



## Recommendation Status Summary for Audit Report 2018-122

### Department of Health Care Services: It Has Not Ensured That Medi-Cal Beneficiaries in Some Rural Counties Have Reasonable Access to Care

NO.	RECOMMENDATION	SUMMARY OF DHCS' 60-DAY RESPONSE	STATE AUDITOR'S EVALUATION OF RESPONSE
<b>Category A: Improve Access to Healthcare</b>			
A-1	To ensure that beneficiaries in Regional Model counties have adequate access to care, the Department of Health Care Services (DHCS) should identify by August 2020 the locations requiring additional providers and the types of providers required. It should also develop strategies for recruiting and retaining providers in those locations. If it requires additional funding to complete this assessment or to implement actions to address its findings, DHCS should determine the amounts it needs and request that funding from the Legislature. (Report Rec. 1)	<b>Will Not Implement</b> —DHCS does not believe that the analysis we recommend is within its purview.	<b>Will Not Implement</b> —It is unclear why DHCS does not believe that addressing this recommendation is within its purview, given its role in overseeing the State's provision of Medi-Cal services and ensuring that Medi-Cal recipients have access to medical care that state law requires.
To obtain assurance that health plans throughout the State exhaust all of their reasonable options to meet the access requirements before requesting alternative access standards, DHCS should immediately begin doing the following:			
A-2	Develop written guidance that specifies the conditions under which staff should approve, deny, or contact health plans for clarification regarding their alternative access standard requests. (Report Rec. 2)	<b>Not Fully Implemented</b> —DHCS is working to improve its alternative access standards review process and will provide training for its staff.	<b>Pending</b> —DHCS continues to address this recommendation.
A-3	Determine a specific minimum number of providers that health plans must attempt to contract with before requesting an alternative access standard. (Report Rec. 3)	<b>Not Fully Implemented</b> —DHCS is revising its All Plan Letter 19-002 which will require health plans to attempt to outreach to a minimum of two out-of-network providers before submitting an alternative access standard request.	<b>Pending</b> —DHCS continues to address this recommendation.
A-4	Require health plans to report on their attempts to contract with providers when submitting their alternative access standard requests, including providing evidence of their efforts, such as the contact information for each provider with which they have attempted to contract. (Report Rec. 4)	<b>Not Fully Implemented</b> —DHCS is planning to require health plans to describe their contracting efforts as part of all of their alternative access standard submissions. It has already collected and validated this information for a selection of its 2019 requests.	<b>Partially Implemented</b> —DHCS has made some progress implementing this recommendation.
A-5	Establish a process for periodically verifying the health plans' efforts, such as contacting a sample of the listed providers and determining whether the plans attempted to contract with them. (Report Rec. 5)	<b>Fully Implemented</b> —DHCS implemented a process to validate the efforts health plans described taking to contract with additional providers as part of its 2019 alternative access standard approval process.	<b>Fully Implemented</b> —DHCS provided evidence that it fully implemented this recommendation.
A-6	Require health plans to authorize out-of-network care if they do not demonstrate they have exhausted all of their reasonable options to meet the access requirements, unless the health plans can demonstrate that closer providers are demanding unreasonably high rates or have documented deficiencies in quality of care. (Report Rec. 6)	<b>Will Not Implement</b> —DHCS disagrees with our recommendation and believes improving its process to approve alternative access standards will address the issue we identified.	<b>Will Not Implement</b> —Although DHCS references its processes for reviewing supporting documentation for requests for alternative access standards, it does not address how it would handle situations in which health plans are not able to demonstrate that they have exhausted all reasonable options for meeting the access requirements. Our recommendation specifies that DHCS should require those plans to authorize out-of-network care.

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**Category B: Improve Communication with Counties**

	To ensure that it promptly and sufficiently notifies counties and other stakeholders about health plans' quality of care deficiencies, DHCS should immediately do the following:		
B-1	Post its medical audit reports to its website within one month after it issues the reports to the health plans. (Report Rec. 7)	<b>Fully Implemented</b> —DHCS has updated its internal processes to post the results of medical audits to its website within one month after the audit report is issued to the health plans.	<b>Fully Implemented</b> —DHCS provided evidence that it fully implemented this recommendation.
B-2	Include information about its recently published medical audit reports and other monitoring efforts in its communication with counties and other stakeholders on its mailing list. (Report Rec. 8)	<b>Fully Implemented</b> —DHCS included updates to audit postings through the main DHCS stakeholder list.	<b>Fully Implemented</b> —DHCS provided evidence that it fully implemented this recommendation.
B-3	Ensure that relevant county officials are included on its mailing list. (Report Rec. 9)	<b>Fully Implemented</b> —DHCS reached out to the County Welfare Directors Association and the County Health Executives Association to inform their members of DHCS' Medi-Cal stakeholder email distribution list.	<b>Fully Implemented</b> —DHCS provided evidence that it fully implemented this recommendation.
B-4	To ensure that it makes informed decisions regarding the extension or renewal of its contracts with managed care health plans, DHCS should immediately begin the practice of requesting annual feedback from the counties that the health plans serve and of using that feedback in its decision-making process. (Report Rec. 11)	<b>Not Fully Implemented</b> —DHCS agreed to implement a practice of requesting annual feedback from the counties that the health plans serve and use that feedback in its decision-making process when extending or re-procuring health plan contracts.	<b>Pending</b> —DHCS continues to address this recommendation.

**Category C: Assist Counties That Desire to Create or Join a County Organized Health System (COHS)**

C-1	To ensure that all counties are aware of the managed care model options available to them and of the steps necessary to implement those models, DHCS should provide by December 2019 information to all counties that clearly defines each managed care model and the steps and legal requirements needed to establish each model. (Report Rec. 10)	<b>Not Fully Implemented</b> —DHCS is working internally to create the necessary information to explain the steps and legal requirements to establish each plan model type. Additionally, DHCS has added links to the front page of its website that provide clear and direct access to Medi-Cal managed care information.	<b>Partially Implemented</b> —DHCS has made some progress implementing this recommendation.
	To ensure that beneficiaries in the Regional Model counties have reasonable access to care, DHCS should the following by June 2020:		
C-2	Determine by June 2020 the specific causes of Anthem's and Health & Wellness's inabilities to provide reasonable access to care in the Regional Model counties. (Report Rec. 12)	<b>Not Fully Implemented</b> —DHCS described it is continuing to work towards the analysis of the Regional Model and is on track to meet the June 2020 date.	<b>Pending</b> —DHCS continues to address this recommendation.

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C-3	Evaluate by June 2020 whether the structural characteristics of a COHS Model would be better suited to providing reasonable access to care in the Regional Model counties and notify the counties whether a COHS would improve beneficiaries' access to care. If some or all of these counties desire to transition to a COHS, DHCS should assist them in making that change after their current contracts expire. (Report Rec. 13)	<b>Will Not Implement</b> —DHCS described it will continue to work towards the analysis of the Regional Model as it noted in the previous recommendation (C-2) and will determine next steps through that effort.	<b>Will Not Implement</b> —Although DHCS states that it will not implement this recommendation, it indicates that it may take action to address access to care based on the results of the analysis cited in the previous recommendation (C-2).
C-4	Evaluate by June 2020 whether it has the financial resources to provide assistance to counties interested in establishing a COHS or other managed care model after the current Regional Model contracts expire. If DHCS does not have the required financial resources, it should seek an appropriate amount of funding from the Legislature. (Report Rec. 14)	<b>Will Not Implement</b> —DHCS stated that it does not have the financial resources to provide direct financial assistance to counties to establish a health care plan.	<b>Will Not Implement</b> —As we stated in our comments on DHCS' original response to the audit report, we disagree with DHCS' perspective. Because the Regional Model includes many counties that may desire to transition to a single multicounty COHS, we believe that it would be more effective for DHCS to submit a consolidated funding request to the Legislature rather than for each county to submit its own individual request.
C-5	Provide these counties by June 2020 with reasonable opportunities to decide whether to change their managed care models after the expiration of the Regional Model health plan contracts. DHCS should provide counties that choose to do so sufficient time to establish their new models. DHCS should also include language in its 2020 Request for Proposals (RFP) to allow Regional Model counties that can demonstrate their ability to implement a COHS Model in their county by 2023 to opt out of the RFP process. (Report Rec. 15)	<b>Will Not Implement</b> —DHCS described it will not include a provision in its RFP regarding the allowance for a county or health plan to change the model type operating in their county because that RFP is specific to the model type. However, DHCS would be willing to work with counties if they desire to switch model types.	<b>Will Not Implement</b> —DHCS states that it will work with parties when it is made aware of their desire to switch to a COHS model. However, by implementing our recommendation, DHCS would demonstrate its commitment to helping small and rural counties improve the access to care for their beneficiaries.