DHCS AUDITS AND INVESTIGATIONS

CONTRACT AND ENROLLMENT REVIEW DIVISION

SUBSTANCE USE DISORDER REVIEW SECTION

REPORT ON THE SUBSTANCE USE DISORDER (SUD) AUDIT OF MENDOCINO COUNTY FISCAL YEAR 2024-25

Contract Number: 23-30112

Contract Type: Drug Medi-Cal Organized Delivery System (DMC-ODS)

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

Dates of Audit: June 2, 2025 — June 20, 2025

Report Issued: October 15, 2025

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I. INTRODUCTION

Mendocino County Behavioral Health (Plan) 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.

Mendocino County is located on the North Coast of California. The Plan provides services within the unincorporated county and in the cities of Fort Bragg, Point Arena, Ukiah, and Willits.

As of July 1, 2020, Mendocino County is one of seven counties that is part of the DMC-ODS Regional Model with the managed care organization, Partnership Health Plan of California (PHC). In June 2025, the Plan had a total of 609 Medi-Cal members receiving DMC-ODS services and a total of 60 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 June 2, 2025, through June 20, 2025. The audit consisted of documentation review and interviews with the Plan's representatives.

An Exit Conference with the Plan was held on September 29, 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 September 29, 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 five categories of performance: Availability of Drug Medi-Cal Organized Delivery System (DMC-ODS) Services, Access and Information Requirements, Coverage and Authorization of Services, Beneficiary Rights and Protection, 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 Corrective Action Plan (CAP). The prior year CAP was closed at the time of the audit. Therefore, this audit included a review of documents to determine the implementation and effectiveness of the Plan's corrective actions.

The summary of the findings by category follows:

Category 1 – Availability of Drug Medi-Cal Organized Delivery System Services

The Plan shall ensure that all personnel who provide Withdrawal Management (WM) services, including monitoring or supervising such services, shall meet additional training requirements set forth in Behavioral Health Information Notice (BHIN) 21-001, Level of Care Designations/Certifications for AOD Treatment Facilities. Finding 1.4.1: The Plan did not ensure and document that personnel who provide Withdrawal Management services or who monitor or supervise the provision of such services met the training requirements detailed in BHIN 21-001.

Category 4 – Access and Information Requirements

The Plan is required to ensure that all providers obtain and document complete verbal or written telehealth consents in accordance with BHIN 23-018, Updated Telehealth Guidance for Specialty Mental Health Services and Substance Use Disorder Treatment Services in Medi-Cal. Finding 4.4.1: The Plan did not ensure that all providers obtained member telehealth consents that include all required elements in BHIN 23-018 prior to the initial delivery of covered services via telehealth.

Category 5 – Coverage and Authorization of Services

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

Category 6 – Beneficiary Rights and Protection

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-ODS Contract.

PROCEDURE

DHCS conducted an audit of the Plan from June 2, 2025, through June 20, 2025, for the audit period of June 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 the Plan's representatives.

The following verification studies were conducted:

Category 1 – Availability of Drug Medi-Cal Organized Delivery System Services

There were no verification studies conducted for the audit review.

Category 4 – Access and Information Requirements

There were no verification studies conducted for the audit review.

Category 5 – Coverage and Authorization of Services

There were no verification studies conducted for the audit review.

Category 7 – Program Integrity

There were no verification studies conducted for the audit review.

COMPLIANCE AUDIT FINDINGS

Category 1 – Availability of Drug Medi-Cal Organized Delivery System Services

1.4 Provider Selection and Monitoring

1.4.1 Withdrawal Management Training Requirements

The Plan shall ensure that all personnel who provide WM services or who monitor or supervise the provision of such services shall meet additional training requirements set forth in BHIN 21-001 and its accompanying exhibits. *(Intergovernmental Agreement Exhibit A, Attachment I, III, MM, 3, ii, c)*

Additional training requirements for WM include: (a) completing 6 hours of orientation training that covers the needs of residents who receive WM services for personnel providing WM services or monitoring or supervising the provision of these services; (b) repeating the orientation training within 14 calendar days of return if staff is returning to work after a break in employment of more than 180 consecutive calendar days; (c) on an annual basis, completing 8 hours of training that covers the needs of residents who receive WM services. Documentation of training must be maintained in personnel records. *(BHIN 21-001, Level of Care Designations/Certifications for AOD Treatment Facilities)*

Notwithstanding any relationships that the Plan may have with any subcontractor, the Plan is required to maintain ultimate responsibility for adhering to and otherwise fully complying with all terms and conditions of the Contract. *(DMC ODS Contract, Exhibit A, Attachment I, Section II Federal Requirements, E, 9, ii)*

The Plan's subcontractor, Partnership HealthPlan of California, provided policies 3*40 Annual Detox Training Plan,* that include an overview of the annual detox staff's training, covering training requirements related to the withdrawal process and assessment, and specific topics such as physical checks, documentation for program participants, detoxification medications, and signs and symptoms that require referral to a higher level of care.

Finding: The Plan did not ensure and document that personnel who provide withdrawal management services or who monitor or supervise the provision of such services met the training requirements detailed in BHIN 21-001.

The Plan lacks written policies on how it monitors its subcontractors to ascertain compliance with contract requirements. However, the Plan submitted a subcontractor monitoring report for the audit period. The Plan's monitoring of its subcontractor did not include a review of WM training compliance.

In an interview, the Plan stated that its subcontractor uses a tool to review compliance with all contract requirements, including WM-required training. A review of four completed monitoring tools from the subcontractor showed that the required WM training was not reviewed.

When the Plan does not monitor that personnel receive the required WM training prior to delivery of WM services, quality of care may be impacted when services are rendered by providers who have not received the required training.

Recommendation: Develop and implement policies and procedures to ensure personnel who provide WM services or who monitor or supervise the provision of such services, meet the training requirements detailed in BHIN 21-001.

COMPLIANCE AUDIT FINDINGS

Category 4 – Access and Information Requirements

4.4 Telehealth Requirements

4.4.1 Telehealth Consent Forms

The Plan has an affirmative responsibility to obtain member consent prior to initial delivery of covered services via telehealth. Providers are required to obtain verbal or written consent for the use of telehealth as an acceptable mode of delivering services, and must explain the following criteria to members:

- The member has a right to access covered services in person.
- Use of telehealth is voluntary and consent for the use of telehealth can be withdrawn at any time without affecting the member's ability to access Medi-Cal covered services in the future.
- Non-medical transportation benefits are available for in-person visits.
- Any potential limitations or risks related to receiving covered services through telehealth as compared to an in-person visit, if applicable.

(BHIN 23-018, Updated Telehealth Guidance for Specialty Mental Health Services and Substance Use Disorder Treatment Services in Medi-Cal)

Notwithstanding any relationships that the Plan may have with any subcontractor, the Plan is required to maintain ultimate responsibility for adhering to and otherwise fully complying with all terms and conditions of the Contract. (DMC ODS Contract, Exhibit A, Attachment I, Section II Federal Requirements, E, 9, ii)

Plan policy *MCUP33113 Telehealth Services (revised 2/12/25)* included all of the required telehealth consent elements outlined in BHIN 23-018.

Finding: The Plan did not ensure all providers obtained member telehealth consents that include all required elements in accordance with BHIN 23-018.

The Plan lacks written policies on how it monitors its subcontractors to ascertain compliance with contract requirements. However, the Plan submitted a subcontractor monitoring report for the audit period. The Plan's monitoring of its subcontractor did not include a review of member telehealth consent compliance.

A review of completed member telehealth consent forms showed the forms lacked required components, specifically, 1) the member's right to access covered services in person; and 2) the member's right to non-medical transportation benefits that are available for in-person visits.

A review of completed monitoring tools from the subcontractor showed that member telehealth consent was not reviewed.

In the interview, the Plan's subcontractor acknowledged that their telehealth consent forms were missing the required components and that the completed monitoring tools provided lacked sufficient detail to review the requirements for member telehealth consent.

When the Plan does not conduct oversight to ensure all providers obtain and document members' consent prior to the initial delivery of covered services via telehealth, members are not fully informed about their options or rights related to telehealth services.

Recommendation: Develop and implement policies and procedures to ensure all providers obtain verbal and written member consent prior to the initial delivery of covered services via telehealth.