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To: Joint Conference Committee (JCC) Members

From: Chanda Gonzales, Compliance Officer

Date: June 6, 2025

Subject: Compliance Update

Purpose

To provide the JCC with an overview of updates and notable information related to compliance activities and requirements.

Department Description

The Compliance Department coordinates all regulatory communication with the health plan, reviews and disseminates regulatory changes and requirements, monitors and ensures that all departments conduct operations in a timely, ethical, and compliant manner.

Key Accomplishments and Highlights

CCHP's Medicare Compliance Plan accepted by CMS and CCHP's Medicare application has now been conditionally approved.

Current Priorities and In-Progress Work

- Implementing all new legislation affecting healthcare and as required by DMHC
- Updating DHCS with actions taken to remedy any remaining audit findings
- Ongoing monitoring of privacy incidents and potential fraud, waste, and abuse
- Preparing staff for upcoming DHCS audit (August 2025)

Implementing Recent Healthcare Legislation

DMHC issued All Plan Letter (APL) 24-023 on 12/20/24. This directive includes 23 Assembly and Senate bills; 19 with current requirements to file. Required changes include system-wide updates such as processes for authorizations, claims, member notices.

CCHP filed the initial submission on 3/21 and a second submission on 5/21. Implementation is continuing with some requirements scheduled to start in July 2025

DHCS Audit Corrective Action Plan

CCHP continues to implement new or revised processes to address any corrective actions required. The Plan has recently submitted the second update; these occur monthly until DHCS determines all corrections have been addressed and satisfied.

Fraud, Waste, and Abuse Monitoring

Q1 & Q2 2025 – Potential FWA Incidents

As of 5/28/25:

- 3 cases have been closed
- 3 cases currently open (all received in May; ongoing investigation)
 - Potential fraudulent billing by provider
 - Potential fraudulent referral
 - Potential fraudulent billing by DME provider

CCHP's FWA team is working more closely with the Cotiviti team and their SIU (Special Investigations Unit). Weekly meetings have been implemented for SIU discussions.

HIPAA/Privacy Incident monitoring

As of 5/28/25:

- 71% of the incidents to date occurred externally
 - 15 of the 21 incidents involved a provider or clinic
- 4 active investigations
- 2 Corrective Action Plans (CAPs) are being implemented
 - 1 with CCHP and 1 with an outside clinic

<u>Q1 2025</u>	<u>Incidents</u>	<u>Q2 2025</u>	<u>Incidents</u>
<u>January</u>	<u>8</u>	<u>April</u>	<u>2</u>
<u>February</u>	<u>6</u>	<u>May</u>	<u>3</u>
<u>March</u>	<u>2</u>	<u>June</u>	<u>--</u>
<u>Q1 Total</u>	<u>16</u>	<u>Q2 Total</u>	<u>5</u>



Challenges

The Director of Compliance recently resigned; this has created a setback in terms of new projects and progress that was being made. This setback should be temporary, however, as a new Senior Director of Compliance will be joining the department this month.

Looking Ahead

In June, the plan will be hosting the Medi-Cal Managed Care Compliance 101 training session (via LHPC) for all staff.