

DEPARTMENT OF HEALTH CARE SERVICES
AUDITS AND INVESTIGATIONS
CONTRACT AND ENROLLMENT REVIEW DIVISION
BEHAVIORAL HEALTH REVIEW BRANCH

REPORT ON THE SUBSTANCE USE DISORDER (SUD) AUDIT OF

**Calaveras County Behavioral Health Services
Drug Medi-Cal**

2023

Contract Number: 23-30088
Drug Medi-Cal

Audit Period: July 1, 2022
through
June 30, 2023

Dates of Audit: January 9, 2024
through
January 19, 2024

Report Issued: May 24, 2024

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I. INTRODUCTION

Calaveras County Behavioral Health Services (Plan) provides a variety of Drug Medi-Cal Services (DMC) for county citizens. The Plan is governed by a Board of Supervisors and contracts with the Department of Health Care Services (DHCS) for the purpose of supporting the substance use disorder (SUD) needs of the community.

Calaveras County is located in northern California. Calaveras County is a small rural county, with a population of 45,029. The county is over 1,000 square miles with more than 80% residents living in unincorporated areas. Angles Camp is the only incorporated city in Calaveras County.

In Fiscal Year 2022-2023, the Plan had 1,681 Medi-Cal beneficiaries receiving Behavioral Health Services.

II. EXECUTIVE SUMMARY

This report presents the findings of the DHCS audit of the Plan's DMC programs for the period of July 1, 2022, through June 30, 2023. The audit was conducted from January 9, 2024, through January 19, 2024. The audit consisted of document review and interviews with Plan personnel.

An Exit Conference was held on May 8, 2024. The Plan was allowed 15 calendar days from the date of the Exit Conference to provide supplemental information to address the preliminary audit findings. On May 23, 2024, the Plan submitted a response to address the audit findings. The results of the DHCS evaluation of the Plan's response are reflected in this report.

The audit evaluated five categories of performance: Availability of DMC Services, Quality Assurance and Performance Improvement, Access and Information Requirements, Beneficiary Rights and Protection, and Program Integrity.

The prior DHCS compliance report issued on May 24, 2023, (review period July 1, 2021, to June 30, 2022) identified deficiencies incorporated in the Corrective Action Plan (CAP). The prior year's CAP was not completely closed at the time of the audit; However, this year's audit included a review of documents to determine the implementation and effectiveness of the Plan's corrective actions.

Findings denoted as repeat findings are uncorrected deficiencies substantially similar to those identified in the previous review.

The summary of the findings by category follows:

Category 1 – Availability of DMC Services

The Plan is required to ensure that providers of perinatal DMC comply with the requirements contained in Title 22, Section 51341.1, Services for Pregnant and Postpartum Women. The Plan did not require providers of perinatal DMC services to comply with the requirement in Title 22, Section 51341.1, Services for Pregnant and Postpartum Women.

Category 3 – Quality Assurance and Performance Improvement

The Plan is required to monitor the status of all subcontractors, monthly, to ensure they maintain active enrollment in the DMC program. The Plan did not implement all monthly monitoring requirements including provider enrollment status and timely DHCS notification of reportable events.

The Plan is required to ensure the Minimum Quality Drug Treatment Standards (MQDTS) are followed by ensuring a written code of conduct for employees and volunteers/interns is

established. The Plan did not ensure the MQDTS were followed by ensuring a written code of conduct for employees and volunteers/interns was established.

Category 4 – Access and Information Requirements

No findings were noted during the audit period.

Category 6 – Beneficiary Rights and Protection

No findings were noted during the audit period.

Category 7 – Program Integrity

The Plan is required to report all suspected Medi-Cal Fraud to DHCS via online, email or phone. The Plan did not ensure that suspected Medi-Cal fraud is communicated to DHCS via online, email or phone.

III. SCOPE/AUDIT PROCEDURES

SCOPE

The DHCS, Contract and Enrollment Review Division conducted this audit of the Plan to ascertain that SUD services provided to Plan beneficiaries comply with federal and state laws, Medi-Cal regulations and guidelines, and the state's DMC Contract.

PROCEDURE

The audit was conducted from January 9, 2024, through January 19, 2024, for the audit period of July 1, 2022, through June 30, 2023. The audit included a review of the Plan's contract with DHCS, policies and procedures for providing services, and evidence of procedures used to implement the policies. Documents were reviewed and interviews were conducted with Plan representatives.

No verification studies were conducted for this audit.

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CATEGORY 1 -- AVAILABILITY OF DRUG MEDI-CAL SERVICES
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1.3	Perinatal Services
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1.3.1 Perinatal Services

The Plan shall establish assessment, placement determination and referral procedures and shall arrange to provide, or subcontract for covered services in the Plan’s service area. Covered services include Perinatal Residential Substance Use Disorder Treatment. (*DMC Contract, Exhibit A, Attachment I, Part I, Section 3 Covered Services 1.d*))

Plan policy *Perinatal Services and Referral (effective 3/2/18)* outlines procedures to ensure the SUD program will provide/arrange for sufficient Case Management as directed by 45 CFR 96.124(e)(5) ensuring that pregnant and parenting women, and their children have access to treatment and recovery services up to 60 days postpartum, in addition to, gender-specific treatment including relationships, sexual & physical abuse and parenting.

Plan policy *22-23 Shared Monitoring Tool (review date 3/7/23)* for Aegis Treatment Centers, LLC, provides documentation of the Plan’s efforts to monitor applicable laws, regulations, contractual requirements, and standards with a specific subcontractor’s multiple facilities. Multi-site reviews include agencies and entities that are managed administratively by one corporate or County entity but have separate physical site locations providing services to Calaveras County Medi-Cal beneficiaries.

Finding: The Plan did not ensure the assessment, placement determination, referrals, and arrangement for covered Perinatal Residential Substance Use Disorder Treatment services.

Document reviews revealed no subcontract agreements existed for Perinatal Residential services. The Plan did not execute subcontractor agreements to ensure Perinatal Residential services were available to eligible pregnant and postpartum women in the Plan’s service area.

In the interview, the Plan stated it does not have an active Perinatal program due to issues with certification of the location where services were to be provided. The Plan

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leases the building where this program is located and was unable to obtain an insurance certificate in the County/Plan name.

When the Plan does not ensure the provision of Perinatal Residential Substance Use Disorder Treatment services, eligible women will not be provided covered DMC services to treat SUD in pregnancy.

This is a repeat finding of 2022-2023 compliance review - Perinatal Practice Guidelines.

Recommendation: Establish assessment, placement determination and referral procedures and subcontract for covered services including Perinatal Residential Substance Use Disorder Treatment.

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CATEGORY 3 -- QUALITY ASSURANCE AND PERFORMANCE IMPROVEMENT

3.1 Monitoring

3.1.1 Monthly Subcontractor Monitoring

The Plan is required to monitor the status of all subcontractors monthly to ensure they maintain active enrollment in the DMC program. The Plan must report the following to the DHCS' Provider Enrollment Division at DHCSDMCRECERT@dhcs.ca.gov within five business days of notification or discovery:

- Any subcontractor that surrenders its certification or closes its facility.
- During the monthly status check, the Plan shall monitor for and report a triggering recertification event including but not limited to change in ownership, change in scope of services, remodeling of facility, or change in location. (*DMC Contract, Exhibit A, Attachment I, Part I, Section 4*)

Plan policy *Provider Monitoring P&P (effective 11/2014)* describes the Plan's policy to conduct monitoring on an ongoing basis. The policy describes subcontractor periodic informal review requirements conducted, at a minimum, every 1-3 years. In addition, the Behavioral Health Quality Management (QM) Team is responsible for creating and updating the annual Provider Credentialing spreadsheet, which is reviewed by the QM monthly.

Plan policy *22-23 Shared Monitoring Tool - Shared Monitoring Annual Administrative Review (review date 3/7/2)* for Aegis Treatment Centers, LLC, provides documentation of the Plan's efforts to monitor applicable laws, regulations, contractual requirements and standards with a specific subcontractor's multiple facilities.

Finding: The Plan did not ensure implementation of all monthly monitoring requirements that include provider enrollment status and timely DHCS notification of reportable events.

The Plan did not consistently monitor the status of subcontractors to ensure they maintained active enrollment in the DMC program. Additionally, Aegis' monitoring, which verifies DMC certification, was only performed once during the audit period.

Document reviews revealed the Plan did not have evidence for verifying certification or active DMC enrollment monitoring.

In the interview, the Plan stated they were not actively monitoring for subcontractor

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certifications during the audit period due to lack of staffing. The Plan policy does not reference notifying DHCS upon notification or discovery about a facility surrendering certification or closing of a facility as required.

When the Plan does not conduct monthly monitoring, quality of care may be impacted when services are rendered by providers who do not meet Medi-Cal Program enrollment standards.

This is a repeat finding of 2021-2022 compliance review - DMC Certification and Continuing Certification.

Recommendation: Implement policies and procedures for monthly monitoring to ensure subcontractors maintain active certification in the DMC program.

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3.2	Minimum Quality Drug Treatment Standards
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3.2.1 Minimum Quality Drug Standards

The Plan is required to ensure the MQDTS are followed including a written Code of Conduct for employees and volunteers/interns established to address at least all the following MQDTS:

- Use of drugs and/or alcohol.
- Prohibition of social/business relationship with beneficiary's or their family members for personal gain.
- Prohibition of sexual contact with beneficiaries.
- Conflict of interest.
- Providing services beyond scope.
- Discrimination against beneficiary's or staff.
- Verbally, physically, or sexually harassing, threatening, or abusing beneficiary's, family members or other staff.
- Protection beneficiary confidentiality.
- The elements found in the code of conduct(s) for the certifying organization(s) the program's counselors are certified under; and
- Cooperate with complaint investigations.

(Minimum Quality Drug Treatment Standards Document 2F(a), A, 3 a-j)

Compliance with MQDTS requires subcontractors to have written roles and responsibilities and a Code of Conduct for the Medical Director that is clearly documented, signed, and dated by a program representative and physician. *(Minimum Quality Drug Treatment Standards Document 2F(a), A, 5)*

Plan policy *Calaveras Health and Human Services Agency Behavioral Health Services Code of Conduct (revised 4/1/21)* describes the Plan's Code of Conduct and ensures all employees and contractors shall comply with all statutes, regulations, and guidelines, including those applicable to Federal health care programs and with its own policies and procedures.

Finding: The Plan did not ensure staff complied with all requirements in the MQDTS Code of Conduct.

The Plan's employee Code of Conduct did not include all MQDTS elements since it lacked the following standards:

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- Use of drugs and/or alcohol.
- Conflict of interest.
- Providing services beyond scope.
- Discrimination against beneficiary's or staff.
- Verbally, physically, or sexually harassing, threatening, or abusing beneficiary's, family members or other staff.
- Cooperate with complaint investigations.

In the interview, the Plan acknowledged the Code of Conduct has not been updated to meet all MQDTS. The Plan is requiring the certifying organization to maintain the code of conduct. The Plan did not update the MQDTS within its Code of Conduct.

If the Plan does not ensure compliance with all MQDTS elements, this may result in beneficiaries not receiving appropriately provisioned services.

This is a repeat finding of 2021-2022 compliance review - Monitoring.

Recommendation: Revise and implement policies and procedures to ensure staff meet all Minimum Quality Drug Treatment Standards requirements for the Code of Conduct.

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CATEGORY 7 -- PROGRAM INTEGRITY

7.2 Fraud Reporting Requirements

7.2.1 Suspected Medi-Cal Fraud

The Plan is required to report all suspected Medi-Cal Fraud to:

Online: <https://www.dhcs.ca.gov/individuals/Pages/StopMedi-CalFraud.aspx>

Email: fraud@dhcs.ca.gov

Phone: 1-800-822-6222

(DMC Contract, Exhibit A, Attachment I, Part I, Section 4 Monitoring, B, 3, a)

Plan policy *Fraud Detection & Reporting* (dated 6/22/14) outlines the activities to prevent and detect fraud and abuse. Furthermore, Plan policy *Compliance Overview Program Integrity* (Revised 5/2018) provides Plan goals and objectives in relation to Fraud and Abuse.

Finding: The Plan did not ensure suspected Medi-Cal fraud is communicated to DHCS via online, email or phone.

In the interview, the Plan acknowledged employee training did not include fraud reporting requirements. Furthermore, the Plan confirmed no additional documentation or guidance was provided to employees for reporting suspected fraud to DHCS. The Plan did not develop policies or procedures specific to how suspected Medi-Cal fraud would be communicated to DHCS.

If the Plan does not ensure suspected Medi-Cal fraud is communicated to DHCS via online, email or phone, there is potential of increased risk for patient harm and risk for potential fraud, waste, and abuse.

This is a repeat finding of 2021-2022 compliance review - Monitoring.

Recommendation: Revise and implement policies and procedures to ensure suspected Medi-Cal fraud is communicated to DHCS via online, email or phone.