

DHCS AUDITS AND INVESTIGATIONS
CONTRACT AND ENROLLMENT REVIEW DIVISION
SUBSTANCE USE DISORDER REVIEW SECTION
**REPORT ON THE SUBSTANCE USE DISORDER
(SUD) AUDIT OF LAKE COUNTY
FISCAL YEAR 2024-25**

Contract Number(s): 23-30094

Contract Type: Drug Medi-Cal (DMC)

Audit Period: July 1, 2023 — June 30, 2024

Dates of Audit: November 5, 2024 — November 15, 2024

Report Issued: March 26, 2025

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I. INTRODUCTION

Lake County is governed by a Board of Supervisors and contracts with the Department of Health Care Services (DHCS) for the purpose of providing substance use disorder services to county residents.

Lake County is located in the northern part of the state. The Plan provides services within the unincorporated county and in five cities: Lucerne, Southlake, Lakeport, Clearlake, and Lower Lake.

As of November 2024, the Plan had a total of 333 members receiving services and a total of 6 active providers.

II. EXECUTIVE SUMMARY

This report presents the audit findings of the DHCS audit for the period of July 1, 2023, through June 30, 2024. The audit was conducted from November 5, 2024, through November 15, 2024. The audit consisted of documentation review and interviews with the Plan's representatives.

An Exit Conference with the Plan was held on March 4, 2025. The Plan was allowed 15 calendar days from the date of the Exit Conference to provide supplemental information addressing the draft audit findings. On March 24, 2025, the Plan submitted a response after the Exit Conference. The evaluation results of the Plan's response are reflected in this report.

The audit evaluated three categories of performance: Quality Assurance and Performance Improvement, Access and Information Requirements, and Program Integrity.

The prior DHCS compliance report, covering the review period from July 1, 2022, through June 30, 2023, identified deficiencies incorporated in the Correction Action Plan (CAP). The prior year CAP was completely closed at the time of onsite. The current year's audit includes a review of documents to determine the implementation and effectiveness of the Plan's corrective actions as well as if the Plan meets the regulations and contract requirements.

The summary of the findings by category follows:

Category 3 – Quality Assurance and Performance Improvement

There were no findings noted for this category during the audit period.

Category 4 – Access and Information Requirements

There were no findings noted for this category during the audit period.

Category 7 – Program Integrity

There were no findings noted for this category during the audit period.

III. SCOPE/AUDIT PROCEDURES

SCOPE

The DHCS, Contract and Enrollment Review Division conducted the audit to ascertain that medically necessary services provided to Plan members comply with federal and state laws, Medi-Cal regulations and guidelines, and the State's DMC Contract.

PROCEDURE

DHCS conducted an audit of the Plan from November 5, 2024, through November 15, 2024, for the audit period of July 1, 2023, through June 30, 2024. The audit included a review of the Plan's policies for providing services, procedures to implement these policies, and the process to determine whether these policies were effective.

Documents were reviewed and interviews were conducted with Plan representatives.

No verification studies were conducted during the audit period.