DHCS
CALIFORNIA DEPARTMENT OF
HEALTH CARE SERVICES
Michelle Baass | Director

December 29, 2023

Annabel Vaughn, Director
Regulatory Affairs & Compliance
CalOptima
505 City Parkway West
Orange, CA 92868

RE: Department of Health Care Services Medical Audit

Dear Ms. Vaughn:

The Department of Health Care Services (DHCS), Audits and Investigations Division conducted an on-site Medical Audit of CalOptima, a Managed Care Plan (MCP), from February 27, 2023 through March 10, 2023. The audit covered the period of February 1, 2022 through January 31, 2023.

The items were evaluated and DHCS accepts the MCP's submitted Corrective Action Plan (CAP). The CAP is hereby closed. The enclosed documents will serve as DHCS' final response to the MCP's CAP. Closure of this CAP does not halt any other processes in place between DHCS and the MCP regarding the deficiencies in the audit report or elsewhere, nor does it preclude the DHCS from taking additional actions it deems necessary regarding these deficiencies.

Please be advised that in accordance with Health & Safety Code Section 1380(h) and the Public Records Act, the final audit report and final CAP remediation document (final Attachment A) will be made available on the DHCS website and to the public upon request.

If you have any questions, please reach out to CAP Compliance personnel.

Sincerely,

[Signature on file]

Lyubov Poonka, Chief
Audit Monitoring Unit
Managed Care Quality and Monitoring Division

Department of Health Care Services Department of Health Care Services

Enclosures: Attachment A (CAP Response Form)

cc: Stacy Nguyen, Chief
Managed Care Monitoring Branch
Managed Care Quality and Monitoring Division
Department of Health Care Services

Joshua Hunter, Lead Analyst
Audit Monitoring Unit
Managed Care Quality and Monitoring Division
Department of Health Care Services

Diana Voong, Contract Manager
Medi-Cal Managed Care Division
Department of Health Care Services

ATTACHMENT A
Corrective Action Plan Response Form

Plan: CalOptima **Review Period: 2/1/22 – 1/31/23**

Audit Type: Medical Audit and State Supported Services **On-site Review: 2/27/23 – 3/10/23**

MCPs are required to provide a CAP and respond to all documented deficiencies included in the medical audit report within 30 calendar days, unless an alternative timeframe is indicated in the CAP Request letter. MCPs are required to submit the CAP in Word format that will reduce turnaround time for DHCS to complete its review. According to ADA requirement, the document should be at least 12 pt.

The CAP submission must include a written statement identifying the deficiency and describing the plan of action taken to correct the deficiency, and the operational results of that action. The MCP shall directly address each deficiency component by completing the following columns provided for MCP response: 1. Finding Number and Summary, 2. Action Taken, 3. Implementation Documentation, and 4. Completion/Expected Completion Date. The MCP will be required to include project timeline with milestones in a separate document for each finding. Supporting documentation should accompany each Action Taken. If supporting documentation is missing, the MCP submission will not be accepted. For policies and other documentation that have been revised, please highlight the new relevant text, and include additional detail such as title of the document, page number, revision date, etc. in the column "Supporting Documentation" to assist DHCS in identifying any updates that were made by the plan. For deficiencies that require short-term corrective action, implementation should be completed within 30 calendar days. For deficiencies that may be reasonably determined to require long-term corrective action for a period longer than 30 days to completely remedy or operationalize, the MCP is to indicate that it has initiated remedial action and is on the way towards achieving an acceptable level of compliance. In those instances, the MCP will be required in addition to the above steps, to include the date when full compliance will be achieved. Policies and procedures submitted during the CAP process must still be sent to the MCP's Contract Manager for review and approval, as applicable in accordance with existing requirements.

Please note, DHCS expects the plan to take swift action to implement improvement interventions as proposed in the CAP, therefore DHCS encourages all remediation efforts to be in place no later than month 6 of the CAP, unless prior approval for an extended implementation effort is granted by DHCS.

DHCS will maintain close communication with the MCP throughout the CAP process and provide technical assistance to ensure the MCP provides sufficient documentation to correct deficiencies. Depending on the volume and complexity of deficiencies identified, DHCS may require the MCP to provide weekly updates, as applicable.

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date* (*Short-Term, Long-Term)	DHCS Comments
2. Case Management and Coordination of Care				
2.1.1 Provision of Initial Health Assessment The Plan did not ensure that an IHA was performed by the member's PCP, perinatal care providers, and non-physician mid-level practitioners.	1. **Internal Policy GG.1613** Internal policy GG.1613 Initial Health Appointment (IHA) was revised to align with APL 22-024 Population Health Management Policy Guide and clarify expectations of providers and delegated health networks (Attachment 1). 2. **Internal System Update** The Plan has been reviewing, validating, and updating the IHA logic to only include a member's PCP, perinatal care provider, or non-physician mid-level practitioner in the IHA reporting. 3. **Monthly Monitoring** The Plan will develop and implement a process for monthly monitoring to ensure the IHA is only being completed by the member's PCP, perinatal care provider, or a non-physician mid-level practitioner. The Plan's Population Health Management (PHM) department will review IHA completion reports	Attachment 1_GG.1613_Initial Health Appointment N/A N/A	1. March 1, 2023 2. Anticipated to be completed by October 31, 2023 3. Anticipated to be completed by November 30, 2023	The following documentation supports the MCP's efforts to correct this finding: **POLICY AND PROCEDURES** • Updated P&P, "GG.1613: Initial Health Appointment" states that an IHA shall be performed, within a primary care medical setting, by the Member's Assigned Primary Care Practitioner (PCP), Perinatal care Provider during a Member's pregnancy, Non-physician Mid-Level Practitioner such as a Nurse Practitioner (NP), Certified Nurse Midwife, Physician Assistant (PA); or PCP in training. (GG.1613 Initial Health Appointment). • Excel Spreadsheet, "IHA Performance by Date Range" and Help Desk Ticket, "Ticket Closure for IHA" as evidence that the

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	on a monthly basis to validate a sample of new members for whom an IHA is indicated as completed to ensure that the provider is not a specialist. **4. Reporting to Committee** The Plan has begun providing IHA performance reports to the Quality Improvement and Health Equity Committee (QIHEC, formerly QIC) on a quarterly basis. The Plan submits a sample of QIHEC meeting slides and meeting minutes from the January, February, and May 2023 QIHEC meetings (Attachments 2-7). **5. Provider and Delegate Education** The Plan increased awareness of IHA requirements by training	Attachment 2_QIC Meeting Presentation_01-17-23, Page 40 Attachment 3_QIC Meeting Minutes_01-17-23, Page 14 Attachment 4_QIC Meeting IHA Follow-up _02-14-23, Page 1 Attachment 5_ QIC Meeting Minutes_02-14-23, Page 20 Attachment 6_QIHEC Presentation_05-09-23, Page 1 Attachment 7_QIHEC Meeting Minutes_05-09-23, Page 16 Attachment 8_Family Choice JOM Packet_04-12-23, Page 22	4. January 17, 2023 5. August 30, 2023	MCP has completed their internal system update. The MCP has updated and validated the logic for IHA completion reports to include only the following provider types: 1) Internal medicine, 2) Pediatrics, 3) Obstetrics/gynecology, 4) Family practice, 5) Perinatal care providers, 6) Nurse practitioners, physician assistants and PCPs in training. (IHA Performance by Date Range Template, Ticket Closure for IHA). **TRAINING** • PowerPoint Presentation, “Initial Health Appointment” (07/12/23) and “CalOptima Health Community Network Virtual Meeting Q2 2023” (06/13/23) as evidence that the MCP conducted training on IHA requirements and completion rates to providers and delegated health

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	CalOptima Health providers and delegated Health Networks. The Plan will continue to provide training opportunities to providers and the delegated health networks on a regular basis. The Plan submits a sample of trainings that were completed (Attachments 7-11).	Attachment 9_CalOptima Health Community Network Meeting, Page 70 Attachment 10_Q22023_ CalOptima Health Community Network Virtual Meeting_06-13-23 Attachment 11_Continuing Medical Education (CME)-Continuing Education (CE) Workshop Flyer_07-12-23 Attachment 12_CME_Initial Health Appointment IHA		networks. (CME_Initial Health Appointment IHA, CalOptima Health CHCN Virtual Meeting). **MONITORING AND OVERSIGHT** • "Quality Improvement Committee (QIC) Meeting Presentation" (January 2023, May 2023) and "QIC Meeting Minutes" (January 2023, May 2023) as evidence that the MCP's QIC is reviewing the IHA completion rates. The MCP is providing IHA performance reports to the Quality Improvement and Health Equity Committee (QIHEC, formerly QIC) on a quarterly basis. (QIC Meeting Presentation, QIC Meeting Minutes). • Excel Spreadsheet, "Provider Taxonomy Validation Log" (August 2023 – October 2023) as evidence

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				that the MCP has implemented a monitoring process to track that an IHA was performed by the member's primary care providers, perinatal care providers, and non-physician mid-level practitioners. On a monthly basis, the MCP will take a sample of at least ten members with records indicating IHA completion and verifying that the IHA was completed by an appropriate provider type (PCP, perinatal care provider, or a non-physician mid-level practitioner). (Provider Taxonomy Validation Log). **The corrective action plan for finding 2.1.1 is accepted.**

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date* (*Short-Term, Long-Term)	DHCS Comments
2.2.1 Performance of Pediatric Risk Stratification Process The Plan did not ensure that members who did not have medical utilization data, claims processing data history, or other assessments or survey information available for PRSP were automatically categorized as high risk until further assessment data was gathered to make an additional risk determination.	1. **Internal Policy GG.1330** The Plan's Case Management (CM) department did not need to update CalOptima Health policy GG.1330 as the requirement is outlined in Section III.A.2 (Attachment 1). 2. **Internal System Update** The Plan updated the technical specifications for the Whole Child Model (WCM) Pediatric Risk Stratification to reflect the regulatory requirements (Attachments 2 & 3). 3. **Quarterly Monitoring:** The Plan's CM department developed quarterly internal auditing to ensure compliance with regulatory process of the Whole Child Model (WCM) Pediatric Risk Stratification (Attachments 4 & 5). The monitoring is to confirm the logic implementation and accuracy of risk determination. The Plan also submits the CM Tracking dashboard (Attachment 6) which indicates the auditing is scheduled quarterly. The Plan notes that	Attachment 1_GG.1330_Case Management - California Children's Services Program_Whole-Child Model_07-01-21 Attachment 2_WCM PRS Technical Specifications Update (Work Order) Attachment 3_Whole Child Model (WCM) Risk Stratification _Technical Specifications Attachment 4_Q2_PRSP Validation_05-11-2023 Attachment 5_Q3_PRSP Validation_07-11-2023 Attachment 6_CM_Tracking Dashboard	1. N/A 2. July 7, 2023 3. May 11, 2023	The following documentation supports the MCP's efforts to correct this finding: **POLICY AND PROCEDURES** MCP's current policy GG.1330 Case Management - California Children's Services Program/ Whole-Child Model correctly states "For Members for which medical utilization data, claims processing data, or other assessments or survey information is not available, CalOptima shall automatically categorize such Member as high-risk until CalOptima is able to gather further assessment data to make an additional risk Determination." (Section III., A.2) **IMPLEMENTATION** Technical Specifications Workorder (dated 03/14/23) and Whole Child Model

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	auditing will be annual after 2023. **4. QIHEC Reporting:** The Plan presented the updated Whole Child Model (WCM) Pediatric Risk Stratification on August 8, 2023, to the Quality Improvement Health Equity Committee (QIHEC) (Attachment 7).	Attachment 7_Attachment 7_QIHEC eMaterial_08-08-2023	4. August 8, 2023	Pediatric Risk Stratification Technical Specifications revision log demonstrate the MCP has updated its internal systems. Technical Specifications document instructs the assigning of members as high risk when no utilization data is identified. (WCM PRS Technical Specifications Update (Work Order) and Whole Child Model (WCM) Risk Stratification_Technical Specifications) **MONITORING** Q2 and Q3 PRSP Validation quarterly reports and CM Tracking Dashboard demonstrate the MCP has a process in place to monitor pediatric risk stratification. (Q2_PRSP Validation_05-11-2023, Q3_PRSP Validation_07-11-2023 and CM_Tracking Dashboard)

Finding Number and Summary	Action Taken	Supporting Documentation	Implementation Date* (*Short-Term, Long-Term)	DHCS Comments
				Agenda for 8/8/23 Quality Improvement Health Equity Committee demonstrates the Whole Child Model Pediatric Risk Stratification Process was presented. (QIHEC eMaterial_08-08-2023) **The corrective action for finding 2.2.1 is accepted.**

Submitted by Plan: John A. Tanner [signature on file] **Date:** September 15,2023
Title: Chief Compliance Officer