

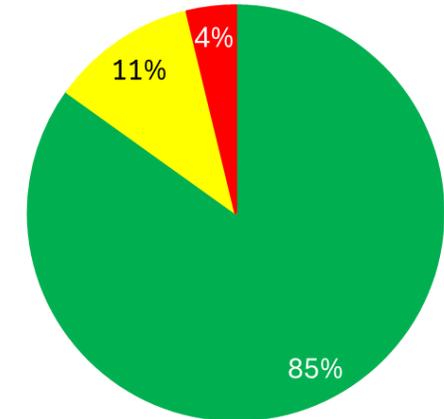
**D.3.**

**ACCEPT** report from Compliance, **RECOMMEND APPROVAL**, and **FORWARD** the report to the **Contra Costa County Board of Supervisors for approval**

**Sunny Cooper, Chief Compliance Officer**

## Executive Summary of Compliance Health

- ✓ **Regulatory Monitoring:** All required submissions were timely except for a few remediated delays. No critical findings were identified. A \$40,000 DMHC sanction for 2018 audit deficiencies was resolved in January 2026.
- ✓ **Audit Preparation:** DMHC Financial Audit preparations missed initial internal deadlines due to competing priorities; revised timelines were set for February.
- ✓ **Compliance Initiatives:** Compliance Performance Improvement Workgroup (PIW) projects are underway to enhance audit readiness and regulatory compliance.
- ✓ **Delegation Oversight:** Enhanced Care Management (ECM) and Community Support Services (CSS) provider audits remain on schedule; corrective actions are in progress.
- ✓ **Fraud, Waste and Abuse:** No emerging risks; investigations and recoveries are in progress. Workforce training materials are in development.
- ✓ **Privacy and Security:** Low incident volume; no reportable breaches. Workforce training materials are in development.

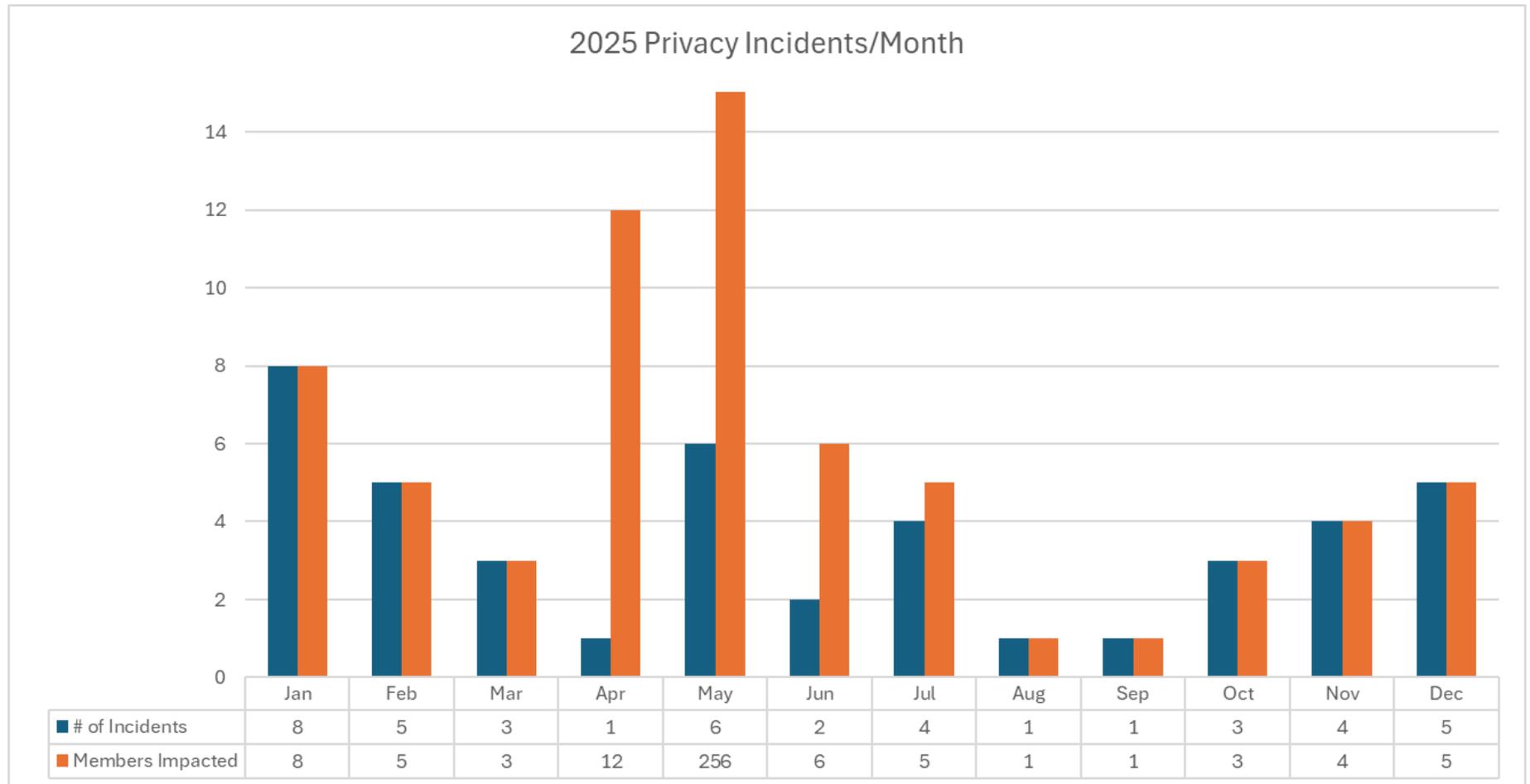




# HIPAA Incidents (Jan 2025-Dec 2025)

**Total Incidents: 43**

**Total Members Impacted: 309**



Between January 2025 and December 2025, we received and investigated a total of 43 cases. Of the 32 cases that required reporting to DHCS, 27 (84%) cases were reported timely within 24 hours of discovery while 5 (16%) were reported untimely. One of the primary reasons for untimely reporting was due to delay in reporting to Compliance (19%). Compliance is currently working on developing a Compliance Awareness training series to educate and remind CCHP Workforce to report non-compliance incidents timely.

**Table 1:** Timely Regulatory Reporting of HIPAA Incident for Reporting Period 01/01/25 – 12/31/25

Report within 24 Hours	JAN	FEB	MAR	APR	MAY	JUN	JULY	AUG	SEPT	OCT	NOV	DEC	Total
Not Timely	1		1		1	1		1					5
Timely	7	5	1	1	3	1	4		1		2	2	27
Not Reported			1		2					3	2	3	11
<b>Grand Total</b>	<b>8</b>	<b>5</b>	<b>3</b>	<b>1</b>	<b>6</b>	<b>2</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>43</b>

**Table 2:** Internal Reporting Delays between Breach Date and Compliance Receipt Date

Internal Reporting Delays	JAN	FEB	MAR	APR	MAY	JUN	JULY	AUG	SEPT	OCT	NOV	DEC	Total
Not Timely	1		1		2	1		1				2	8
Timely	7	5	2	1	4	1	4		1	3	4	3	35
<b>Grand Total</b>	<b>8</b>	<b>5</b>	<b>3</b>	<b>1</b>	<b>6</b>	<b>2</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>43</b>

# 2025 Fraud, Waste and Abuse Incidents

## Total Active FWA Cases as of 10/22/25: 25

Table 1: Cases Received and Closed by Month for Reporting Period 1/1/25 – 10/22/25

	JAN	FEB	MAR	APR	MAY	JUN	JULY	AUG	SEPT	OCT	NOV	DEC	YTD TOTAL
# Received	1	0	1	1	4	5	7	7	5	6	5	2	44
# Closed	0	0	0	2	1	1	2	1	2	2	4	0	15

Table 2: Timely Regulatory Reporting of FWA Incident for Reporting Period 1/1/25 – 10/22/25

FWA Filing Status	Count
<b>Timely Filing</b> ( <i>within 10 business days of incident</i> )	33
<b>Untimely*</b>	4 (11%)
<b>NA</b> ( <i>reported by DHCS</i> )	7
<b>TOTAL</b>	<b>44</b>

\*Untimely filing is about 11% and 89% timely. Threshold is 100%.

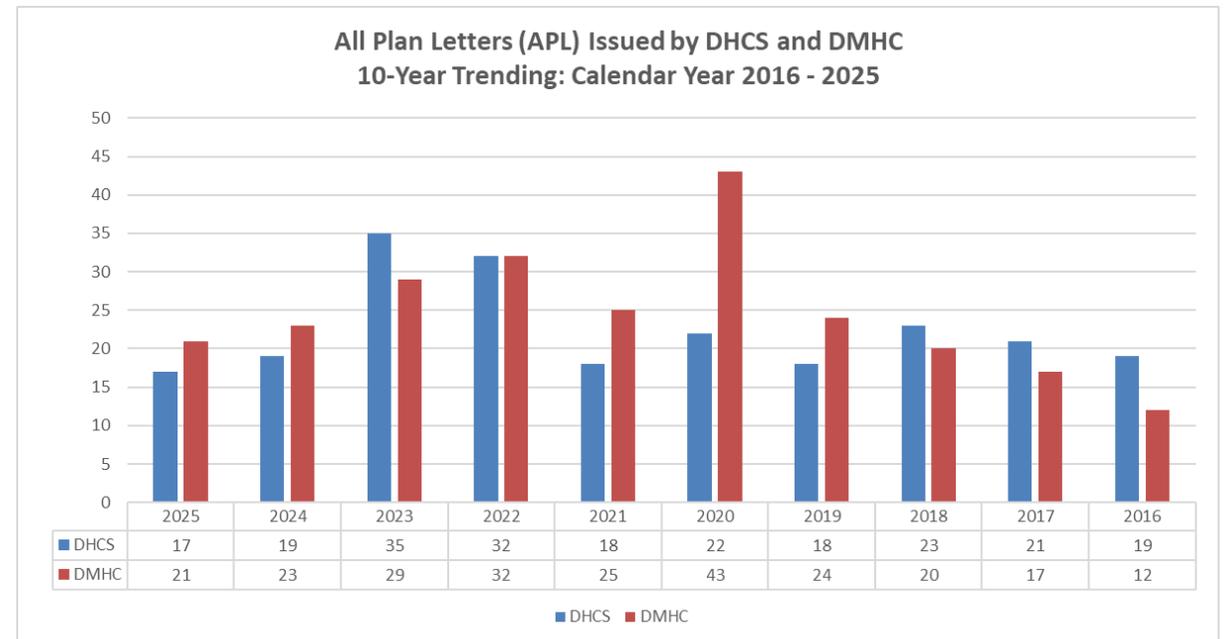
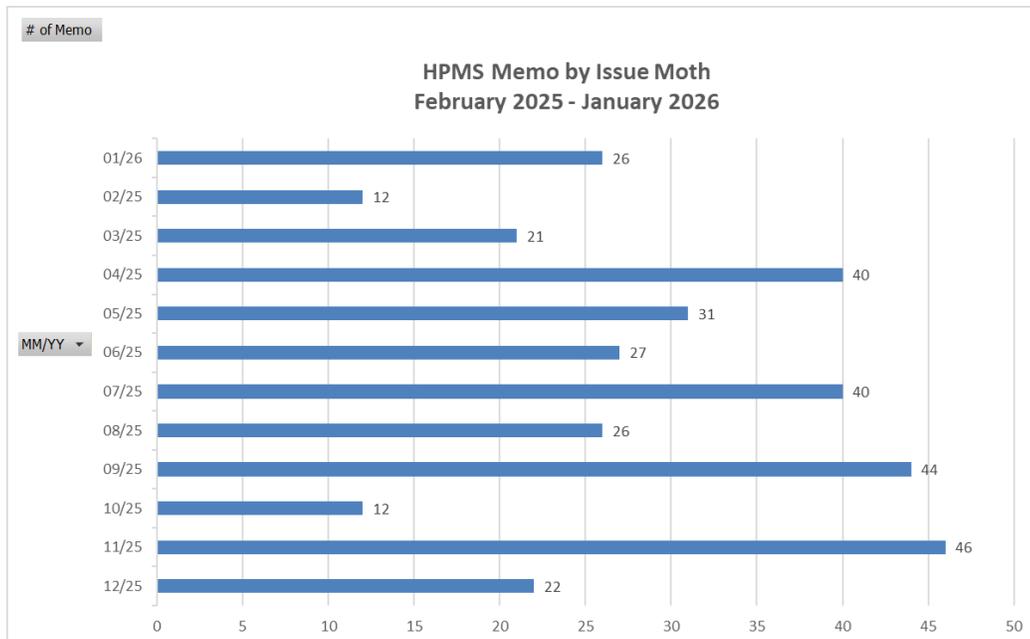
Table 3: FWA Case Type (Closed Cases) for Reporting Period 1/1/25 – 10/22/25

Type of FWA	Count
Services Not Rendered	2
Medically Unnecessary Services	1
Not FWA	12
<b>TOTAL</b>	<b>15</b>

# Regulatory Notice Trending HPMS and DHCS/DMHC APLs

## Overall Impression of the Regulatory Notices:

- **Regulatory Volume:** CMS issues a high volume of HPMS memos (~29/month), though many do not apply to CCHP or are delegated (e.g., Part D to PBM). State agencies issue fewer notices (DHCS ~22 APLs/year; DMHC ~24 APLs/year).
- **Operational Impact:** Despite lower volume, APLs require substantially more analysis and implementation effort than most HPMS memos at this point, driving greater internal resource demand.
- **Trend and Outlook:** APL volume has returned to historical norms since 2024 following a 2020–2023 surge driven by CalAIM, Operational Readiness, and COVID-19; however, complexity remains elevated, sustaining compliance risk and workload.





# **Audits, Deficiencies and Correction Action Plan Update**

## 2024 Medical Survey CAP Status Update – Open CAP

There were a total of 19 deficiencies identified from the 2024 DHCS Medical Survey. Of the 19 deficiencies identified, one remaining deficiency, “2.6 ECM assessment is not comprehensive”, is still being remediated along with our ECM providers. This remediation process is long and arduous due to ECM providers:

- Lack of knowledge in Medi-Cal program requirements; and
- Lack of resources to fulfill the CAP timely.

To mitigate, Compliance and business unit are closely monitoring each ECM provider to ensure that they provide monthly update of progress and submit supporting documentation to the Plan timely until deficiency is remediated.

# DMHC Financial Audit Deficiencies and CAP

## 2022 DMHC Financial Audit Deficiencies

- Internal CAP issued to Contracts re: HRGi compensation compliance
- CAP resolved 1/15/26: agreement amended to flat fee structure.

## 2026 DMHC Financial Audit

- Set of 84 deliverables for documents/information plus several questionnaires
- DMHC final submission due date is 2/23/26.
- QA is performed by business units, Compliance and consultants prior to submission
- DMHC SharePoint Portal is made available for CCHP to upload deliverables
- First mock audit was held on 2/25/26 for Claims topic
- The overall health of the project is currently at risk due to competing priorities within the Claims and Finance departments in addition to data issues, which may impact timely submission of Pre-Audit Documentation. This is being mitigated by reprioritizing work to ensure DMHC submission timeline is met.



# Compliance Performance Improvement Workplan Update

## Health of Compliance PIW At a Glance

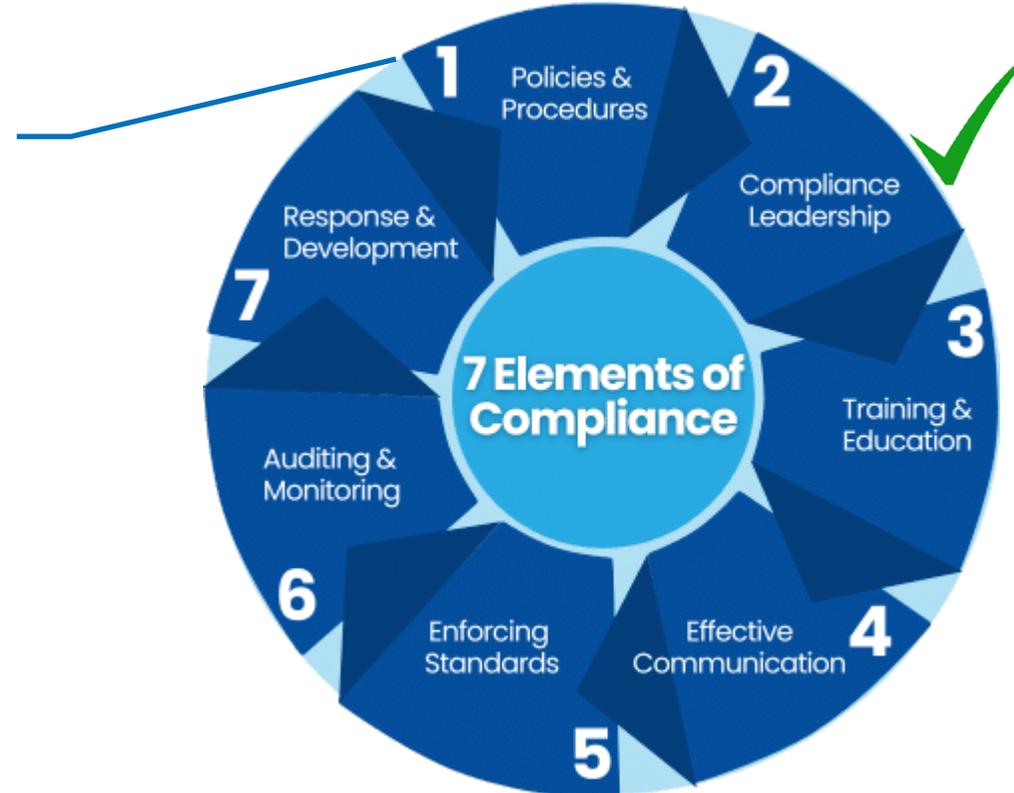
Initiative/Project	Timeline	Status*
PIW I.0 Implement Effective Organizational Structure and Staffing level	Q1/26 - Q4/26	50% Complete
PIW III.01 Implement Effective Compliance Program for All LOBs including III.02 Compliance Leadership and Governance	Q3/25 – Q4/26	63% Complete
PIW III.01 Implement a Policy Management Program (PMP)	Q1/26 – Q3/26	33% Complete
PIW III.03 Develop and Conduct Effective Compliance Training and Education	Q1/26 – Q2/27	14% Complete
PIW III.05 Develop and Implement an Effective Lines of Communication	Q4/25 – Q4/26	0% Complete
PIW II.0 Implement Technology Solutions	Q3/25 – Q4/27	33% Complete
PIW III.04 Enforce standards through well-publicized disciplinary guidelines	Q2/26 – Q3/26	TBD
PIW III.06 Conduct internal monitoring and auditing	Q1/26 – Q2/27	TBD
PIW III.07 Respond promptly to detected offenses and undertake corrective action	Q1/26 – Q2/27	TBD

\*% Completion = Total Completed Milestones ÷ Total Number of Milestones per initiative or project

# 7 Elements of an Effective Compliance Program

The **7 Elements of an Effective Compliance Program**, published in the US Sentencing Guidelines, are essential to an effective compliance and ethics program. It is a standard that is broadly used as a roadmap or guiding principles to establishing and maintaining compliance and ethics in almost all healthcare entities including health plans like CCHP. Per DHCS Contract Section 1.3.1, 42 CFR §§ 422.503(b)(4)(vi) and 423.504(b)(4)(vi), CCHP must have a Compliance Program in place which adopts these 7 Elements.

**Written Policies and Procedures:** Implementing written policies, procedures and standards of conduct.



# Policy Management Program and Policy Management Committee (PMC)

In this reporting period, we are highlighting our Plan related to the first element - **“Written Policies and Procedures”**.

“Written Policies and Procedures” aims to establish clear standards, codes of conduct, and detailed procedures to guide employee behavior and operations. A Policy Management Program (PMP), governed under a Policy Management Committee (PMC), builds a strong foundation for regulatory compliance and audit readiness.

## Objective of the Policy Management Program

- 1) Governance and Oversight – PMC
- 2) Regulatory, Compliance and NCQA Integration
- 3) Cross-Functional Coordination, Policy Review/Approval, and Version Control
- 4) Delegation Oversight Support
- 5) Risk Assessment and Mitigation
- 6) Tracking and Reporting
- 7) Staff Training and Communication

