



December 22, 2023

Mr. Marti Lolli, CEO and President  
Liberty Dental Plan and California, Inc.  
1730 Flight Way, Suite 125  
Tustin, CA 92782

**2022 DEPARTMENT OF HEALTH CARE SERVICES DENTAL AUDIT –  
CORRECTIVE ACTION PLAN CLOSE-OUT LETTER**

Dear Mr. Lolli:

The Department of Health Care Services (DHCS) Audits and Investigations Division (A&I) conducted an on-site audit of Liberty Dental Plan of California, Inc., a Medi-Cal Dental Managed Care (DMC) plan, from August 8, 2022 through August 19, 2022. The audit covered the review period of July 1, 2021 through June 30, 2022.

On March 3, 2023, the DMC plan provided DHCS with additional information regarding its Corrective Action Plan (CAP) in response to the report originally issued on January 17, 2023.

All items have been reviewed. DHCS accepts and closes the DMC plan's submitted CAP. The CAP is hereby closed. Full implementation of the CAP and effectiveness of the interventions will be evaluated in the subsequent audit.

If you have any questions regarding this notice, please contact DHCS at (916) 938-4848 or [dmcdeliverables@dhcs.ca.gov](mailto:dmcdeliverables@dhcs.ca.gov).

Sincerely,

Original signed by:

Adrianna Alcalá-Beshara, JD, MBA  
Chief, Medi-Cal Dental Services Division  
Department of Health Care Services

Enclosure:  
CAP Response Form



# Corrective Action Plan Response Form



**DMC Plan:** Liberty Dental Plan

**Audit Type:** Department of Health Care Services Dental Audit

**Review Period:** 7/1/2021 – 6/30/2022

**On-Site Review:** 8/8/2022 – 8/19/2022

The Medi-Cal Dental Managed Care (DMC) plan is required to submit a corrective action plan (CAP) within 30 calendar days. The CAP response must include completion of the prescribed columns below to include a description of the corrective action, a list of all supporting documentation submitted, and the CAP implementation date. For systemic deficiencies that may be reasonably determined to require long-term corrective action for a period longer than 30 days to fully remediate or operationalize, the DMC plan must demonstrate that sufficient progress has been made toward implementation of the CAP. In those instances, the DMC plan is required to include the dates for key milestones as well as when full compliance will be achieved. CAP reporting on the deficiency(ies) will continue through demonstrative compliance.

The Dental Managed Care Unit of the Department of Health Care Services will maintain close communication with the DMC plan throughout the CAP review process and provide technical assistance as needed.

## 2. Case Management and Coordination of Care

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date	DHCS Comments
<p><b>2.1.1 Reporting of Changes to Initial Screening Policy</b></p> <p>The plan did not report changes to</p>	<p>LIBERTY Dental Plan (LIBERTY or Plan) reported changes to our initial screening policy to DHCS in</p>	<ul style="list-style-type: none"> <li>» EXHIBIT A_2023 LIBERTY</li> <li>» Annual Deliverables_Communication</li> </ul>	<p>Q1 2023</p>	<p>The Plan submitted their "Initial Screening Policy" timely at the beginning of the calendar year.</p>



Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date	DHCS Comments
its initial screening policy within the required timeframes.	<p>April 2022. Aligning with the annual deliverable schedule, LIBERTY submitted timely a copy of the initial screening policy for DHCS's review and approval on January 31, 2023.</p> <p>Any changes will be reported to DHCS within ten calendar days.</p>			The annual deliverable, Initial Screening Policy and Plan Specific OHI Form, was due and submitted on 1/31/2023.
<p><b>2.1.2 Initial Screening</b></p> <p>The Plan did not ensure new members had an initial screening completed within 90 days of enrollment. Attempts to contact members</p>	LIBERTY maintains an initial screening policy that outlines our process to ensure all new members complete an Oral Health Risk Assessment (OHRA) within 90 days of enrollment. LIBERTY makes	» EXHIBIT D_2022 Q4_CA OHRA Report	Policy Approved 12/1/2022 Report: Q4 2022	The Plan submitted their updated "Oral Health Risk Assessment - Initial Screenings" Policy and Procedures (P&Ps) demonstrating that the Plan collects the OHRA form for new members within

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date	DHCS Comments
were not tracked nor documented.	multiple attempts to obtain a completed OHRA for all new members by including a copy of the OHRA Form with every new member packet with a self-addressed return envelope. In addition to the paper copy in the member welcome packets, LIBERTY includes a QR code on the Welcome Letter that directs members online to fill out the OHRA directly. Additionally, we have modified our Welcome Calls to offer assistance in completing the			90 days of the effective date of enrollment. If the initial method is unsuccessful, methods of contact to complete the OHRA includes smartphone access to the online OHRA forms from the Welcome Letters, or a welcome call that provides members an option to complete the OHRA telephonically with a live agent in the member's preferred language. Included are the revised P&Ps and the redlined P&Ps.

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date	DHCS Comments
	<p>OHRA Form in real-time by connecting to a live representative.</p> <p>LIBERTY has made system updates to the OHRA workflow to include additional attributes to capture the outreach attempts and follow-up for better tracking and reporting.</p> <p>Effective Q4 2022, LIBERTY implemented standardized reports to review outreach strategies and evaluate the effectiveness of our efforts to increase the number of</p>			

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date	DHCS Comments
	completed OHRAs for new members within 90 days of enrollment.			
<p><b>2.2.1 Assessment of Members with Special Health Care Needs and Children with Special Health Care Needs</b></p> <p>During the audit period, the Plan did not ensure that initial screening and assessment were completed for SHCN and CSHCN members within 90 days of enrollment.</p>	LIBERTY Dental Plan has an established process to ensure all new members complete an Oral Health Risk Assessment within 90 days of enrollment and identifies members with SHCN and CHSCN for additional services. In addition to self-reporting from members, the Plan identifies members with Special Health Needs and Children with Special Health	<ul style="list-style-type: none"> <li>» EXHIBIT E_C_SHCN 834</li> <li>» Referral Report_Q4</li> </ul>	Q4 2022	The Plan submitted their "C/SHCN 834 Referrals to Case Management" Activity Report Summary demonstrating the initial screening and assessments contact for SHCN and CSHCN is completed within 90 days of enrollment.

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date	DHCS Comments
	Care Needs using the Medi-Cal aid codes located in the state's eligibility file (834). The members identified as having a potential special health care need are routed to Case Management for outreach and further assistance.			

#### 4. Member's Rights

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date	DHCS Comments
<p><b>4.1.1 Governing Body Review of Grievance</b></p> <p>The review of the written record of grievances was not thoroughly</p>	LIBERTY has reformatted the template utilized for taking committee minutes to require a full list of all materials provided to the	<ul style="list-style-type: none"> <li>» EXHIBIT F_GA PP - Grievance and Appeals Tracking and Reporting_CA</li> <li>» EXHIBIT G_Grievance</li> </ul>	Policy Approved 8/17/2022 Q4 2022	The Plan submitted their "Grievances and Appeals Tracking and Reporting - California" P&P demonstrating the Plan's procedures for

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date	DHCS Comments
<p>documented by the Plan’s governing body of the DMC plan, the public policy body, and by an officer of the DMC plan or designee.</p>	<p>committee members as part of the review, oversight and improvement of our grievance systems. The updated format of committee minutes includes more details of actions and discussions that may have occurred through the quarter and during the committee, including a section dedicated to tracking process improvements and committee action items.</p> <p>Following the onsite audit discussions and recommendations, LIBERTY revised the policy, “GA PP - GRIEVANCE AND APPEALS TRACKING AND REPORTING –</p>	<p>and Appeals Narrative</p>		<p>documenting grievances and reporting to the Department of Managed Health Care (DMHC) and DHCS accordingly.</p>

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date	DHCS Comments
	<p>CALIFORNIA" to clearly indicate grievances and appeals, described as the 'data logs', are provided at each level of oversight. Complete grievance and appeals data logs are reviewed and analyzed monthly to the Dental Director and G&amp;A committee chair as well as provided quarterly to sub-committees, QMIC and BOD.</p>			

## 5. Quality Management

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date	DHCS Comments
<p><b>5.1.1 Deferred Prior Authorizations</b></p> <p>The Plan did not have the necessary information to perform effective</p>	<p>LIBERTY has updated the reporting specification to ensure that TAR data is accurately reported to the Department</p>	<p>» EXHIBIT H_Q4 2022 Utilization Mangement Committee_TAR Oversight</p>	<p>Q4 2022</p>	<p>The Plan submitted their "California Medicaid TAR Activity" report demonstrating the Plan collects</p>

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date	DHCS Comments
<p>quality improvement on its UM activities, specifically its Treatment Authorization Requests (TAR system).</p>	<p>and Plan's committees for effective oversight and quality improvement activities.</p> <p>As of Q4 2022, LIBERTY incorporated daily monitoring of deferred TARs through LIBERTY's control mechanisms and internal dashboards monitored by the business area to ensure accurate reporting to DHCS and the Plan's Committees.</p> <p>Additionally, in Q4 2022, the UM Committee received and reported quarterly TAR data, which is inclusive of approvals, denials,</p>			<p>necessary information to perform quality improvement for TARs.</p>

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date	DHCS Comments
	<p>deferrals, and modifications to ensure ongoing monitoring, and oversight of timely and accurate processing of prior authorizations.</p> <p>LIBERTY is confident that the enhancements made to the TAR systems reporting and oversight monitoring demonstrates the activities to perform effective quality improvement on LIBERTY's UM activities.</p>			