

DHCS AUDITS AND INVESTIGATIONS
CONTRACT AND ENROLLMENT REVIEW DIVISION

**REPORT ON THE FOCUSED AUDIT OF SAN LUIS
OBISPO REGIONAL HEALTH AUTHORITY DBA
CENCAL HEALTH 2023**

Contract Number: 08-85212

Audit Period: October 1, 2022 – September 30, 2023

Dates of Audit: October 9, 2023 – October 19, 2023

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I. INTRODUCTION

Background

In accordance with California Welfare and Institutions Code section 14456, the Department of Health Care Services (DHCS) may conduct additional reviews outside the annual medical audit when DHCS determines there is good cause.

DHCS directed the Contract and Enrollment Review Division to conduct focused audits of all contracting Medi-Cal Managed Care Plans (Plans) to evaluate the current Plans' performance in the areas of Behavioral Health and Transportation services.

These focused audits differ from DHCS' regular annual medical audits in scope and depth. The annual medical audits evaluate the Plans' organizational structures, policies and procedures, and systems for compliance with contractual requirements. The focused audits examined the operational issues that may hinder appropriate and timely member access to medically necessary care. The focused audit engagement formally commenced in January 2023 through December 2023.

For the Behavioral Health section, the focused audit evaluated Plan's monitoring activities of specific areas such as Specialty Mental Health Services (SMHS), Non-Specialty Mental Health Services (NSMHS), and Substance Use Disorder Services (SUDS). The focused audit will also review potential issues that may contribute to the lack of member access and oversight for SMHS, NSMHS, and SUDS.

The focused audit conducted a more in-depth look at current Plan operations/practices for executing the delivery of transportation services. The audit examined potential causes for the systemic issues surrounding the Non-Emergency Medical Transportation (NEMT) and Non-Medical Transportation (NMT) services, specifically when transportation is delegated to a transportation broker.

The Santa Barbara San Luis Obispo Regional Health Authority dba CenCal Health (Plan) was established in September 1983, as the first State-contracted County Organized Health System. Originally known as the Santa Barbara Health Initiative, the Plan began serving San Luis Obispo County in March 2008. Since then, the Plan's service area has included both Santa Barbara and San Luis Obispo County.

The Plan is a public entity governed by a 13-member Board of Directors appointed by the Santa Barbara and San Luis Obispo County Boards of Supervisors. The Board of Directors is composed of local government, physician, hospital, member, other health care provider, and business representatives.

During the audit period, the Plan delegated transportation services to Ventura Transit System (VTS), a transportation broker.

As of September 2023, the Plan's enrollment total for its Medi-Cal line of business was 232,768 members. Membership is comprised of 164,515 members in Santa Barbara County and 68,253 members in San Luis Obispo County.

II. EXECUTIVE SUMMARY

This report presents the audit findings of DHCS' focused audit for the period of October 1, 2022, through September 30, 2023. The audit was conducted from October 9, 2023, through October 19, 2023. The audit consisted of document review, surveys, verification studies, interviews and file reviews with Plan representatives.

The Plan respectfully declined an Exit Conference to be held on June 27, 2024, to discuss DHCS' focused audit preliminary findings. The Plan was allowed 15 calendar days from the date of the Exit Conference to provide supplemental information to address preliminary findings. The findings in this report reflect the evaluation of relevant information received prior and subsequent to the Exit Conference.

The focused audit evaluated the areas of performance for Behavioral Health and Transportation services.

The summary of findings by performance area follows:

Performance Area: Behavioral Health

Category 2 – Case Management and Coordination of Care:

- Specialty Mental Health Services
- Non-Specialty Mental Health Services
- Substance Use Disorder Services Category 3 – Access and Availability of Care

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

Performance Area: Transportation

Category 3 – Access and Availability of Care

- Non-Emergency Medical Transportation
- Non-Medical Transportation

The Plan is required to have processes in place to ensure door-to-door assistance is being provided for all members receiving NEMT services. Additionally, no less than quarterly the Plan must conduct monitoring activities to verify that the NEMT providers are providing door-to-door assistance for members receiving NEMT services. The Plan did not have a process to ensure door-to-door assistance is being provided for all members receiving NEMT services and it did not conduct monitoring activities to verify

that NEMT providers are providing door-to-door assistance for all members receiving NEMT services.

III. SCOPE/AUDIT PROCEDURES

SCOPE

This focused audit was conducted by the DHCS, Contract and Enrollment Review Division to ascertain the medical services provided to Plan members complied with federal and state laws, Medi-Cal regulations and guidelines, and the State Contract.

PROCEDURE

On November 3, 2022, DHCS informed Plans that it would conduct focused audits to assess the performance in certain identified high-risk areas. The focused audit was concurrently scheduled with the annual medical audit. The audit scope encompassed the following sections:

- Behavioral Health – SMHS, NSMHS, and SUDS
- Transportation – NEMT and NMT services

The audit was conducted from October 9, 2023, through October 20, 2023. The audit included a review of the Plan's policies for providing services, the procedures used to implement the policies, and verification studies of the implementation and effectiveness of the policies. Documents were reviewed and interviews were conducted with Plan administrators and staff.

The following verification studies were conducted:

Category 2 – Case Management and Coordination of Care

SMHS: Five samples were reviewed, three from Santa Barbara County and two from San Luis Obispo County, to evaluate whether there was member care coordination between the Plan and county Mental Health Plans, as well as compliance with All Plan Letter (APL) requirements.

NSMHS: Eight samples were reviewed, five from Santa Barbara County and three from San Luis Obispo County, to evaluate compliance with APL requirements.

Concurrent SMHS and NSMHS: Seven samples were reviewed, five from Santa Barbara County and two from San Luis Obispo County, to evaluate compliance with APL requirements.

SUDS: Five samples were reviewed, three from Santa Barbara County and two from San Luis Obispo County, to confirm compliance with APL requirements.

Category 3 – Access and Availability of Care

NEMT: Nine samples and 10 grievance cases were reviewed to evaluate compliance with APL requirements.

NMT: Ten samples, seven (7) from San Luis Obispo County and three (3) from Santa Barbara County, and 15 grievance cases were reviewed to evaluate compliance with APL requirements.

A description of the findings for each category is contained in the following report.

COMPLIANCE AUDIT FINDINGS

Performance Area: Transportation – NEMT and NMT

Category 3 – Access and Availability of Care

3.1 Provision of Door-to-Door Assistance

The Plan must comply with all existing final APLS issued by DHCS. (*Contract, Exhibit E, Attachment 2, (D)*)

The Plan is required to have processes in place to ensure door-to-door assistance is being provided for all members receiving NEMT services. (*APL 22-008, Non-Emergency Medical and Non-Medical Transportation Services and Related Travel Expenses*)

The Plan policy, *MM-UM33 Non-Emergency Medical Transportation and Non-Medical Transportation* (revised May 24, 2023), consistent with APL 22-008, states that CenCal Health will monitor and oversee their transportation brokers to ensure that they are complying with the requirements set forth in the APL, including but not limited to door-to-door assistance for members receiving NEMT services. The policy does not describe a method or process to ensure that NEMT members are consistently receiving door-to-door assistance.

Finding: The Plan did not have a process in place to ensure door-to-door assistance is being provided for all members receiving NEMT services.

DHCS conducted a verification study of nine NEMT samples from the Plan's Transportation Universe. The records did not contain evidence that the members received door-to-door assistance. Additionally, the Plan's Universe does not include statistical data confirming the provision of door-to-door assistance. The Plan did not provide documentation confirming the provision of door-to-door assistance.

During the interview, the transportation broker, VTS, stated that the determination of door-to-door assistance is based on the categorization of the transportation service, i.e., all NEMT services include door-to-door assistance, whereas NMT includes curb-to-curb only.

VTS also stated that the provision of door-to-door assistance to NEMT members is part of its contractual obligations. However, neither VTS nor the Plan provided documentation supporting that door-to-door assistance is being delivered to the members.

During a demonstration of the VTS' ride scheduling process, the Plan explained that the current ride scheduling process does not have a function or a control in place to select door-to-door assistance. Additionally, VTS does not collect any information from the member confirming ride completion or that door-to-door assistance was received.

The Plan stated that VTS conducts an annual member satisfaction survey for transportation services offered to Plan members. VTS performs this survey towards the end of the calendar year and results are shared with the Plan during one of the subsequent Joint Oversight Committee meetings. The audit found that the annual survey does not ask members if they received door-to-door assistance.

In a written response, the Plan stated that VTS considers all NEMT members as door-to-door service. Therefore, members receiving NEMT would not need to specifically request because they would receive this service regardless.

Without a mechanism to ensure that transportation providers deliver door-to-door assistance to members receiving NEMT services, the Plan cannot provide assurance that all members requiring NEMT services are receiving all medically necessary services, which may lead to negative health outcomes and member harm.

Recommendation: Revise and implement policies and procedures for the Plan to ensure that all members receiving NEMT services are receiving door-to-door assistance.

3.2 Plan Monitoring and Oversight of Door-to-Door Assistance

The Plan is required to have processes in place to ensure door-to-door assistance is being provided for all members receiving NEMT services. Additionally, no less than quarterly the Plan must conduct monitoring activities to verify that the NEMT providers are providing door-to-door assistance for members receiving NEMT services. (*APL 22-008, Non-Emergency Medical and Non-Medical Transportation Services and Related Travel Expenses*)

Plan policy, *MM-UM33 Non-Emergency Medical Transportation and Non-Medical Transportation* (revised May 24, 2023), consistent with APL 22-008, states that on a quarterly basis, the Plan will monitor and oversee their transportation brokers to ensure that they are complying with the requirements set forth in the APL 22-008, including but not limited to, door-to-door assistance for members receiving NEMT services.

Finding: The Plan did not conduct monitoring activities to verify that the NEMT providers are providing door-to-door assistance for all members receiving NEMT services.

The verification study of nine NEMT samples did not contain evidence that the members received door-to-door assistance. Additionally, the Plan's Transportation Universe does not include statistical data confirming the provision of door-to-door assistance.

The Plan did not provide evidence of the implementation of its policy to monitor and oversee its transportation broker's compliance with the requirement to provide door-to-door assistance.

As noted on finding 3.1 VTS does not gather confirmation of ride completion from the members and its transportation database does not include a feature to capture door-to-door assistance.

In the *Focused Audit Questionnaire*, the Plan stated that it monitors nonfulfillment of door-to-door assistance through its Member Grievance System. While the *APL 22-008 FAQ* states processes to ensure door-to-door assistance is being provided could include a review of member grievances, the recommendation does not exempt the Plan from providing verifiable evidence that door-to-door assistance was delivered by network providers.

The Plan's approach to monitor the provision of door-to-door assistance through grievances is reactive and a monitoring mechanism of grievances but not directly a verification mechanism of door-to-door assistance. Additionally, VTS investigates grievances and complaints against itself and its subcontractors.

The Plan also stated that it ensures proactive compliance with door-to-door requirements through evaluation of VTS' Driver policies and procedures and *Driver's Job Aid Manual*. VTS' Driver policies and procedures specify that the driver and/or attendant assists the NEMT member from the member's front door into the vehicle and vice versa. If the NEMT member requires assistance beyond door-to-door, the request would be captured on the VTS' triage form and communicated with the driver upon scheduling. However, both documents do not specify how the Plan and the broker monitor the provision of the assistance.

The Plan did not provide evidence that members are aware of the door-to-door benefit and their right to file a grievance if it is not fulfilled. In a written response, the Plan stated that the Plan informs members of the door-to-door assistance benefit if they call the Plan's Members Services or Delegate's Customer Service numbers, and during any grievance-related call filed for this concern. However, the Plan did not provide documentation or call transcripts to support this assertion.

The audit found that the VTS' Medical Transportation Provider Oversight policy and procedure, Call Center policy and procedure, and scheduling transport script do not include information about door-to-door assistance availability. Likewise, the Plan's website, Member Handbook, Medical Transportation Services Brochure, and Member Newsletters did not include information about door-to-door assistance. Furthermore, the Plan did not provide the requested call transcripts for 15 NEMT grievance cases, nor any other relevant documentation to support its assertion that it informs members of the door-to-door assistance.

If the Plan does not conduct monitoring activities to verify that NEMT providers are providing door-to-door assistance for members receiving NEMT services, the Plan cannot ensure that transportation brokers are complying with the requirements set forth in APL 22-008, which may lead to member's negative health outcomes and harm.

Recommendation: Revise and implement policies and procedures to ensure that the Plan is conducting monitoring activities no less than quarterly to ensure that NEMT providers are providing door-to-door assistance for all members receiving NEMT services.