

January 24, 2025

Matthew Levin  
Vice President, Government Contracts  
Molina Healthcare of California Partner Plan, Inc.  
200 Oceangate, Suite 100  
Long Beach, CA 90802

*Via E-mail*

RE: Department of Health Care Services Medical Audit

Dear Mr. Levin:

The Department of Health Care Services (DHCS), Audits and Investigations Division conducted an on-site Medical Audit of Molina Healthcare of California Partner Plan, Inc, a Managed Care Plan (MCP), from March 18, 2024 through March 29, 2024. The audit covered the period from March 1, 2023, through February 29, 2024.

The items were evaluated, and DHCS accepted the MCP's submitted Corrective Action Plan (CAP). The CAP is hereby closed. The enclosed documents will serve as DHCS' final response to the MCP's CAP. Closure of this CAP does not halt any other processes in place between DHCS and the MCP regarding the deficiencies in the audit report or elsewhere, nor does it preclude the DHCS from taking additional actions it deems necessary regarding these deficiencies.

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

If you have any questions, please reach out to CAP Compliance personnel.

Sincerely,

[Signature on file]  
Lyubov Poonka, Chief  
Audit Monitoring Unit  
Process Compliance Section  
DHCS - Managed Care Quality and Monitoring Division (MCQMD)

Enclosures: Attachment A (CAP Response Form)

cc: Bambi Cisneros, Interim Chief  
DHCS - Managed Care Quality and Monitoring Division (MCQMD)

*Via E-mail*

Grace McGeough, Section Chief  
Process Compliance Section  
Managed Care Monitoring Branch  
DHCS - Managed Care Quality and Monitoring Division (MCQMD)

*Via E-mail*

Diana O'Neal, Lead Analyst  
Audit Monitoring Unit  
Process Compliance Section  
DHCS - Managed Care Quality and Monitoring Division (MCQMD)

*Via E-mail*

Arianna Ngo, Unit Chief  
Managed Care Contract Oversight Branch  
DHCS – Managed Care Operations Division (MCOD)

*Via E-mail*

Lissette Valle, Contract Manager  
Managed Care Contract Oversight Branch  
DHCS – Managed Care Operations Division (MCOD)

*Via E-mail*

# ATTACHMENT A

## Corrective Action Plan Response Form

**Plan:** Molina Healthcare of California

**Review Period:** 03/01/23 – 02/29/24

**Audit:** Medical Audit

**On-site Review:** 03/18/24 – 03/29/24

MCPs are required to provide a Corrective Action Plan (CAP) and respond to all documented deficiencies included in the medical audit report within 30 calendar days unless an alternative timeframe is indicated in the CAP Request letter. MCPs are required to submit the CAP in Word format, which will reduce the turnaround time for DHCS to complete its review. According to ADA requirements, the document should be at least 12 pt.

The CAP submission must include a written statement identifying the deficiency and describing the plan of action taken to correct the deficiency, as well as the operational results of that action. The MCP shall directly address each deficiency component by completing the following columns provided for MCP response: 1. Finding Number and Summary, 2. Action Taken, 3. Supporting Documentation, and 4. Completion/Expected Completion Date. The MCP must include a project timeline with milestones in a separate document for each finding. Supporting documentation should accompany each Action Taken. If supporting documentation is missing, the MCP submission will not be accepted. For policies and other documentation that have been revised, please highlight the new relevant text and include additional details, such as the title of the document, page number, revision date, etc., in the column "Supporting Documentation" to assist DHCS in identifying any updates that were made by the plan. Implementing deficiencies requiring short-term corrective action should be completed within 30 calendar days. For deficiencies that may be reasonably determined to require long-term corrective action for a period longer than 30 days to remedy or operationalize completely, the MCP is to indicate that it has initiated remedial action and is on the way toward achieving an acceptable level of compliance. In those instances, the MCP must include the date when full compliance will be completed in addition to the above steps. Policies and procedures submitted during the CAP process must still be sent to the MCP's Contract Manager for review and approval, as applicable, according to existing requirements.

**Please note that DHCS expects the plan to take swift action to implement improvement interventions as proposed in the CAP; therefore, DHCS encourages all remediation efforts to be in place no later than month 6 of the CAP unless DHCS grants prior approval for an extended implementation effort.**

DHCS will communicate closely with the MCP throughout the CAP process and provide technical assistance to confirm that the MCP offers sufficient documentation to correct deficiencies. Depending on the number and complexity of deficiencies identified, DHCS may require the MCP to provide weekly updates.

1. Utilization Management

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
<p><b>1.2.1 Timely Decision on Prior Authorization</b></p> <p>The Plan did not ensure a decision was made for routine medical PAs within five working days.</p>	<p>Molina’s policies and procedures, and process for turnaround time compliance are in alignment with regulatory requirements.</p> <p>With regards to the date of receipt being counted as Day 1 vs. Day 0, it was previously confirmed by Molina’s DHCS Contract Manager in 2021 that the following timeframes are applicable, per Health and Safety Code, Section 1367.01.</p> <p>In order to ensure more comprehensive oversight of turnaround times, Molina established additional metrics, dashboards and reporting to improve compliance monitoring. Furthermore, Molina has enhanced our oversight process by implementing a notification process in April 2024, whereby UM leadership is notified of turnaround times on a daily basis. These interventions are implemented to ensure compliance with TAT based on the calculations notated above.</p>	<p>1.2.1 HCS 325 Pcy</p> <p>1.2.1 HCS 325.01 Pro</p> <p>1.2.1 HCS 325.00.02 Pcy</p> <p>1.2.1 HCS 325.01.02 Pro</p>	<p>Daily TAT notification process: 4/1/2024</p>	<p>The following documentation supports the MCP’s efforts to correct this finding:</p> <p><b>POLICIES AND PROCEDURES</b></p> <p>» Service Authorization Policies and Procedures demonstrate the MCP uses the correct timeframe for prior authorization decisions. (1.2.1 HCS 325 Pcy, 1.2.1 HCS 325.00.02 Pcy, 1.2.1 HCS 325.01 Pro, 1.2.1 HCS 325.01.02 Pro)</p> <p><b>MONITORING AND OVERSIGHT</b></p> <p>» UM 5G UM Reports from Q4 2021-Q3 2023 demonstrate the MCP has a process in place to monitor and report authorization timeframe compliance (NCQA UM5G Q2 2023_Final)</p> <p>» Enhanced Turnaround Time Monitoring Daily Report demonstrates that the MCP has a process in place to inform UM leadership of adherence to TAT standards. The Plan confirmed the implementation of this process was April 2024. (Memo 1.2.1)</p> <p><b>The corrective action for finding 1.2.1 is accepted.</b></p>

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
<p><b>1.3.1 Member's Written Consent for Appeals Filed by a Provider</b></p> <p>The Plan did not obtain the member's written consent when a provider filed an appeal on their behalf.</p>	<p>During the 2024 Medi-Cal Managed Care Contract Operational Readiness and in accordance with APL 21-011, the Plan revised its policy and procedures to align with the written consent requirement.</p>	<p>1.3.1 AG 67 1.3.1 AG 41</p>	<p>1/1/2024</p>	<p>The following documentation supports the MCP's efforts to correct this finding:</p> <p><b>POLICIES AND PROCEDURES</b></p> <ul style="list-style-type: none"><li>» Revised Policy, "AG 67: Member Appeal of Medical Necessity Adverse Benefit Determination" (01/01/24) states Member's appeal may be requested by the member, authorized representative, or a provider acting on behalf of a Member and with the Member's written consent. (PnP AG 67, II(A), page 2)</li><li>» Policy, "AG 24: A&amp;G Quality Review Program" (11/30/23) demonstrates the Plan has an internal audit process for monthly and quarterly audits on appeals, grievances, and disputes. (PnP AG24_, page 2)</li><li>» Job aid, "Member Intake Process" (6/3/24) which has been amended to include a section on steps to take on written consent not received to authorize representative or provider. (1.3.1 Member Intake Process – CA, page 18)</li></ul>

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
				<p>» “2025 Medi-Cal Provider Manual” (11/1/24) demonstrates the manual contains a section on member appeals process requirements. (1.3.1.1, page112)</p> <p><b>TRAINING</b></p> <p>» “Provider Bulletin” sent on 11/15/24 demonstrates the Plan informed Providers of 2025 Provider Manual Updates. (1.3.1.2)</p> <p><b>MONITORING AND OVERSIGHT</b></p> <p>» “Member Intake and Appeal Resolution Audit Tool” as evidence the Plan has a monitoring process to track Grievance and Appeal cases. The Audit Tool has a section that monitors that Member’s Written Consent is on file and that the proper steps were taken. (1.3.1 CA Member Intake and Appeal Resolution Audit Tool, page 1)</p> <p><b>The corrective action for finding 1.3.1 is accepted.</b></p>

4. Member’s Rights

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
<p><b>4.1.1 Timely Acknowledgement</b></p> <p>The Plan did not ensure written acknowledgment was provided to members within five calendar days of receipt.</p>	<p>The Plan will provide refresher training to A&amp;G staff members regarding the requirement.</p>	<p>4.1.1 AG-19A</p>	<p>1/10/2024</p>	<p>The following documentation supports the MCP’s efforts to correct this finding:</p> <p><b>POLICIES AND PROCEDURES</b></p> <p>» P&amp;P, “AG-19A: Member Grievance Process (Medi-Cal)” states that the Plan’s Appeals &amp; Grievances staff sends an Acknowledgment letter to the member within five (5) calendar days, including, but not limited to the date of the Grievance Acknowledgement Letter, the date the grievance was filed, the name of the member or member’s representative who filed the grievance, description of the grievance, &amp; the name, telephone number and address of the plan representative who may be contacted about the grievance. (AG-19A Member Grievance Process – Medi-Cal, III. Procedure, 1. Standard Grievances, iv., pages 7-8)</p> <p><b>TRAINING</b></p> <p>» “AG 19 Team Training” as evidence that the Plan implemented &amp; conducted a refresher training of the existing, approved P&amp;P to its A&amp;G staff. Plan staff have confirmed that they have received training from A&amp;G leadership on the grievance process outlined</p>

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
				<p>in P&amp;P AG-19A: Member Grievance Process – Medi-Cal. (4.1.1 AG-19 Team Training)</p> <p><b>MONITORING AND OVERSIGHT</b></p> <p>» P&amp;P, “AG-24: A&amp;G Quality Review Program” as evidence that the Plan has a monitoring process to track that written acknowledgement letters are provided to members within five calendar days of receipt. Cases are audited monthly to identify trends &amp; any issues, aiming for 96.5% compliance overall. The P&amp;P outlines if non-compliance is identified, the audit outcomes will be reported &amp; evaluated for Corrective Action Plans (CAP) to implement, including but not limited to, training/coaching developments via the Plan’s A&amp;G Training Committee. The Quarterly Scorecard report is included in the A&amp;G Committee Presentation. (4.1.1 AG24_AG Quality Review Program, III. Procedure Overview, pages 2-3)</p> <p>» “1<sup>st</sup> Quarter Quality Report 2024” as evidence that the Plan has presented the scorecard results to the A&amp;G Committee as outlined in its P&amp;P. The scorecard presented demonstrated the Plan’s 100% compliance with the acknowledgement letters being sent to members within five calendar days of receipt. (1<sup>st</sup> Quarter Quality Report 2024_PP)</p>



Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
				<b>The correction action plan for finding 4.1.1 is accepted.</b>
<b>4.1.2 Timely Resolution</b>  The Plan did not ensure written resolution letters were sent to members within 30 calendar days of receipt of grievances.	The Plan will provide refresher training to A&G staff members regarding the requirement. The Plan will also ensure appropriate monitoring and oversight through our internal Quality Assurance Program.	4.1.2 AG-19A	1/10/2024	<p>The following documentation supports the MCP's efforts to correct this finding:</p> <p><b>POLICIES AND PROCEDURES</b></p> <p>» P&amp;P, "AG-19A: Member Grievance Process (Medi-Cal)" (01/10/24) which states that the MCP's Appeals &amp; Grievances staff sends a written resolution of the grievance to the member within thirty (30) calendar days, including, but not limited to the date of the Resolution Letter, the date the grievance filed, the name of the member or member's representative who filed the grievance, description of the grievance, a clear and concise explanation of the decision or a description of the action taken by Molina or provider to investigate and rectify the grievance, the name, telephone number and address of the plan representative who may be contacted about the grievance. (AG-19 Team Trn)</p> <p><b>TRAINING</b></p> <p>» "Appeals and Grievances Policy Overview" (09/03/24) as evidence that the MCP conducted refresher training of the existing and approved Policy and Procedure to the A&amp;G staff. MCP A&amp;G staff have confirmed that they have received training</p>

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
				<p>from A&amp;G leadership on the grievance process outlined in P&amp;P AG-19A: Member Grievance Process (Medi-Cal) and P&amp;P AG-19B: Member Grievance Process (Marketplace). (AG-19 Team Trn)</p> <p><b>MONITORING AND OVERSIGHT</b></p> <ul style="list-style-type: none"> <li>» "CA Member Intake and Grievance Resolution Audit Tool" as evidence that the MCP has a monitoring process to track that written resolution letters are sent to members within 30 calendar days of receipt of grievances. The Audit Tool has a grievance section in which it will track if the grievance resolution letter was sent within 30 calendar days from the date received. (CA Member Intake and Grievance Resolution Audit Tool)</li> <li>» "CA Audit Report – Quarter 1 2024" as evidence that the MCP has a monitoring process to track that written resolution letters are sent to members within 30 calendar days of receipt of grievances. The quarterly Audit Report includes Grievance and Appeals Quality Scorecard Graphs, Grievance and Appeals Quality Scores Breakdown, Volume and Percentage of Cases Audited, Combined Intake and Resolution Cases Auditing Percentage in Quarter 1, Intake and Resolution Coordinators – Individual Monthly Average. (CA Final Audit Report - Q1)</li> </ul>

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
				<b>The corrective action plan for finding 4.1.2 is accepted.</b>
<b>4.1.3 Plan’s Decision in Resolution Letter</b> The Plan did not ensure that written resolution letters sent to members contain the Plan’s decision.	The Plan will provide refresher training to A&G staff members regarding the requirement. The Plan will also ensure appropriate monitoring and oversight through our internal Quality Assurance Program.	4.1.3 AG-19A	1/10/2024	<p>The following documentation supports the MCP’s efforts to correct this finding:</p> <p><b>POLICIES AND PROCEDURES</b></p> <ul style="list-style-type: none"> <li>» Revised P&amp;P, “AG-19A, Member Grievance Process (Medi-Cal) (01/10/24) which has been revised to include that a written grievance resolution notice shall contain a clear and concise explanation of the MCP’s decision.</li> <li>» P&amp;P, “AG-24, A&amp;G Quality Review Program” (11/30/23) demonstrates the MCP has a process to make certain grievances are audited consistently for evaluation and compliance and quality requirements in accordance with state and federal laws and regulations.</li> </ul> <p><b>MONITORING AND OVERSIGHT</b></p> <ul style="list-style-type: none"> <li>» Audit Tool, “Audit Elements – Member Intake and Grievance Resolution” (04/2024) demonstrates the MCP is ensuring written resolution letters sent to members contain the Plan’s decision.</li> <li>» Reports, “Q1 - Q3 Quality Reports” (Q1 2024, Q2 2024, and Q3 2024) demonstrates the MCP has a monitoring process to track that written resolution letters sent to members contain the</li> </ul>

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date * (*Short-Term, Long-Term)	DHCS Comments
				<p>Plan’s decision. The quarterly Audit Report includes Grievance and Appeals Quality Scorecard Graphs, Grievance and Appeals Quality Scores Breakdown, Volume and Percentage of Cases Audited, Combined Intake and Resolution Cases Auditing Percentage in Quarter 1 - Q3, Intake and Resolution Coordinators – Individual Monthly Average.</p> <p><b>TRAINING</b></p> <p>» Training, “Appeal and Grievances Policy Overview” (09/03/24) demonstrates the MCP trained A&amp;G Specialists and Lead Specialists on the requirement that written grievance resolutions must include enough detail to clearly and concisely explain the MCP's decision. Attestations provided.</p> <p><b>The corrective action plan for finding 4.1.3 is accepted.</b></p>

\* Attachment A must be signed by the MCP’s compliance officer and the executive officer(s) responsible for the area(s) subject to the CAP.

**Submitted by:**  Jordan Yamashita

**Title:**  Compliance Officer

**Signed by:**  [Signature on file]

**Date:**  09/05/2024