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DIRECTOR

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



GAVIN NEWSOM
GOVERNOR

May 15, 2020

Carmen Dobry, Director of Compliance and
Regulatory Affairs
Kern Health System
2900 Buck Owens Boulevard
Bakersfield, CA 93308

RE: Department of Health Care Services Medical Audit

Dear Ms. Dobry:

The Department of Health Care Services (DHCS), Audits and Investigations Division conducted an on-site Medical Audit of Kern Health System, a Managed Care Plan (MCP), from August 6, 2019 through August 9, 2019. The survey covered the period of August 1, 2018 through July 31, 2019.

On May 14, 2020, the MCP provided DHCS with additional information regarding its Corrective Action Plan (CAP) in response to the report originally issued on November 14, 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 Lyubov Poonka at (916) 345-7825.

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Sincerely,

Original Signed by

Michael Pank, Chief
Compliance Unit

Enclosures: Attachment A CAP Response Form

cc: Maneesh Saini, 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: Kern Family Health Care

Review Period: 8/1/18 – 7/31/19

Audit Type: Medical Audit and State Supported Services

Onsite Review: 8/6/19 – 8/9/19

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>1.2.1 Clear Pre-Authorization decision explanation</p> <p><u>Finding:</u> The Plan's NOA letters sent to members did not include clear and accurate clinical reasons for pre-authorization decisions. The plan did not have a system to monitor and ensure accurate NOA letters were generated</p> <p><u>Recommendation:</u> Implement procedures to monitor and ensure the NOA letter generated is clear, concise, and contains the correct clinical reasons for the Plan's decision.</p>	<ol style="list-style-type: none"> 1. Training sessions conducted within the pharmacy department. Language specific to "not a covered benefit" is no longer being used. 2. Modifications were made to the templates eliminating "not a covered benefit" as an option. 3. Updated policy: <ul style="list-style-type: none"> • includes additional detail • includes additional monitoring 4. Modified audit template to include NOA commentary specifically 	<ol style="list-style-type: none"> 1. Department meetings 2. Workflow screen 3. Revised Policy 13.01-P 4. Revised audit template 5. 2020 Compliance Audit Plan still being finalized, but does include Compliance review of sample of NOA letters 	<ol style="list-style-type: none"> 1. 08/21/2019 10/21/2019 11/21/2019 12/04/2019 2. 09/19/2019 3. 10/31/2019 	<p>12/17/19 – The following documentation supports the MCP's efforts to correct this finding:</p> <ul style="list-style-type: none"> - Updated P&P, "13.01-P: Non-Formulary Treatment Request" (12/03/19) which has been amended to include a section on monitoring activities for denial letters sent to ensure appropriate language is used. The section includes frequency of review and results of audit will be reported to the Compliance Committee. - Workflow screenshot of the computer system that generates NOA letters. Screenshot shows a top down menu that has three options of denial and comments section. Every denial will need to include a comment.

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				<ul style="list-style-type: none"> - Updated Audit Template that is used to audit TARs. Audit templates include that NOA Commentary is met and accurate. - Pharmacy staff meeting minutes (August, October, November, and December 2019) which provide evidence of documented review and discussion of NOA letters and denial reasons. <p>02/10/20 – The following documentation supports the MCP’s efforts to correct this finding:</p> <ul style="list-style-type: none"> - Monitoring Spreadsheet – December 2019 provides evidence of audits of TAR’s for the month. Denied TAR’s audit reflected if correct form letters per current policies

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				<p>were used and if NOA language was met.</p> <ul style="list-style-type: none"> - <i>Sample NOA letter dated 12/18/19</i> is clear, concise, and contains clinical reasons for the Plan's decision. - 1/29/20 Staff Meeting Agenda and Sign-In Sheet provides evidence that staff was presented with topics to be made aware of such as medical necessity versus covered benefits and samples/templates of denial response options. - Kern responded that the 2020 Compliance Audit Plan and Audit Tool are in the process of being finalized by the new Director of Compliance and the Compliance Audit results will be

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				<p>presented to the Compliance Committee during the Meeting scheduled for 5/28/2020.</p> <p>This finding is closed.</p>
2. Case Management and Coordination of Care				
<p>2.1.1 Written procedures to monitor IHA completion</p> <p><u>Finding:</u> The Plan did not have written procedures to monitor IHA completion. An IHA is not complete without the inclusion of a SHA, and the Plan did not ensure the SHA was included within the member's medical record.</p> <p><u>Recommendation:</u> Develop and Implement written procedures to monitor IHA</p>	<ol style="list-style-type: none"> 1. Business Intelligence report being created to be reviewed monthly by clinical staff. Reconciles with claims data at 30, 60, and 90 day increments to determine which members have not completed the IHA/SHA; outreach will be performed for gap closure: 2. Update Policy 3.61 to reflect new process for member education and monitoring 3. The Plan's Medical Record Review process currently includes reviewing the medical record for completion of the IHA/SHA 	<ol style="list-style-type: none"> 1. Report being developed for 01/01/2020 Implementation: Fields include: <ul style="list-style-type: none"> • Member # • Measure Detail • Member Name • DOB • Age • Gender • Address1 • Address 2 • City • State • Zip • Phone • Mobile Phone • Email • Compliant • Last Service Date <p>(Note: Example of report can be provided once development complete)</p>	<p>01/01/2020 Implementation Date</p>	<p>12/17/19 – The following documentation supports the MCP's efforts to correct this finding:</p> <p>- Updated P&P, "3.61-I: Comprehensive Case Management and Coordination of Care" (December 2019) which has been amended to include the staying healthy assessment in the member's medical record. The P&P states that members will be informed during the New Member entry process to complete the IHA and the Staying Healthy Assessment (SHA) within the designated timeframes with their assigned PCP. KHS will monitor the IHA/SHA completion</p>

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<p>completion and ensure inclusion of SHA in the member's medical record.</p>		<ol style="list-style-type: none"> 2. Redlined Policy 3.61 3. Copy of MRR criteria 		<p>through monthly report reconciliation with claims data and if not completed, outreach will be performed to promote gap closure.</p> <p>02/20/20 – The following additional documentation submitted supports the MCP's subsequent efforts to correct this finding:</p> <p>- Report, "IHA Members Monitoring Template" as evidence that the MCP is monitoring for IHA/SHA completion. This report captures IHA members from Provider Scoreboard with Compliant and Non-Compliant Members.</p> <p>This finding is closed.</p>
<p>2.5.1 Continuity of Care notification letter</p> <p><u>Finding:</u> The Plan did not notify members of the complete COC transition process.</p>	<ol style="list-style-type: none"> 1. Re-education of UM staff regarding selection of appropriate COC decision within JIVA Medical Management Platform (MMP) 2. Creation of new NOA letter specific for COC in JIVA 	<ol style="list-style-type: none"> 1. 12/09/2019 email to team 2. Copy of redlined COC letter submitted to DHCS for approval 3. To be provided once once development complete: 	<ol style="list-style-type: none"> 1. 12/9/2019: re-education on JIVA dropdown for COC (see training reference) 2. 11/6/2019: Initial notification 	<p>12/27/19 - The following documentation supports the MCP's efforts to correct this finding:</p> <p>- Re-education email sent to UM staff on 12/9/19 instructs on selection of COC decision within Jiva</p>

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<p>The Plan did not have a system to monitor and ensure COC approval letters contained all the required information.</p> <p><u>Recommendation:</u> Implement procedures to monitor and ensure member notification letters include all the required continuity of care transition information.</p>	<p>MMP</p> <ol style="list-style-type: none"> 3. Configuration of JIVA to create activities to trigger follow up for COC timeline notification to assist in transition to participating provider if not already transitioned <ul style="list-style-type: none"> • 11 months after original COC letter sent (at least 30 days prior to end of COC period) to complete the transition process. 4. Update attachment COC NOA to policy 3.40 (upon approval by DHCS) 5. Update monitoring process in policy 3.40 6. Periodic auditing, at a minimum of quarterly, of COC NOA applicable use 	<p>Screen prints from JIVA showing activities triggering</p> <ol style="list-style-type: none"> 4. Updated 3.40 Policy 	<p>letter created for selection in JIVA MMP detailing COC process</p> <p>11/8/2019: NOA for COC sent to DHCS for approval (will be implemented following approval)</p> <p>3. 1/15/2020: JIVA configured to auto-generate an activity to follow up on end of COC timeline.</p> <p>4 – 6. TBD: Policy will be updated, and monitoring will begin after letter approved and implemented</p>	<p>platform.</p> <p>- Notice of Continuity of Care Approval Letter (redlined) was updated to instruct members that the MCP will help members choose a new provider 30 days prior to the end of the continuity of care approval. This letter was approved by DHCS.</p> <p>- Policy 3.40 Continuity of Care for New Members was updated to include periodic audits to review COC notice of Action letter applicable use.</p> <p>5/14/20 - The following additional documentation supports the MCP's efforts to correct this finding:</p> <p>- Email communication with the MCP on 5/14/20. The MCP implemented its periodic monitoring of COC NOA letter applicable use with audits beginning in Q2 2020.</p> <p>This finding is closed.</p>

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4. Member Rights				
<p>4.1.1 Clinical Grievance Resolutions</p> <p><u>Finding:</u> The Plan did not effectively implement procedures to ensure grievances related to medical quality of care issues were referred to the Plan's Medical Director. Exempt grievances involving medical quality of care issues were resolved without the review of a Medical Director.</p> <p><u>Recommendation:</u> Implement procedures to ensure the identification and classification of quality of care grievances and referral to the Plan's medical director for final resolution.</p>	<p>1. Following discussions during audit, corrective actions were implemented immediately. Grievance identified as a potential quality of care will no longer be classified as Exempt. Once a grievance is identified as a potential quality of care, it is closed in Favor of the Enrollee/Quality of Care and forwarded to the QI Department for the completion of the PQI process. Flowchart developed after meeting between Member Services and Quality Improvement teams and rolled out to Grievance Coordinators on 10/24/2019 for 10/28/2019 implementation.</p> <p>2. Policy 5.01-I/P in the process of being updated</p>	<p>1. Flowchart of new PQI process</p> <p>2. Quality of Care trending, reflecting increase in Quality of Care Grievances since implementation</p> <p>3. Policy 5.01-I/P currently under revision</p> <p>4. 2020 Compliance Audit Plan still being finalized, but does include Compliance review of sample of grievances</p>	<p>1. 10/28/2019</p> <p>2. Policy updates targeted for completion by 01/31/2019</p>	<p>12/17/19 – The following documentation supports the MCP's efforts to correct this deficiency:</p> <p>- Updated drafted P&P, "5.01-I/P: KHS Member Grievance Process Draft" (02/2020) which has been amended to include that the Medical Director shall provide a complete and documented review of all grievances that may relate to quality of care. The Medical Director Records/Response Recommendation Quality of Care (See attachment S) shall be completed upon final review of all potential quality concerns.</p> <p>- Audit Report, "Quality of Care Trending" (3rd Quarter/2019) as evidence of an increase in Quality of Care Grievances (65) since implementation compared to 2nd Quarter/2019 of 26.</p> <p>- The following additional</p>

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				<p>documentation submitted supports the MCP's efforts to correct this deficiency:</p> <ul style="list-style-type: none"> - Flowchart, "Grievance Conversion to Potential Quality Issue Process" (03/05/20) which demonstrates that the grievance notifications are distributed to the Grievance Committee for review and classification. - An email (04/14/20) which includes a description that the Medical Director is on the Grievance Committee and receives notification of all grievances, including grievances that are potential inappropriate care. A QI RN is included in the Grievance Committee also, and they review the original grievance and classification. - Training, "Potential Quality of Care Concerns", (10/19 and 01/22/20) and sign-in sheets as evidence

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				<p>that MSR's have received training. The training materials address on how to identify potential quality of care issues in a grievance.</p> <p>- Guide, "Grievance MSP Tool, (04/20) as evidence that MSR's are provided this document as guidance on grievances and PQI grievances.</p> <p>This finding is closed.</p>
5. Quality Management				
<p>5.2.1 Provider Training to include member's rights</p> <p><u>Finding:</u> The Plan did not have procedures to ensure training presented to newly contracted providers included information on member's rights.</p> <p><u>Recommendation:</u> Implement procedures to ensure the inclusion of</p>	<p>The Member Rights have always been available in Provider Manual; however, provider orientation documents have been updated to include information on member rights.</p>	<ol style="list-style-type: none"> 1. New Provider Orientation Slides on Member Rights 2. Provider Orientation Check Off Sheet, redlined to specifically review Member Rights and Provider Manual (which also includes section on Member Rights) 3. Screen print of Member Rights section in current provider manual 	<p>1/1/2020</p>	<p>12/17/19 –The following documentation supports the MCP's efforts to correct this finding:</p> <p>- An excerpt from Provider Orientation – Member Rights Slide 2020 "Member Rights Policy 5.05 – P" includes information on member's rights. (Exhibit A, Attachment 13, Member Services)</p> <p>- Attestation form "Provider Orientation</p>

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member's rights in provider training.				<p>Check Off Sheet" demonstrates that the MCP included information on member's rights in the MCP's Provider Orientation process.</p> <p>This finding is closed.</p>

Submitted by: Jane MacAdam

Date: 12/16/2019

Title: Interim Director of Compliance