



Michelle Baass | Director

May 10, 2024

Health Net of California, Inc.
Christy Bosse, V.P. & Compliance Officer
11971 Foundation Pl, Building D
Rancho Cordova, CA 95670

2023 HEALTH NET OF CALIFORNIA, INC. DENTAL PLAN AUDIT – CORRECTIVE ACTION PLAN CLOSE-OUT LETTER

Dear Ms. Bosse:

The Department of Health Care Services (DHCS) Audits and Investigations Division (A&I) conducted an on-site audit of Health Net of California, Inc., a Medi-Cal Dental Managed Care (DMC) plan, from June 5, 2023, through June 16, 2023. The audit covered the review period of April 1, 2022, through March 31, 2023.

On April 12, 2024, the DMC plan provided DHCS with additional information regarding its Corrective Action Plan (CAP) in response to the report originally issued on October 17, 2023.

All items have been reviewed and DHCS accepts 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 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: Health Net of California, Inc.

Audit Type: Department of Health Care Services Dental Audit

Review Period: 4/1/2022 – 3/31/2023

On-Site Review: 6/5/2023 – 6/16/2023

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.

5. Quality Management

| Finding Number and Summary | Action Taken | Supporting Documentation | Implementation Date | DHCS Comments |
|---|--|---|---------------------|---|
| <p>5.1.1 Qualifications of Staff in Quality Improvement System Manual</p> <p>The Plan’s QIS Manual shall include</p> | <p>Health Net has taken the following steps to correct this deficiency:</p> <ul style="list-style-type: none"> » Health Net developed a QIS manual policy and | <ul style="list-style-type: none"> » Updated QIS manual » Health Net QIS policy and procedure | | <p>The Plan submitted the updated QIS Manual and QIS policies and procedures that ensures staff</p> |



| Finding Number and Summary | Action Taken | Supporting Documentation | Implementation Date | DHCS Comments |
|--|---|--------------------------|---------------------|---|
| <p>qualifications of staff responsible for QI studies and activities, including education, experience, and training.</p> | <p>procedure (P&P) to ensure updates/revisions are completed annually regarding qualifications of staff in the QIS manual.</p> <ul style="list-style-type: none"> » Health Net updated the QIS manual to include staff qualifications responsible for QI studies and activities, including education, experience, and training. » Health Net resubmitted the updated 2024 QIS manual to DHCS on 03/29/2024. Health Net is pending a response from DHCS. | | | <p>responsible for QI studies and activities meet the qualifications required pursuant to contract, including education background, affiliations, memberships, and residency details. DHCS closes this CAP effective April 12, 2024. The Plan does not need to provide further documentation for finding 5.1.1.</p> |

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|---|---|---|---------------------|---|
| <p>5.1.2 Oversight of Delegated Entity</p> <p>During the audit period, the Plan did not have a system to ensure the oversight and accountability of its delegated entity in charge of addressing PQI and improving provider quality of care.</p> | <p>Health Net has taken the following steps to correct this deficiency:</p> <ul style="list-style-type: none"> » Health Net developed a monthly PQI reporting log » Health Net developed a PQI oversight audit tool and audit summary tool » Health Net conducted an annual PQI audit of delegate » Health Net reviewed and approved delegate PQI policy and procedure and Health Net developed an oversight PQI policy and procedure | <ul style="list-style-type: none"> » Monthly PQI Reporting Logs » PQI Audit Tools » Oversight annual audit findings of delegate » PQI Policies and Procedures | | <p>The Plan submitted PQI Policies and Procedures, Reporting Logs and Audit Tools demonstrating oversight and accountability of its delegated entity in charge of addressing PQI and improving provider quality of care.</p> <p>The PQI reporting log provides comprehensive documentation, covering office, member, and provider details, PQI summaries, Dental Director Reviews, and key dates like Counseling Date and CAP information. The Potential Quality Review Issues Form supports a systematic assessment of</p> |

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| | | | | <p>contracted entities' efforts, conducted semi-annually or more frequently as needed. The Scope/Methodology involves checking eight files initially, expanding up to 15 files if necessary.</p> <p>The Plan will continue monitoring activities and potentially pursue corrective active if the provider scores below 90%. The PQI Audit Tool Excel Workbook and PQI Universe Excel Workbook offer structured frameworks for assessing severity levels, actions taken, policy compliance, and documenting quality issue resolution.</p> |

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|----------------------------|--------------|--------------------------|---------------------|---|
| | | | | <p>The Policies and Procedures established the Plan's direct oversight of care quality and commitment to upholding professional standards. The procedure outlines a systematic approach to identifying and addressing quality issues, emphasizing proactive monitoring and tailored responses based on severity levels. It includes auditing processes, reporting mechanisms, and pathways for peer review, reflecting a commitment to transparency and continuous improvement. Additionally, there's a</p> |

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|----------------------------|--------------|--------------------------|---------------------|---|
| | | | | <p>focus on education and training to enhance care quality for both providers and members.</p> <p>DHCS closes this CAP effective April 12, 2024. The Plan does not need to provide further documentation for finding 5.1.2.</p> |