

## 8.2 REGULATORY UPDATE

## 2024 DHCS Medical Audit Corrective Action Plan

- **Received our most recent feedback from DHCS in August 2025**
  - While most corrective action plans had been accepted, a couple items still remain open
- **Plan remains on track for CAP Closure**
- **Plan continues to prioritize long-term sustainability of corrective actions through leadership oversight and internal monitoring**

## 2025 DHCS Medical Audit

- CCHP completed its 2025 Department of Health Care Services (DHCS) Medical Audit
  - Held August 18-28, 2025
  - In-person audit
- To prepare, CCHP engaged in extensive readiness activities, including mock audits and focused work sessions
- Staff were well prepared, professional, and confident in presenting information and participating in audit interviews
- During the Closing session, DHCS expressed some initial concerns
  - CCHP is already working on these areas of initial concern and additional areas of improvement based on the audit and is actively implementing process enhancements to address them.
- Formal Exit conference will take place in early Spring 2025
- CCHP will provide the JCC with the DHCS final report and findings once they are released

## 2023 DHCS Behavioral Health and Transportation Focused Audit – Corrective Action Plan

- CCHP has closed all Transportation related findings and several Behavioral Health Focused Audit findings
- Responses to remaining Behavioral Health audit findings have been submitted to DHCS
- CCHP is currently waiting formal response and further instruction from DHCS

- **The DMHC Financial Audit will be taking place in April 2026, starting 4/6/2025.**
  - Topics include claims, provider dispute resolutions, financial accounts review, and statutory compliance.
- **The DMHC Follow Up Medical Survey will also take place in April 2026, starting 4/26/2025.**
  - The focus of this audit will be on our previous findings in the following topics:
    - Quality assurance
    - Grievance and appeals
    - Access and availability
    - Utilization management
    - Overall plan performance in meeting enrollee's health care needs

### Enforcement Matter 22-710

- Pertains to 2021-2022 grievances involving a CCHP member delegated to Kaiser
- Received from DMHC: 4/4/2025
  - Response provided to DMHC: 5/5/2025
- Received feedback from DMHC 8/28/2025
  - DMHC found that there was sufficient evidence to establish a Plan violation of Health and Safety code section 1368.01, subdivision (b), and California Code of Regulations, title 28, section 1300.68.01, subdivision (a) (2)
  - DMHC indicated that they would be willing to resolve this matter upon the payment of an administrative penalty of \$70,000.
- CCHP sent an acknowledgement to DMHC on 9/12/2025, accepting the administrative penalty.

### Enforcement Matter 23-348

- Stems from deficiencies that remain unresolved from DMHC's 2019 Routine Survey
- Received from DMHC: 6/4/2025
  - DMHC found that the Plan violated Health and Safety Code section 1380, subdivision (i)(1), by failing to resolve an identified deficiency to the director's satisfaction within a reasonable period of time.
  - DMHC indicated that they would be willing to resolve this matter upon the payment of an administrative penalty of \$40,000 and submission of a proposed corrective action plan (CAP) for review/approval by the Department's Office of Enforcement.
- CCHP sent an acknowledgement to DMHC on 6/16/2025, accepting the administrative penalty. CCHP also submitted a proposed CAP.
- Status: Awaiting response from DMHC regarding CAP.

### Enforcement Matter 24-143

- Focuses on interrogatories related to behavioral health services, including timely access to care, prior authorization practices, claims payments, provider satisfaction, staff training, and call center operations
- Received from DMHC: 3/26/2025
- Response provided to DMHC: 4/25/2025
- Status: Awaiting response from DMHC