



VIA SECURE EMAIL

To: Department of Managed Health Care

Cc: Abbie Totten, Plan President
John Kotal, Chief Operating Officer
Kelli Reddy, Compliance Officer
Molina Healthcare of California

From: Dr. Sayeed Khan, Chief Medical Officer
Veronica Mones, Vice President, Healthcare Services
Debra Armas, Associate Vice President, Healthcare Services
Molina Healthcare of California

Date: February 24, 2021

Re: Molina Response to DMHC Initial Survey Report, Deficiency #5

This memo is provided in response to the Deficiency #5 per the DMHC Initial Survey Follow up Report.

DEFICIENCY #5: The Plan does not deem requests for post-stabilization care authorized when the Plan fails to timely respond to requests.

MOLINA RESPONSE: Upon further review and consideration, Molina acknowledges five of the six cases selected and reviewed by the Department were for hospitalizations covered under and managed by the State's California Children's Services (CCS) program. The Plan documentation supports the decision issued by the Plan was not a Utilization Management decision based on medical necessity. The Plan documentation supports an administrative decision advising the requestor the decision is within the jurisdiction of the State's CCS program and redirected the requestor to initiate the request with the State to determine medical necessity. Based on these findings, these cases have been identified as a Carve Out service that are not the Plan's responsibility and the Plan's understanding is these services should not have been included in the original universe. The requesting hospitals were notified that these hospitalizations fall under the purview of the CCS program. In the future, Molina will not include records for carved-out services in the universe request as Molina cannot issue approvals and make level of care determinations for services that are not our risk. The health plan will ensure that only appropriate post-stabilization requests that meet the requirements are submitted.

Molina recently filed the referenced policy and procedure *UM-89 ER Stabilization Post Stab Care UM Access Coverage* and Provider Manual with the Department and has received feedback from the Division of Plan Surveys and Office of Plan Licensing. Molina is currently in the process revising both documents to align with the feedback provided and the regulations as cited in the survey report.



To: Department of Managed HealthCare

From: Nancy Chen, Director, Delegation Oversight, Molina Healthcare of California

CC: Kelli Reddy, AVP Compliance

Date: February 25th, 2021

Re: **2020 DMHC Routine Survey Follow-up Report: Deficiency #6**

DMHC Finding:

The Plan does not ensure that written communications from its contracted medical groups regarding requests for treatment or services consistently comply with all statutory requirements. Section 1367.01(a), (h)(4), and (j).

MOLINA RESPONSE:

Molina Delegation Oversight reviewed the files selected by the Department of Managed Healthcare (DMHC) and Molina agrees with the following report findings:

- All Rady's files 18 (100%) were compliant;
- All River City files 23 (100%) and Monarch files 14 (100%) were deficient;

However, Molina re-reviewed the selected Desert Oasis files and asks the Department to reconsider its review of the delegate's files. As part of Molina's review, we found of 14 Desert Oasis's files, 11 were compliant and 3 were deficient. The following files were found to be compliant File# 25, File# 26, File# 27, File# 28, File# 29, File# 30, File# 50, File# 51, File# 67, File# 68 and File# 69. The phone number and extension listed for these files is the direct number to Dr. Hoffing and his executive assistant, who is responsible for scheduling the peer to peer conversations for Dr. Hoffing. The following files were determined to be deficient File# 49, File# 52 and File#53, which in contrast to the compliant files, lists a general contact phone number. Molina validated all phone numbers by calling the listed numbers, entering or requesting to be transferred to the listed phone extension and speaking with the executive assistant during Desert Oasis's regular business hours and off hours. The deficiency has been remediated and Desert Oasis has been compliant since May 2020.

During the Follow-Up Survey, Molina shared that Monarch terminated on January 31, 2020. Due to this contracting change, Molina respectfully requests that the Monarch file be removed and replaced with the files submitted by Molina for the remaining contracted delegates, Rady's, River City and Desert Oasis. The results of these delegates more accurately reflect the improved delegates' performance as a result of Molina's remediation efforts.

Molina would like to provide clarification and/or comments regarding the oversight process, specifically, the 1.) Corrective Action Plans (CAPs), 2.) file selection size and 3.) staffing. Molina's CAP process is iterative and captures responses and rebuttals. The CAPs submitted as part of the pre-audit documents was the initial CAP, which does not include the documented activity showing the progression towards the closure and full remediation of the identified deficiencies. As there were a few months between the original submission and the subsequent CAP submission, the subsequent CAP submission will appropriately reflect the progression of the effort to close the CAP by the auditor. For quarterly denial file reviews, Molina's process since 2018 is to select up to 10 files for each line, i.e. Medi-Cal, MMP, etc. per delegate and the audit results reflect Delegation Oversight's methods accordingly and accurately. Lastly, although the Plan experienced attrition of staff in 2019 and 2020, Molina quickly corrected the gap in staffing and in late 2020 additional full-time clinical auditors were added to the team. Molina will be adding more staff to the Delegation Oversight team in 2021 as we continue to prioritize the compliance of the delegated network.