KERN HEALTH SYSTEMS

GOVERNANCE AND COMPLIANCE COMMITTEE MEETING

Friday, September 27, 2024
at
8:30 a.m.

Kern Health Systems
2900 Buck Owens Blvd.
4th floor – Kern River Room
Bakersfield, CA 93308

For more information, call (661) 664-5000

AGENDA

GOVERNANCE AND COMPLIANCE COMMITTEE MEETING

KERN HEALTH SYSTEMS
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Bakersfield, California 93308

Friday, September 27, 2024

8:30 A.M.

All agenda item supporting documentation is available for public review at Kern Health Systems in the Administration Department, 2900 Buck Owens Boulevard, Bakersfield, CA 93308 during regular business hours, 8:00 a.m. – 5:00 p.m., Monday through Friday, following the posting of the agenda. Any supporting documentation that relates to an agenda item for an open session of any regular meeting that is distributed after the agenda is posted and prior to the meeting will also be available for review at the same location.

PLEASE SILENT CELL PHONES AND OTHER ELECTRONIC DEVICES DURING THE MEETING

COMMITTEE TO RECONVENE

Members: Acharya, Hoffmann, Meave, Turnipseed
ROLL CALL:

CONSENT AGENDA/OPPORTUNITY FOR PUBLIC COMMENT: ALL ITEMS LISTED WITH A "CA" ARE CONSIDERED TO BE ROUTINE AND NON-CONTROVERSIAL BY KERN HEALTH SYSTEMS STAFF. THE "CA" REPRESENTS THE CONSENT AGENDA. CONSENT ITEMS WILL BE CONSIDERED FIRST AND MAY BE APPROVED BY ONE MOTION IF NO MEMBER OF THE COMMITTEE OR AUDIENCE WISHES TO COMMENT OR ASK QUESTIONS. IF COMMENT OR DISCUSSION IS DESIRED BY ANYONE, THE ITEM WILL BE REMOVED FROM THE CONSENT AGENDA AND WILL BE CONSIDERED IN LISTED SEQUENCE WITH AN OPPORTUNITY FOR ANY MEMBER OF THE PUBLIC TO ADDRESS THE COMMITTEE CONCERNING THE ITEM BEFORE ACTION IS TAKEN.

STAFF RECOMMENDATION SHOWN IN CAPS

PUBLIC PRESENTATIONS

1) This portion of the meeting is reserved for persons to address the Committee on any matter not on this agenda but under the jurisdiction of the Committee. Committee members may respond briefly to statements made or questions posed. They may ask a question for clarification, make a referral to staff for factual information or request staff to report back to the Committee at a later meeting. Also, the Committee may take action to direct the staff to place a matter of business on a future agenda. SPEAKERS ARE LIMITED TO TWO MINUTES. PLEASE STATE AND SPELL YOUR NAME BEFORE MAKING YOUR PRESENTATION. THANK YOU!

COMMITTEE MEMBER ANNOUNCEMENTS OR REPORTS

2) On their own initiative, Committee members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code Section 54954.2(a)(2))

COMMITTEE MATTERS

3) Report on Kern Health Systems DHCS 2023 Focused Audit Transportation and Behavioral Health Findings and Corrective Action Update (Fiscal Impact: None) – RECEIVE AND FILE

4) Report on Kern Health Systems DMHC 2023 Medical Audit Findings and Corrective Actions Update (Fiscal Impact: None) – RECEIVE AND FILE

5) Report on Enterprise Risk Assessment Request for Proposal Status Update (Fiscal Impact: None) – RECEIVE AND FILE

ADJOURN TO THURSDAY, NOVEMBER 14, 2024, AT 8:30 A.M.

AMERICANS WITH DISABILITIES ACT
(Government Code Section 54953.2)

The meeting facilities at Kern Health Systems are accessible to persons with disabilities. Disabled individuals who need special assistance to attend or participate in a meeting of the KHS Finance Committee may request assistance at the Kern Health Systems office, 2900 Buck Owens Boulevard, Bakersfield, California 93308 or by calling (661) 664-5000. Every effort will be made to reasonably accommodate individuals with disabilities by making meeting material available in alternative formats. Requests for assistance should be made five (5) working days in advance of a meeting whenever possible.

KERN HEALTH SYSTEMS

MEMORANDUM

TO: Kern Health Systems Governance and Compliance Committee

FROM: Deborah Murr, Chief Compliance and Fraud Prevention Officer

SUBJECT: 2023 DHCS Focused Audit for Transportation and Behavioral Health Findings and Corrective Action Plan

DATE: September 27, 2024

BACKGROUND

In accordance with California Welfare and Institutions Code section 14456, the Department of Health Care Services (DHCS) may conduct additional reviews outside of the annual medical audit when DHCS determines there is good cause.

DHCS directed the Contract and Enrollment Review Division to conduct focused audits of all contracting Medi-Cal Managed Care Plans (Plans) to evaluate the current Plans' performance in the areas of Behavioral Health and Transportation services. These focused audits examined the operational issues that may hinder appropriate and timely member access to medically necessary care.

For the Behavioral Health section, the focused audit evaluated specific areas, such as Specialty Mental Health Services (SMHS), Non-Specialty Mental Health Services (NSMHS), and Substance Use Disorder Services (SUDS). Four (4) findings were identified in relation to Case Management and Coordination of Care.

The focused audit conducted a review of KHS's operations/practices for executing the delivery of transportation services. The audit examined potential causes for the systemic issues surrounding the Non-Emergency Medical Transportation (NEMT) and Non-Medical Transportation (NMT) services, specifically when transportation is delegated to a transportation broker. Three (3) findings were identified in relation to Access and Availability of Care.

The findings of the DHCS focused audit are in reference to the period November 1, 2022, through October 31, 2023. The audit was conducted on November 27, 2023, through December 8, 2023.

REQUESTED ACTION

Receive and file.

2023 DHCS Focused Audit for Transportation and Behavioral Health Findings

Governance and Compliance Committee

September 27, 2024

Deborah Murr, MHA, BS-HCM, RN
Chief Compliance and Fraud Prevention Officer

KERN HEALTH SYSTEMS

Behavioral Health

Performance areas for <u>BH</u> with findings

- **Case management and Care coordination**
  - Plan failed to coordinate referrals with County Specialty Mental Health (SMH) and ensure timely clinical assessment
  - Medication reconciliation and coordination policy did not have an effective date nor signed (new policy/dept w/o final execution from 2022 DHCS audit finding)
  - 50% of samples (10 total viewed) by DHCS from the Specialty MH log did not have medical records
  - Specialty MH log did not have referral dates or close dates (KHS unable to provide due to County MH not sharing)

- **Coordination of Non specialty Mental Health (NSMH) and SMH**
  - Executed MOU in place with KHS/SMH outlining coordination of services was reviewed by DHCS
  - 70% of samples (10 total viewed) by DHCS from the Specialty MH log did not have medical records
  - Specialty MH log did not have referral dates or close dates (KHS unable to provide due to County MH not sharing)
  - KHS-SMH Quarterly meeting minutes showed discrepancies in SMH tracking data and average of 6 months to transition members

Behavioral Health

Performance areas for BH with findings-cont'd

- **Confirmation of Referred treatments for Substance Use Disorder (SUD)**
  - Plan failed to make good faith efforts to confirm SUD treatment was received
  - 30% of samples (10 total viewed) by DHCS from the Specialty MH log did not have medical records
  - Policy did not have an effective date nor signed (new policy/dept w/o final execution from 2022 DHCS audit finding)
  - SUD logs did not have referral dates or close dates (KHS unable to provide due to County MH not sharing)

- **Follow up for Referred SUD services**
  - Plan failed to outreach to members who did not receive SUD services based on information received via an automated data exchange with SMH for reconciliation
  - 30% of samples (10 total viewed) by DHCS from the Specialty MH log did not have medical records
  - Policy did not have an effective date nor signed (new policy/dept w/o final execution from 2022 DHCS audit finding)
  - SUD logs did not have referral dates or close dates
  - KHS was inconsistent with follow up to members to understand barriers to care and adjust referrals

Transportation

Performance areas for Transportation with findings

- **Access and Availability**
  - Plan failed to capture level of service modifications in QNXT for 10 out of 12 months
  - KHS monitored broker performance only via the grievance process and monitoring was not clearly defined in the policy

- **Monitoring Door to door assistance**
  - Plan failed to monitor broker for compliance with door-to-door assistance for NEMT
  - KHS monitored broker performance only via the grievance process and was not clearly defined in the policy

- **Monitoring No show rates**
  - Plan failed to monitor broker for compliance with no show rates for both NEMT and NMT services
  - No show log did not capture NEMT/NMT provider no shows, rather only member no shows

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Questions

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KERN HEALTH SYSTEMS

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MEMORANDUM

TO: Kern Health Systems Governance and Compliance Committee

FROM: Deborah Murr, Chief Compliance and Fraud Prevention Officer

SUBJECT: 2023 DMHC Medical Audit Findings and Corrective Actions

DATE: September 27, 2024

BACKGROUND

The Department conducts a routine survey of each licensed health care service plan at least once every three years to evaluate the plan's health care delivery system. Surveys are conducted pursuant to Section 1380 of the Knox-Keene Health Care Service Plan Act of 19751 and include review and assessment of the plan's overall performance in providing health care benefits and meeting the health care needs of its enrollees.

The California Department of Managed Health Care (Department) conducted Kern health System's Routine Survey on January 18, 2023 through January 20, 2023 to assess KHS's operations in the following areas:

- Quality Assurance
- Grievances and Appeals (8 findings)
- Access and Availability of Services (3 findings)
- Utilization Management (7 findings)
- Continuity of Care
- Emergency Services and Care (2 findings)
- Prescription Drug Coverage (4 findings)

The medical audits evaluate the Plans' organizational structures, policies and procedures, and systems for compliance with contractual requirements. The DMHC identified 24 deficiencies during the Routine Survey as reference above.

REQUESTED ACTION

Receive and file.

2023 DMHC Medical Audit Findings and Corrective Actions

Governance and Compliance Committee

September 27, 2024

Deborah Murr, MHA, BS-HCM, RN
Chief Compliance and Fraud Prevention Officer

KERN HEALTH SYSTEMS

Category of Findings

The Department identified **24** deficiencies during the Routine Survey

- Grievances and Appeals (8 findings)

  - The Plan's online grievance form fails to correctly display the statement required by Section 1368.015(c)(3).
  - The Plan does not consistently identify all issues within exempt grievances and fails to consistently document adequate consideration, investigation, and resolution of exempt grievances.
  - The Plan fails to consistently identify potential quality issues within exempt grievances.
  - Upon receipt of an expedited grievance, the Plan does not consistently provide immediate notification to the enrollee of the right to notify the Department of the grievance.
  - The Plan's written responses to grievances do not consistently include a clear and concise explanation of the Plan's decision.
  - The Plan's written responses to grievances involving delay, denial, or modification of health care services based on medical necessity do not consistently include a description of the criteria or guideline used and the clinical reasons for the Plan's decision.
  - The Plan's written grievance communications fail to consistently publish or fail to correctly publish the statement required by Section 1368.02(b).
  - The Plan's independent medical review (IMR) policy improperly states the Department's IMR process is not available to Medi-Cal members when the Plan has denied a requested service because it is not a covered benefit.

Corrective Action Plan

Grievance and Appeals (4/2024)

- Correct verbiage now appears on the online grievance form
- Screening tool implemented to improve the correct classification of grievances
- Compliance Audit of Exempt grievances completed Q1 2024 in May
- Compliance Exempt Grievance Audit results presented in Q2 Compliance Committee; then semi-annually
- Updated Member Service knowledge database to improve visibility to member service representatives (MSR)
- Policy 5.01-I updated to provide detailed guidance to MSRs on appropriate handling of expedited
- Grievances
- Monthly Grievance Oversight Case File Audits results reported in quarterly Compliance Committee Meeting
- Content of resolution letter updated to include all actions taken to ensure member grievance outcome are clear, concise, and fully resolve the member’s complaint
- Language in notification to member updated to include complete guidelines and clear concise reason for decision
- Written grievance communications include the statement verbatim required

Category of Findings-cont'd

- Access and Availability of Services (3 findings)
  - The Plan's advanced written notice to contracted providers affected by a corrective action did not include the telephone number of the person authorized to respond to provider concerns regarding the Plan's corrective actions.
  - The Plan does not include a hyperlink to a form in its online provider directory to allow enrollees, potential enrollees, other providers, or the public to directly report possible inaccurate, incomplete, or misleading information to the Plan.
  - The Plan's documentation in response to receipt of a report of a potential directory inaccuracy does not comply with statutory requirements.

- Prescription Drug Coverage (4 findings)
  - The Plan's written notifications to enrollees regarding a decision to deny or modify a request for a formulary exception request on the basis of medical necessity, do not consistently include a clear and concise explanation of the reasons for the Plan's decision, a description of the criteria or guidelines used, and the clinical reason(s) for the decision.
  - The informational section of the Plan's formularies does not include all required information.
  - The Plan fails to correctly publish the statement required by Section 1368.02(b) within its written formulary exception request denial notices to enrollees.
  - The Plan failed to demonstrate that it requires members of its pharmacy and therapeutics committee to abstain from voting on any issue for which the member may have a conflict of interest, and that at least 20% of the committee has no conflict of interest with respect to any pharmaceutical issuer or manufacturer.

Corrective Action Plan

Access and Availability

- KHS' policy includes the language required for direct telephone number of person who can responds to provider corrective action plans
- Online form implemented for submission provider directory inaccuracies
- Creation of provider directory inaccuracies feedback log for tracking

Prescription Drug Coverage

- KHS disputed the 4 findings as KHS no longer has responsible for the pharmacy benefit due to MCAL Rx implementation in January 2022

Category of Findings-cont'd

- Emergency Services and Care (2 findings)
  - The Plan inappropriately denies post-stabilization care and is operating at variance with policies filed with the Department.
  - The Plan improperly denied payment for emergency services and treatment.

- Utilization Management (7 findings)
  - The Plan does not consistently make denial, modification and concurrent review decisions in a timely manner and does not consistently notify the enrollee in writing of the decision in the required timeframe.
  - The Plan's utilization management decision letters do not correctly display the required paragraph as set forth at Section 1368.02(b).
  - The Plan's utilization management decision letters do not consistently include a description of the criteria or guidelines used, and the clinical reasons for the decisions regarding medical necessity.
  - The Plan's utilization management denial and modification decision letters do not include the direct telephone number or an extension of the healthcare professional responsible for the decision.
  - The Plan has not established an effective quality assurance process to assess and evaluate compliance with Section 1367.01(h).
  - The Plan fails to consistently ensure its delegate complies with required utilization management notification standards.
  - The Plan failed to consistently demonstrate that for concurrent review denials, care was not discontinued until the enrollee's treating provider had been notified and agreed to an appropriate care plan.

Corrective Action Plan

Emergency Services and Care

- Policy updated and implemented training for UM staff for Post stabilization process to reflect no prior authorization required
- Updated annual notification to Non-Participating facilities/providers regarding post stabilization process
- Analysis is ongoing to identify all denied claims for post stabilization after Emergency room payments for dates of service 9/1/2020-4/15/2024
- **DMHC requiring retroactive review of the denied concurrent, post-stabilization, and emergency claims identified in the deficiencies, as well as all denied claims for concurrent, post-stabilization, and emergency care that were adjudicated on or after September 1, 2020**

Utilization Management

- Compliant with turnaround times (98%) since 7/2022
- Updated template implemented with correct DMHC references
- Medical director training to remediate clear, concise language and clinical criteria used in Notice of Action (NOA) letters
- Internal audits for UM operational processes conducted and reported to Compliance Committee

Corrective Action Plan

Utilization Management-cont'd

- Medical director direct phone number currently exists on NOA letters
- Conducted test calls and reported to Compliance Committee
- Turnaround time compliance included in UM Committee report
- Updated internal audit tool and findings reported in Compliance Committee
- Creation of Delegation Oversight department
- Conduct annual delegation oversight audits for delegated entities performing contract mandated functions on KHS behalf
- Reinforcement/training of peer-to-peer process (including form creation) for KHS medical director when conducting provider discussions (within 24 hours) to ensure continuance of care with aligned care plan
- Policy updates to reflect changes in process for peer-to-peer

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Questions

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KERN HEALTH SYSTEMS

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MEMORANDUM

TO: Kern Health Systems Governance and Compliance Committee

FROM: Deborah Murr, Chief Compliance and Fraud Prevention Officer

SUBJECT: Enterprise Risk Assessment Update

DATE: September 27, 2024

BACKGROUND

Enterprise risk management (ERM) is a methodology that looks at risk management strategically from the perspective of the entire firm or organization. It is a top-down strategy that aims to identify, assess, and prepare for potential harm that may interfere with an organization's operations and objectives and/or lead to losses.

Risks can be measured across several domains: compliance, legal, strategic, security, financial, and operational. It is the practices, policies, and framework for how our organization control the variety of risks it confronts.

KHS released a Request for Proposal (RFP) on August 28, 2024. Proposals are due to Kern Health Systems on or before September 27, 2024. The RFP outlined the Scope of Services required by the potential vendor. Key components of the risk assessment include:

- Conduct a comprehensive risk assessment including stakeholder interviews and surveys, articulation of drivers, triggers and consequences, and clearly define risk ratings' impact and likelihood.
- Provide advice and recommendations for an ERM framework which provide standardized approaches to risk management.
- Assist KHS in developing a risk classification that can be used across the organization to provide a common understanding of the universe of risks.
- Provide training, skills, and knowledge transfer to help build a common understanding of risk.
- Provide an implementation roadmap that sets out the paths forward towards achieving each of the above-listed requirements that will be implemented as a risk management strategy.

REQUESTED ACTION

Receive and file.