance with its contract and regulations in the area of utilization management of BHT services.</p> <p>- Sample report, "BHT UM Review," (03/01/19-05-31-19) as evidence that the MCP is performing quarterly audits of BHT services. The MCP reviews initial and subsequent treatment plans submitted by the provider to verify and determine that all criteria stipulated in APL 18-006 is met and that the service is still</p>
--	--	--	--	---

					<p>medically necessary. The MCP also has requested the provider submit a corrective action plan for non-compliance and to submit supporting documentation to show how the provider will ensure that all members upon initial referral are screened to confirm that they meet all criteria before approving the client for an Initial Functional Behavioral Analysis (page 2-3).</p> <p><b>This finding is closed.</b></p>
<b>4. Member's Rights</b>					
<p>4.3.1 Confidentiality Rights. The Plan did not notify the appropriate DHCS officers of the breaches or security incidents within the required timeframes.</p>	<p>4.3.1 CenCal Health's HIPAA Privacy Program has been updated to reflect the most current DHCS contacts regarding HIPAA Breaches and Security Incidents as noted in Contract 08-85212 (2017) Exhibit G, HIPAA, Section J. 1. Through Breaches and Security Incidents. CenCal Health's HIPAA Privacy Program will be reviewed annually.</p>	<p>4.3.1</p> <ul style="list-style-type: none"> <li>• CenCal Health Privacy Program</li> <li>• HIPAA Privacy &amp; Security Training Attestation</li> <li>• Email reminder of the official HIPAA</li> </ul>			<p><b>05/03/19</b> – The following documentation supports the MCP's efforts to correct this finding:</p> <p>- Updated P&amp;P, "CenCal Health HIPAA Privacy Program: Protection of Member Health Information" (01/01/19) which has been updated to include the most recent contact information for reporting suspected breaches to the DHCS Contract Manager, Privacy Officer, and Information Security Officer.</p>

	<p>(Completed 1/1/19)</p> <p>CenCal Health staff were notified to send any suspected breaches or violations to the Plan official Privacy Officer's e-mail (Completed 4/29/19)</p>	<p>Privacy and Security Officer e-mail address</p>			<p>- Attestation form, "HIPAA Privacy and Security Training Attestation" (09/01/18/) that is provided to MCP staff to certify their completion regarding Privacy and Security Training.</p> <p>- An email (04/29/19) which reminds MCP staff that if they suspect a member PHI data breach or a HIPAA violation, to contact the HIPAA Privacy Officer and HIPAA Security Officer at the plan to ensure they get routed to the correct entities.</p> <p><b>12/20/19</b> – The following additional documentation submitted supports the MCP's efforts to correct this deficiency:</p> <p>-Draft P&amp;P, "Policy Number: PRIV-20, Breach and Security Incidents" (10/16/19) which outlines the MCP's process for investigating, documenting, and reporting HIPAA breach and security incidents, including reporting timeframes</p>
--	---	--	--	--	---

					<p>to DHCS.</p> <p>-HIPAA Incident Tracking Log template which has been enhanced for tracking purposes to include contractually required reporting timeframes.</p> <p>-MCP has revised its policies and procedures and made enhancements to its HIPAA Privacy Program, including incident tracking that will ensure potential breaches and security incidents are investigated and reported within the contractual requirements.</p> <p><b>05/01/20</b> - The following additional documentation supports the MCP's efforts to correct this finding:</p> <p>- Updated P&amp;P, "PRIV-20: Privacy and Security Incident Reporting" (02/25/20) which includes that the MCP will investigate the incident and submit an initial Privacy Incident Report (PIR) to DHCS within 24 hours of</p>
--	--	--	--	--	---

					<p>notification of a breach or security incident, submit a supplemental PIR within 72 hours of notification of a breach or security incident, and submit a complete PIR to DHCS within 10 working days of notification of a breach or security incident (page 2).</p> <p>- Updated P&amp;P, “PRIV-12: Business Associates” (02/25/20) which includes that the MCP will report privacy incidents or data breaches involving covered entities in accordance with PRIV-20 (page 2).</p> <p>- Tracking Log Template, “CenCal Health HIPAA Privacy Incident Log 2020” which includes columns to track the submission filing timeframes to DHCS. The log includes tracking elements such as “Initial PIR Filed (24 hours), Supplemental PIR Filed (72 hours), and Supplemental PIR Filed (10 days).</p> <p><b>05/21/20</b> - The following</p>
--	--	--	--	--	--

					<p>additional documentation submitted supports the MCP's subsequent efforts to correct this finding:</p> <ul style="list-style-type: none"><li>- "Privacy Touchbase" Agendas and Meeting Attendees List (October 2019 – April 2020) in which the MCP Compliance Staff meets on a monthly basis to discuss current topics regarding MCP privacy issues.</li><li>- PowerPoint training, "Privacy Policies and Procedures" (01/17/20) and training calendar invite as evidence that the MCP Compliance Staff received training. The training contains an overview of the P&amp;P: PRIV-20, Privacy and Security Incident Reporting. The MCP reports privacy and security incidents and breaches within the required state and federal requirements. The MCP investigates and documents all privacy and security incidents. The MCP also reports both incidents and breaches within the required</li></ul>
--	--	--	--	--	--

					<p>state and federal requirements (page 10).</p> <p>- Completed Tracking Log, “CenCal Health HIPAA Privacy Incident Log 2020” (January 2020 – April 2020) as evidence that the MCP is monitoring their reporting of security incidents, breaches, unauthorized access use or disclosure of PHI or PI to DHCS within the required timeframes.</p> <p><b>This finding is closed.</b></p>
--	--	--	--	--	--

**6. Administrative and Organizational Capacity**

<p>6.2.1 Fraud and Abuse Reporting. The Plan did not report to DHCS the results of preliminary investigation of suspected fraud and/or abuse cases within 10 working days of the date when it first became aware of the incident.</p>	<p>6.2.1 CenCal Health has updated “FWA Intake, Investigation, and Reporting” Policy and Procedure to meet our reporting obligations to DHCS. CenCal Health will report the result of preliminary investigation of suspected fraud, waste, and or abuse within ten (10) working days of the date when CenCal Health becomes</p>	<p>6.2.1 Policy and Procedure “CPL-41_FWA_Intake_Investigation_Reporting”</p> <p>6.2.2 Policy and Procedure “500-2050-A_Prov_Enroll_Screening”</p>			<p><b>05/06/19</b> – The following documentation supports the MCP’s efforts to correct this deficiency:</p> <p>- Updated P&amp;P, “CPL-41: FWA Intake, Investigation and Reporting” (01/01/19) which has been amended to ensure that MCP reports investigation results of suspected FWA to DHCS no later than ten (10) working days from the date MCP first becomes aware of, or is on notice of, such activity</p>
---	---	--	--	--	---

	aware of, or is on notice of such activity.				in order to meet contract requirements.  <b>This finding is closed.</b>
6.2.2 Tracking Suspended Providers. The Plan’s policies and procedures did not include procedures to ensure Plan is taking appropriate action when removing a suspected, excluded, or terminated provider from its provider network. The Plan did not terminate any network providers based on the Plan’s tracking of suspended, excluded, or terminated providers during the audit period.	6.2.2 CenCal Health has updated “Provider Enrollment and Screening” Policy and Procedure to meet our reporting obligations to DHCS. CenCal Health will notify Medi-Cal Managed Care Program Integrity Unity within ten (10) working days of removing a suspended, excluded, or terminated provider from our provider network.				<b>05/06/19</b> – The following documentation supports the MCP’s efforts to correct this deficiency:  - Updated P&P, “500-2050-A: Provider Enrollment and Screening Policy” (01/01/18) which has been amended to include that MCP will notify the Medi-Cal Managed Care Program/Program Integrity Unit within 10 State working days of removing a suspended, excluded, or terminated provider from its provider network and confirm that the provider is no longer receiving payments from the MCP in connection with the Medicaid program as contractually obligated.  <b>02/26/20</b> – The following additional documentation submitted supports the MCP’s subsequent efforts to correct

					<p>this finding:</p> <ul style="list-style-type: none"> <li>- Updated P&amp;P, “PS-CR01: Provider Enrollment and Screening Policy” which has been amended to include checking the Restricted Provider Database (RPD) in the credentialing and screening process (page 2). The plan will review System for Award Management (SAM), List of Excluded individuals/Entities (LEIE), and RPD databases monthly (page 6).</li> <li>- Updated P&amp;P, “PS-CO300: Provider Termination and Block Transfer Filings” which has been amended to include a section on Federal and/or State initiated suspensions, terminations, and decertifications. The MCP will ensure the provider receives no payment for Medi-Cal services on or after the effective date, and maintain ongoing communication with DHCS about the transition of any affected beneficiaries. The MCP will provide DHCS</li> </ul>
--	--	--	--	--	---

					<p>with contract status with the named provider and the number of beneficiaries receiving services from the provider by all lines of business. The MCP will also submit a transition plan to DHCS (pages 3 - 4).</p> <p><b>This finding is closed.</b></p>
--	--	--	--	--	--

**Submitted by: Original Signed by Robert Freeman**

**Date: 05/03/2019**

**Title: Chief Executive Officer**