



Recommendation Status Summary for Audit Report 2018-111 Department of Health Care Services: Millions of Children in Medi-Cal Are Not Receiving Preventive Health Services

| NO. | RECOMMENDATION | SUMMARY OF DHCS' 6-MONTH RESPONSE | STATE AUDITOR'S EVALUATION OF RESPONSE |
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| Category A: Improve Access to Healthcare | | | |
| A-1 | To increase access to preventive health services for children in areas where they are needed most, the Department of Health Care Services (DHCS) should identify by September 2019 where more providers who see children are needed and propose to the Legislature funding increases to recruit more providers in these areas. (Report Rec. 6) | Will Not Implement —DHCS agrees that increasing the number of physicians who practice in California is beneficial for all health care delivery systems, but it believes this assessment is not within its purview. However, DHCS has been actively involved in implementing a physician and dental provider loan repayment program using Proposition 56 funds that will be targeted specifically at newly practicing providers that agree to see a specific percentage of Medi-Cal patients in their practice (at least 30 percent) and maintain that commitment for at least five years. | Will Not Implement —It is unclear why DHCS disagrees with this recommendation. It agrees that increasing the number of physicians is beneficial and is implementing the loan repayment program we discuss in the report. Given the extent of the problems we identified in the report, the impact of children not receiving preventive services, and DHCS' inability to improve utilization rates for these services above 50 percent for the past five years, DHCS should try multiple approaches to fixing these problems, not just one. |
| A-2 | To ensure that children in Medi-Cal have access to all of the preventive services for which they are eligible, DHCS should modify by May 2019 its contracts to make it clear to plans and providers that they are required to provide services according to the American Academy of Pediatrics' Bright Futures schedule (Bright Futures). (Report Rec. 7) | Fully Implemented —DHCS released an all-plan letter that specifies that plans are required to provide services according to Bright Futures. | Partially Implemented —DHCS has made some progress implementing this recommendation; however, it has not updated the contracts to eliminate their unclear language. |
| A-3 | To ensure that eligible children and their families know about all the preventive services they are entitled to through Medi-Cal, DHCS should include by May 2019 clearer and more comprehensive information about those services in its written materials and by September 2019 ensure annual follow-up with any children and their families who have not used those services. (Report Rec. 8) | Not Fully Implemented —DHCS is finalizing the language that will be used in the Member Handbook. DHCS is also working internally on a process to specifically follow up with children and their families who have not used preventive services over the course of a year. | Pending —DHCS continues to address this recommendation. |
| Category B: Improve Oversight of Managed Care Plans | | | |
| B-1 | To improve access and utilization rates, DHCS should establish by March 2020 performance measures that cover Bright Futures services through well-child visits for all age groups, and require plans to track and report the utilization rates on those measures. (Report Rec. 9) | Not Fully Implemented —DHCS implemented the requirement that Managed Care Plans report annually on many performance measures that align with Bright Futures. DHCS plans to expand the measures that can be included. DHCS also implemented the Value Based Payments program which provides plans with an incentive payment for the provision of specified services starting July 1, 2019, including well-child visits in the first 15 months and third through sixth years of life. | Pending —DHCS continues to address this recommendation. |
| B-2 | To ensure that health plans and providers are adequately delivering children's preventive services, DHCS should implement by September 2019 audit procedures through its annual medical audits that address the delivery of early and periodic screening, diagnostic, and treatment (EPSDT) services to all eligible children for all plans annually. (Report Rec. 10) | Fully Implemented —DHCS included updated audit procedures in its audit guide and communicated these procedures to staff. DHCS states implementation will begin immediately. | Partially Implemented —DHCS' updated audit procedures address the delivery of EPSDT services, but it has not yet demonstrated that it has implemented these procedures through conducting annual medical audits using these new procedures. |

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| B-3 | To ensure that plans address underutilization of children's preventive services, DHCS should require plans by September 2019 to use their utilization management programs to identify barriers to usage specifically for these services and hold the plans accountable to address the barriers they identify. (Report Rec. 11) | Not Fully Implemented —DHCS continues to work towards the preventive services report which will be issued in 2020. Once the report is completed, DHCS will instruct the Managed Care Plans to use the findings in conjunction with plan information, including the Managed Care Plan's utilization management program, to identify and address barriers to usage. | Pending —DHCS continues to address this recommendation. |
| B-4 | To ensure that plan provider directories are accurate, by September 2019 DHCS should begin using a 95 percent confidence level and not more than a 10 percent margin of error on its statistical sampling tool and should require at least 95 percent accuracy before approving a plan's provider directory. In addition, DHCS should ensure that its staff adhere to its policy to retain all documentation related to its review of provider directories for at least three years. (Report Rec. 13) | Not Fully Implemented —DHCS' EQRO is establishing a process for conducting provider directory validation and will be providing quarterly results to DHCS. Initial requirements for the Provider Directory review have been established; the targeted implementation timeframe of January 1, 2020, is currently still anticipated. | Pending —DHCS continues to address this recommendation. |
| B-5 | To mitigate health disparities for children of differing ethnic backgrounds and language needs, DHCS should revise by September 2019 the methodology for its External Quality Review Organization's (EQRO) health disparity study to enable it to better make demographic comparisons, and it should use the findings to drive targeted interventions within plan service areas. It should publish this study annually. (Report Rec. 14) | Fully Implemented —DHCS is utilizing an improved methodology and identifying opportunities to expand the measures and stratifications included in future iterations of the health disparities report. DHCS is also developing a policy that will require plans to address disparities and report their progress to DHCS. It plans to complete this in September 2019. | Partially Implemented —DHCS has made some progress implementing this recommendation; however, it has not yet shown how it will use the findings from its health disparity study to drive targeted interventions within plan service areas. As of November 1, 2019, DHCS has not updated its response. |
| B-6 | To ensure that plans are effectively mitigating child health disparities in their service area, DHCS should implement by September 2019 a policy to require the plans to take action on the most significant findings cited in their group needs assessment reports, and to regularly follow up with the plans to ensure they have addressed the findings. (Report Rec. 15) | Fully Implemented —DHCS is incorporating feedback from public comment into its draft Group Needs Assessment All-Plan Letter, which will be published in September 2019. | Pending —DHCS continues to address this recommendation, but it is not yet fully implemented because its all-plan letter is still in draft form. As of November 1, 2019, DHCS has not updated its response. |

Category C: Share Successful Strategies

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| C-1 | To help increase utilization rates, DHCS should begin by September 2019 to monitor and identify effective incentive programs at the plan level and share the results with all plans. (Report Rec. 16) | Not Fully Implemented —DHCS is establishing a practice to collect and share plan-identified effective incentive programs that are reported to DHCS as contractually required. Due to significant workload in June and July, work efforts have been slightly delayed to October 31, 2019. | Pending —DHCS continues to address this recommendation. As of November 1, 2019, DHCS has not updated its response. |
| C-2 | To improve the usefulness of its Plan-Do-Study-Act process, DHCS should implement by September 2019 a process to share the results of successful strategies with all plans and require plans to share these results with providers who could benefit from them. (Report Rec. 17) | Fully Implemented —DHCS is requiring plans to provide information on their successful interventions and interventions that they are continuing to spread. DHCS will be compiling the results to share the information back with all plans. | Partially Implemented —DHCS has made some progress implementing this recommendation; however, it has not yet begun sharing successful strategies with all plans as we recommend. |

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| Category D: Better Utilize the External Reviews | | | |
| D-1 | To better ensure the accuracy of its data and ensure that California receives all available federal Medicaid funding, DHCS should require its EQRO to perform its encounter data validation studies annually using the most recent set of data available, and it should implement recommendations from its EQRO studies. (Report Rec. 12) | Not Fully Implemented —DHCS is developing contract language that will require Managed Care Plans to conduct regular audits of encounter data reported by their subcontractors and network providers, and is evaluating the EQRO's recommendations for implementation. | Pending —DHCS continues to address this recommendation. |
| D-2 | To improve its ability to ensure that children are receiving recommended preventive health services, DHCS should create by September 2019 an action plan to annually address the EQRO's recommendations relating to children's preventive services, including recommendations left unaddressed from the previous two years' reports. (Report Rec. 18) | Not Fully Implemented —Managed Care Plans have been notified that they will be required to report to the EQRO their actions in response to the recommendations as described. The report will not be available until April 2020. | Pending —DHCS continues to address this recommendation. |
| D-3 | To maximize the benefits of the studies it commissions from its EQRO, DHCS should ensure that by September 2019 the EQRO's annual reports include an assessment of the actions plans have taken to address the EQRO's prior-year recommendations. (Report Rec. 19) | Not Fully Implemented —DHCS has instructed the EQRO to evaluate each Managed Care Plan's actions in response to the prior two years' worth of EQRO recommendations in the annual technical reports. The report including the evaluations will not be available until April 2020. | Pending —DHCS continues to address this recommendation. |