



BRADLEY P. GILBERT, MD, MPP
DIRECTOR

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



GAVIN NEWSOM
GOVERNOR

May 11, 2020

Mary Beth Corrado, Chief Compliance Officer
CalViva Health
7625 North Palm Avenue, Suite109,
Fresno, CA 93711

RE: Department of Health Care Services Medical Audit

Dear Ms. Corrado:

The Department of Health Care Services (DHCS), Audits and Investigations Division conducted an on-site Medical Audit of CalViva Health, a Managed Care Plan (MCP), from February 25, 2019 through March 1, 2019. The survey covered the period of April 1, 2018 through January 31, 2019.

On May 2, 2020, the MCP provided DHCS with additional information regarding its Corrective Action Plan (CAP) in response to the report originally issued on October 29, 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 Joshua Hunter at (916) 345-7830.

Page 2

Sincerely,

Original Signed by

Michael Pank, Chief
Compliance Unit

Enclosures: Attachment A CAP Response Form

cc: Priscilla Peco, 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: CalViva Health

Review Period: 4/1/18 – 1/31/19

Audit Type: Medical Audit and State Supported Services

Onsite Review: 2/25/19 – 3/1/19

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 are required to submit the CAP in word format that will reduce turnaround time for DHCS to complete its review.

The CAP submission must include a written statement identifying the deficiency and describing the plan of action taken to correct the deficiency, and the operational results of that action. For deficiencies that require short-term corrective action, implementation should be completed within 30 calendar days. For deficiencies that require long-term corrective action or a period longer than 30 calendar days for implementation, the MCP must demonstrate it has taken remedial action and is making progress toward achieving an acceptable level of compliance. The MCP will be required to include the date when full compliance is expected to be achieved. **Policies and procedures submitted during the CAP process must still 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. Depending on the volume and complexity of deficiencies identified, DHCS may require the MCP to provide weekly updates, as applicable.

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*Short-Term, Long-Term)	DHCS Comments
1. Utilization Management				
<p>1.1.1 Oversight of delegate and sub-delegate compliance with the prior authorization process.</p> <p>The Plan did not demonstrate adequate oversight of its delegated and sub-delegated entities' prior authorization process. The Plan did not evaluate the effectiveness of the delegate's utilization management program.</p> <p><u>RECOMMENDATION:</u> 1.1.1 Revise and implement delegation oversight policy and procedures that meet prior authorization requirements and evaluate the effectiveness of the delegate's UM</p>	<p>The Plan annually audits our delegated administrator's (Health Net's) Utilization Management (UM) program and conducts ongoing oversight through review of quarterly Prior Authorization (PA) performance data. As part of the Plan's annual UM oversight of Health Net, the Plan evaluates the delegated UM program activities by reviewing policies and procedures, a variety of reports, and file reviews. The Plan also requests copies of the results of the delegate's annual oversight audits of sub-delegated entities and performs a file review audit of sub-delegate entities PA cases to independently validate compliance.</p> <p>The Plan is implementing several additional activities to ensure that PA requirements are met and to evaluate the effectiveness of the delegate's</p>			<p>12/4/19 - The following documentation supports the MCP's efforts to correct this finding:</p> <ul style="list-style-type: none"> - Policy UM-004 has been updated to state that in addition to overseeing HealthNet, the MCP is also responsible for overseeing HealthNet's sub-delegates - 2019 UM PA File Review Tool was revised to include the additional element of auditing for clear and concise explanations for decision reasons and for the description of criteria used to make the determination. - PPG Dashboard Q3 2019 contains new data points, raw number of PAs and raw number of denials. - PPD Revised Dashboard was revised to include field that

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*Short-Term, Long-Term)	DHCS Comments
program.	<p>UM program. The following is a summary of the corrective actions taken:</p> <ol style="list-style-type: none"> 1. The Plan has updated policy UM-004 <i>Delegation Evaluation and Determination of UM</i> to clarify that Plan Medical Management staff review and audit PA case files for sub-contracted delegated entities as well as the Plan's delegate, Health Net. 2. The Plan has revised its <i>UM Prior Auth File Review Tool</i> to include the following additional elements: <ol style="list-style-type: none"> a) Letter includes clear and concise explanation of the reasons for the Plan's decision and the clinical reasons for the decisions regarding medical necessity. b) Letter includes description of specific UM criteria or benefit provisions used in determination. 	<ol style="list-style-type: none"> 1. UM-004 <i>Delegation Evaluation and Determination of UM (redline)</i> 2. 2019 CalViva Health UM Prior Auth File Review Tool 	<ol style="list-style-type: none"> 1. Completed on 10/22/2019 2. Completed revised tool November 2019 & will be used in upcoming annual UM oversight audit scheduled to start in December 2019. 	<p>states what was denied. This will be used starting with Q1 2020 data and will be presented at the MCP's Management Oversight meeting to be held on 6/9/20.</p> <p>5/2/20 - The following additional documentation supports the MCP's efforts to correct this finding:</p> <p>- Updated Policy UM-005 Specialty Referral System describes the MCP's monitoring of Specialty referrals of sub-delegated entities.</p> <p>This finding is closed.</p>

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*Short-Term, Long-Term)	DHCS Comments
	<p>3. Plan's administrator will revise quarterly PPG Dashboard with additional data points:</p> <ul style="list-style-type: none"> • raw number of PAs • raw number of denials <p>4. Update P&P for PA data collection from PPGs and reporting to CalViva's Management Oversight Meetings. P&P revised to include other dashboard reporting areas to cover all report data tabs in addition to PA data collection. Plan administrator internal desktop procedure completed on 4/7/20 and provided to CalViva Health</p> <p>5. Starting with Q1 2020 data and analysis, Plan's administrator will revise the Quarterly PPG Dashboard report mentioned in #3 above by also adding:</p> <ul style="list-style-type: none"> • What was denied 	<p>3. PPG Dashboard 2019Q3 PA</p> <p>4. UM-005 <i>Specialty Referral System</i> (redline)</p> <p>5. PPG Dashboard - REVISED PA Tab</p>	<p>3. Completed 11/25/2019; Will be presented at Plan's Management Oversight Meeting on 12/10/19; and quarterly thereafter. Dashboard accepted by Plan at 12/10/19 meeting.</p> <p>4. Completed changes to Plan policy April 2020.</p> <p>5. Will be presented at Plan's Management Oversight Meeting on 06/09/20</p>	

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*Short-Term, Long-Term)	DHCS Comments
<p>1.1.2 Oversight of delegate and sub-delegate specialist referrals.</p> <p>The Plan did not have</p>	<p>1. Develop a specialty referral tracking policy for monitoring and reporting delegated and subdelegated entities activity which will:</p>	<p>1. UM-105 <i>Specialty Referral System</i> (redline)</p>	<p>1. Completed changes to Plan policy April 2020.</p>	<p>12/03/19 - The following documentation supports the MCP's efforts to correct this finding:</p> <p>- Spreadsheet Report, "PPG</p>

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*Short-Term, Long-Term)	DHCS Comments
<p>an established specialty referral tracking system of its sub-delegated entities. The Plan did not ensure that its sub-delegated entities are tracking and monitoring specialty referrals requiring prior authorization requests.</p> <p><u>RECOMMENDATION:</u> 1.1.2 Revise and implement delegation oversight policy and procedures to ensure that its sub-delegated entities are tracking and monitoring specialty referrals requiring prior authorizations.</p>	<ul style="list-style-type: none"> • Indicate how specialties are selected for tracking based on volume and clinical review; • Include the tracking of 10 specialties for referral timeliness and Time to Service by Specialty. <p>Currently, the 10 specialties being tracked represents 60% of all Plan specialty referrals. The Plan is continuing its research and conducting an analysis of Q4 2019 and Q1 2020 data to determine if other specialty categories (including but not limited to: pulmonology, nephrology, and gynecology) should be added to the quarterly monitoring for 2020 or 2021. However, the Plan notes that the COVID-19 state of emergency has impacted specialty referral activity and the administrative ability of delegated providers to report administrative data used for the quarterly specialty referral reports. The Plan will continue</p>		<p>2(a). Completed on 11/25/19; Was presented at Plan's Management Oversight Meeting</p>	<p>Dashboard Specialist Referrals” (Quarter 3, 2019) as evidence that the MCP’s provides PPG specialty referral data in quarterly reports to be presented at the Plan’s Management Oversight Meetings. The MCP also includes a narrative analysis regarding Specialty Referral Tracking and Specialty Referral Performance for the Quarter 3 2019 report.</p> <p>05/02/20 - The following additional documentation submitted supports the MCP’s subsequent efforts to correct this finding:</p> <p>-Updated P&P, “UM-005: Specialty Referral System” (04/10/20) which has been amended to include a section on specialty referral tracking policy and procedures for monitoring and reporting by delegated and sub-delegated entities about their activities:</p>

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*Short-Term, Long-Term)	DHCS Comments
	<p>to monitor specialty referral activity but may not make significant data reporting changes until the COVID-19 impact on specific specialty categories is evaluated.</p> <p>2. The Plan's administrator will revise the PPG Dashboard's Specialty Referral tab as follows:</p> <p>a. Provide the number in a raw data format as opposed to PTMPY;</p> <p>Outreach to PPGs to request a list of standardized specialties and how to obtain additional requested data for:</p> <p>b. All specialty referral types and identification of the specialty types by each PPG which require prior authorization.</p> <p>c. Tracking of unused prior authorizations for specialty referrals. Outreach updates, list and summary</p>	<p>2(a). PPG Dashboard 2019Q3 Spec Referrals</p>	<p>on 12/10/19; and quarterly thereafter Dashboard accepted by Plan at 12/10/19 meeting.</p> <p>2(b). Outreach to PPGs completed in March 2020.</p> <p>2(c). Outreach to PPGs completed in March 2020.</p> <p>Note: 2b and 2c information is included in the review & analysis activity described in number 1 above</p> <p>d. Will be included in Dashboard report at Plan's Management Oversight Meetings</p>	<p>Section 2.1: Annually, Health Net will survey delegated entities to identify the specialty referral categories requiring prior authorization. This information will be compiled and reported to CalViva Health.</p> <p>Section 2.2: Quarterly reports of delegated entities are monitored for specialty referral timeliness, time to service by specialty, and prior authorizations (preservice, routine and urgent) denials and timeliness. The report monitors high volume categories, specialty categories that may be difficult to access in some parts of the Plan's service area (e.g., dermatologists, neurologists and orthopedists) and specialties that may significantly impact member outcomes (e.g. oncologists, cardiologists and endocrinologists).</p> <p>This finding is closed.</p>

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*Short-Term, Long-Term)	DHCS Comments
	<p>of each PPG requirements will be provided in monthly CAP updates as completed.</p> <p>d. Currently all delegated PPGs in the Plan's network except one PPG require prior authorization for specialty referrals. The "exception" PPG does not require prior authorization for most in-network specialist referrals. Starting with Q1 2020 data and analysis, the Quarterly PPG Dashboard report (Specialty Referral Report section) will identify which PPGs or specialty services require a prior authorization.</p> <p>3. The Plan's administrator currently provides PPG specialty referral data in quarterly reports and is adding a narrative analysis as of the Q3 2019 report to</p>	<p>3.PPG Dashboard 2019Q3 Spec Referrals with a Tab for "Time to Service by Specialty"</p>	<p>starting with 06/09/20 meeting.</p> <p>3. Completed on 11/25/19; Was presented at Plan's Management Oversight Meeting on 12/10/19; and quarterly thereafter. Dashboard accepted by Plan at 12/10/19 meeting</p>	

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*Short-Term, Long-Term)	DHCS Comments
	be presented at the Plan's Management Oversight Meetings.	PPG Narrative (Specialty Referral Tracking and Specialty Referral Performance) 2019Q3		
4. Member Rights				
<p>4.1.1 Member nondiscrimination after filing grievances</p> <p>The Plan did not ensure its providers would not discriminate against members filing complaints. The Plan's policy did not outline a process to address cases when providers discriminate against members filing grievances.</p> <p><u>RECOMMENDATION:</u> 4.1.1 Revise and implement policies and procedures to meet requirements that neither the Plan nor providers discriminate</p>	<p>Then Plan updated its Grievance and Appeal policies to: add a Policy Statement regarding providers discriminating against members; add "Protected Class" to definitions; included additional basis of discrimination; added a section addressing the handling of allegations of providers discriminating against members; and made other minor revisions. (Note: a copy of the revised policies will also be submitted to the Plan's Contract Manager.)</p> <p>The Plan also required its administrator, Health Net, to update its policies as Health Net handles certain aspects of</p>	<p><i>AG-001 Member Grievance Process (redline)</i></p> <p><i>AG-002 Member Appeal Process (redline)</i></p>	<p>Completed 11/8/2019</p> <p>Completed 11/8/2019</p>	<p>12/03/19 – The following documentation supports the MCP's efforts to correct this deficiency:</p> <p>- Updated P&P "AG-001 Member Grievance Process" (Revision 11/08/19) was updated to include the following:</p> <ul style="list-style-type: none"> • Added Section II.B. items 8 and 9; Added Section II. F. Policy Statement regarding providers discriminating against members; • Added "Protected Class" to definitions in Section III. Q; • Updated Section IV. A. to include additional bases of discrimination; Added Section IV. C. 3.5 addressing the handling

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*Short-Term, Long-Term)	DHCS Comments
<p>against members who file grievances.</p>	<p>the grievance and appeal process on the Plan's behalf and the Plan uses Health Net's network of providers.</p> <p>Health Net updated their policy to provide additional guidance on the process to address cases when providers discriminate against members filing grievances. The following provision was added to Health Net's policy <i>GA-108 Linguistic and Cultural Services #37 V1</i>: "When Health Net identifies a potential discrimination and/or retaliation response from a provider in a grievance and/or an appeal, these issues will be reported to the Culture & Linguistic and Provider Network Departments for review and/or investigation. A&G will document the steps taken and save the response from the respective departments. A&G will ensure that member access to care is not affected in the process."</p>		<p>Completed on 11/25/2019</p>	<p>of allegations of providers discriminating against members.</p> <p>- Updated P&P "AG-002 Member Appeal Process" (Revision 11/08/19) was updated to include the following:</p> <ul style="list-style-type: none"> • Added Section II.B. items 8 and 9; Added Section II. F. Policy Statement regarding providers discriminating against members; • Added "Protected Class" to definitions in Section III. Q; • Updated Section IV. A. to include additional bases of discrimination; • Added Section IV. C. 3.4 addressing the handling of allegations of providers discriminating against members.

Deficiency Number and Finding	Action Taken	Supporting Documentation	Implementation Date* (*Short-Term, Long-Term)	DHCS Comments
	The A&G Operation team is being trained using specific case examples and the <i>GA-108 Linguistic and Cultural Services #37 V1</i> policy as the documentation and guideline for training. Signature and sign-on sheets will be obtained as evidence of the training and provided with a CAP update.	<i>4.1.1 A&G Training Attendance</i>	Completed 12-3-19	<p>01/03/19 – The following additional documentation supports the MCP’s efforts to correct this deficiency:</p> <p>- MCP’s CAP update (01/02/20) includes attestation form as evidence of the training for the A&G Operation team. MCP’s written response (01/02/19) confirms completion of the training.</p> <p>The finding is closed.</p>

Original Signed by

Submitted by:
Title:

Greg Hund
Chief Executive Officer

Date: 12/3/19