



**L.A. Care**  
HEALTH PLAN®

*For All of L.A.*

# BOARD OF GOVERNORS

## COMPLIANCE & QUALITY (C&Q)

## COMMITTEE MEETING

May 15, 2025, at 2:00 PM

L.A. Care Health Plan

1055 W. 7<sup>th</sup> Street, Los Angeles, CA 90017

Lobby, Board Suite 100



**ELEVATING  
HEALTHCARE**  
IN LOS ANGELES COUNTY  
SINCE 1997



## AGENDA

### **Compliance & Quality (C&Q) Committee Meeting Board of Governors**

Thursday, May 15, 2025, 2:00 PM  
1055 West 7<sup>th</sup> Street, Conference Room 100, 1<sup>st</sup> Floor  
Los Angeles, CA 90017

Members of the Committee, staff and the public can attend the meeting in person at the address listed above. Public comment can be made in person at the meeting. A form will be available at the meeting to submit public comment.

**To listen to the meeting via videoconference please register by using the link below:**

<https://lacare.webex.com/weblink/register/r99813f9100a7c242e7a041c0ead7bf11>

**To listen to the meeting via teleconference please dial: +1-213-306-3065**

**Meeting Number: 248 825 59605 Password: lacare**

The purpose of public comment is an opportunity for members of the public to inform the governing body about their views. The Committee appreciates hearing the input as it considers the business on the agenda.

The process for public comment is evolving and may change at future meetings.

All votes in a teleconferenced meeting shall be conducted by roll call.

If you are an individual with a disability and need a reasonable modification or accommodation pursuant to the Americans with Disabilities Act (ADA) please contact L.A. Care Board Services staff prior to the meeting for assistance by calling 213-428-5500 or by email to [BoardServices@lacare.org](mailto:BoardServices@lacare.org).

## **WELCOME**

Stephanie Booth, MD, *Chair*

1. Approve The Meeting Agenda *Chair*
2. Public Comment (*please see instructions above*) *Chair*
3. Approve April 17, 2025, Meeting Minutes p.4 *Chair*
4. Chairperson's Report *Chair*
  - Education Topics
5. Chief Compliance Officer Report p.15 

Todd Gower  
*Chief Compliance Officer*
6. Provider Training and Internal Compliance Training Program Updates p.18 

Theresa Moore  
*Director, Enterprise Compliance*
7. Policy Management p.28 

Theresa Moore
8. Special Investigations Unit Update p.34 

Michael Devine  
*Director, Special Investigations Unit*
9. Privacy SPOC Update p.42 

Serge Herrera  
*Director, Privacy*

10. Internal Audit (IA) Update **p.57**  
Maggie Marchese  
*Senior Director, Internal Audit Services*
11. Regulatory Operations **p.63**  
Miguel Varela,  
*Senior Director II, Regulatory Operations*
12. Issues Management Update and MAP Update **p.69**  
Dominic Simonton  
*Director, Enterprise Risk Management*
13. Payment Integrity Report **p.94**  
Erik Chase  
*Senior Director, Claims Integrity*
14. Chief Medical Officer Report **p.102**  
Sameer Amin, MD  
*Chief Medical Officer*
15. Chief Health Equity Officer Report **p.118**
  - Quality Improvement and Health Equity Committee (QIHEC) Update  
Alex Li, MD  
*Chief Health Equity Officer*
  - Health Equity Dashboard and Next Steps  
Melina Mata  
*Clinical Data Analyst III*  
*Health Equity*
16. Public Comment on Closed Session Items

**ADJOURN TO CLOSED SESSION (Est. time 30 minutes)**

17. PEER REVIEW  
Welfare & Institutions Code Section 14087.38(o)
18. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION  
Significant exposure to litigation pursuant to Section 54956.9(d)(2) of Ralph M. Brown Act:  
Three potential cases
19. THREAT TO PUBLIC SERVICES OR FACILITIES  
CA Government Code Section 54957  
Consultation with: Todd Gower, Chief Compliance Officer, Michael Sobetzko, Senior Director, Risk Management, Dominic Simonton, Director, Enterprise Risk Management, and Serge Herrera, Director, Privacy
20. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION  
Gov. Code § 54956.9(d)(1)  
L.A. Care Health Plan's Notice of Contract Dispute under Contract No. 04-36069  
Department of Health Care Services (Case No. Unavailable)

**RECONVENE IN OPEN SESSION**

**ADJOURNMENT**

**The next Compliance & Quality Committee meeting is scheduled on  
Monday, June 16, 2025, at 2:00 PM  
and may be conducted as a teleconference meeting.**

The order of items appearing on the agenda may change during the meeting.

ACTION MAY NOT BE TAKEN ON ANY MATTER RAISED DURING THE PUBLIC COMMENT PERIODS UNTIL THE MATTER IS SPECIFICALLY LISTED ON A FUTURE AGENDA, according to California Govt Code Section 54954.2 (a)(3) and Section 54954.3.

Board of Governors  
Compliance & Quality Committee Meeting Agenda  
May 15, 2025

NOTE: THE COMPLIANCE & QUALITY COMMITTEE CURRENTLY MEETS ON THE THIRD THURSDAY OF MOST MONTHS AT 2:00 P.M. AGENDA and PRINTED MEETING MATERIALS ARE AVAILABLE FOR INSPECTION AT <http://www.lacare.org/about-us/public-meetings/board-meetings> and by email request to [BoardServices@lacare.org](mailto:BoardServices@lacare.org)

Any documents distributed to a majority of the Board Members regarding any agenda item for an open session after the agenda has been posted will be available for public inspection at 1055 W. 7<sup>th</sup> Street, Los Angeles, CA, in the reception area in the main lobby or at <http://www.lacare.org/about-us/public-meetings/board-meetings> and can be requested by email to [BoardServices@lacare.org](mailto:BoardServices@lacare.org).

**An audio recording of the meeting is made to assist in writing the minutes and is retained for 30 days.**

Meetings are accessible to people with disabilities. Individuals who may require any accommodations (alternative formats – i.e., large print, audio, translation of meeting materials, interpretation, etc.) to participate in this meeting and wish to request an alternative format for the agenda, meeting notice, and meeting packet may contact L.A.

Care's Board Services Department at (213) 628 6420. Notification at least one week before the meeting will enable us to make reasonable arrangements to ensure accessibility to the meetings and to the related materials.

# BOARD OF GOVERNORS

## Compliance & Quality Committee Meeting

### Meeting Minutes – April 17, 2025

L.A. Care Health Plan CR 100, 1055 W. Seventh Street, Los Angeles, CA 90017



**L.A. Care**  
HEALTH PLAN

#### Members

Stephanie Booth, MD, *Chairperson*  
Al Ballesteros, MBA  
G. Michael Roybal, MD  
Fatima Vazquez

#### Senior Management

Sameer Amin, MD, *Chief Medical Officer*  
Terry Brown, *Chief of Human Resources*  
Todd Gower, *Chief Compliance Officer*  
Linda Greenfeld, *Chief Product Officer, Executive Services*  
Augustavia J. Haydel, *General Counsel*  
Alex Li, *Chief Health Equity Officer*  
Acacia Reed, *Chief Operations Officer*  
Edward Sheen, MD, *Chief Quality and Population Health Executive*

\* Absent \*\* Via Teleconference

| AGENDA ITEM/<br>PRESENTER          | MOTIONS / MAJOR DISCUSSIONS  | ACTION TAKEN  |
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| <b>CALL TO ORDER</b>               | Chairperson Stephanie Booth, MD, called the L.A. Care Compliance & Quality Committee and the L.A. Care Health Plan Joint Powers Authority Compliance & Quality Committee meetings to order at 2:02 P.M.<br><br>She announced that members of the public may address the Committee on each matter listed on the agenda before the Committee's consideration of the item by submitting their comments via text, voicemail, or email. |   |
| <b>APPROVAL OF MEETING AGENDA</b>  | The meeting Agenda was approved as submitted.  | Unanimously<br>Approved 4 AYES<br>(Ballesteros, Booth, Roybal, and Vazquez) |
| <b>PUBLIC COMMENT</b>              | There was no public comment.   |   |
| <b>APPROVAL OF MEETING MINUTES</b> | The March 20, 2024 meeting minutes were approved as submitted.   | Approved<br>unanimously.<br>4 AYES  |

**DRAFT**

| AGENDA ITEM/<br>PRESENTER                      | MOTIONS / MAJOR DISCUSSIONS  | ACTION TAKEN |
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| <b>CHAIRPERSON<br/>REPORT</b>                  | Chairperson Booth stated that today the Committee will be hearing a report about the Utilization Management (UM) Department's evaluation of the prior year and the work plan for the coming up year. She thinks they did a very nice job. She thanked everyone for attending the meeting today and everyone giving a report for helping the Board stay in compliance.  |              |
| <b>CHIEF<br/>COMPLIANCE<br/>OFFICER REPORT</b> | <p>Tower Gower, <i>Chief Compliance Officer</i>, reported that the April 2025 Chief Compliance Officer's Report focused on key updates from the Internal Compliance Committee meeting, the minutes of which were included in the meeting packet. The committee discussed several important topics, including staff additions to the compliance team and planning for the 2026 Medicare Annual Implementation Cycle. They reviewed compliance oversight in areas such as utilization management and call centers. Mr. Gower noted that efforts are underway to organize documentation related to enforcement matters. Two external firms are assisting - one is supporting communication with the department, while the other is helping to ensure that all compliance documentation is systematically maintained and readily accessible. Internal audit activities and compliance monitoring have been enhanced, especially in the areas of delegation oversight and overall compliance. The Information Technology (IT) department played a significant role in prioritizing key performance indicators (KPIs), helping reduce and focus the number of reports generated. These efforts are aimed to make compliance reporting more repeatable and manageable. Mr. Gower noted that to maintain the independence of the internal audit function, the organization developed and updated an internal audit charter and an audit committee charter. More details on this would be shared at a future committee meeting. The committee is also working on improving how reports from compliance, quality, and other departments are summarized and presented to board committees. He noted that Compliance served as the pilot for this effort and the refined reporting format will be used by the quality team in their next report. Mr. Gower noted the Internal Compliance Committee (ICC) meets monthly. There were no urgent items needing Board action at this time. Progress is being made in addressing enforcement matters and in demonstrating to departments that the organization has effective controls and oversight in place.</p> <p>Chairperson Booth asked for clarification regarding information gathering. Mr. Gower confirmed the goal is to ensure the sustainability of information and proper documentation. Approximately 900 documents, varying in size from a few pages to full binders, are being reviewed and organized. Each document must clearly tie back to specific findings and associated corrective actions. The importance of demonstrating that not only were the findings addressed, but also the intent behind</p> |              |

| AGENDA ITEM/<br>PRESENTER               | MOTIONS / MAJOR DISCUSSIONS  | ACTION TAKEN |
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|   | <p>them was met. Mr. Gower noted this process helps establish ongoing mitigation efforts and provides evidence that effective controls are now in place.</p> <p>Chairperson Booth noted she wanted to make sure the system was not pulling multiple versions of the same report. It sounded like the current process was acting as a double check to prevent that from happening. Mr. Gower responded that this had been a challenge in the past, where duplicate data and unnecessary information were being pooled together. The current process is focused on using the right information and reducing internal friction between business units. A common issue they encountered was teams saying they had already submitted information, which created frustration. Mr. Gower understood both sides of that issue, having been both a requester and a receiver. With better organization, structure, and help from IT, they are addressing this problem. A new Governance, Risk, and Compliance (GRC) system is being introduced, and an artificial intelligence (AI) platform is in testing. Artificial Intelligence (AI) will help them quickly access specific information, like identifying what was said about a particular finding on a specific date. It was both exciting and a little intimidating.</p> <p>Chairperson Booth cautioned that AI can sometimes provide different answers to the same question when asked multiple times. Mr. Gower responded they would ensure the AI did not generate any strange visuals, joking about the risk of “twelve fingers.” The AI tool will be important for analyzing incoming data and connecting it to grievance, audit, and quality activities. The system would improve their view of delegate and network performance and help monitor compliance with regulations such as APLs and HTMS memos. Mr. Gower concluded that while the organization is doing a good job, there is still room for improvement in understanding and managing these impacts.</p> |              |
| <b>CHIEF MEDICAL<br/>OFFICER REPORT</b> | <p>Sameer Amin, MD, <i>Chief Medical Officer</i>, reported that several Health Services presentations would follow his update, including reports from the Provider Quality Review team, the Utilization Management department, and Dr. Sheen, who would present on the Quality Oversight Committee (QOC). Dr. Amin’s report would focus on current quality improvement interventions. Interventions fall into two main categories: Healthcare Effectiveness Data and Information Set (HEDIS) measures, which address care gaps, and member experience, which influences the Consumer Assessment of Healthcare Providers and Systems (CAHPS) score. Three Quality Health Partners mobile health events had already begun in March and would continue through April, with outreach focused on the W30 measure. The first event, held on March 5 at the Wilmington Community Resource Center, was successful. The plan also includes efforts to improve the CIS-10 vaccine metric. A new text messaging campaign focused on vaccine education</p>   |              |

| AGENDA ITEM/<br>PRESENTER | MOTIONS / MAJOR DISCUSSIONS   | ACTION TAKEN |
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|                           | <p>is planned for 2025 to counter misinformation and hesitancy. Dr. Amin noted the pediatric flu vaccine incentives for Medi-Cal and L.A. Care Covered members had been relaunched, along with robocalls and member letter campaigns. A new at-home provider partner, DocGo, will help close care gaps related to vaccines and well-care in 2025. In addition, a cervical cancer screening incentive program for Los Angeles County Department of Health Services (DHS) members was approved by Department of HealthCare Services (DHCS) and would begin in 2025. Dr. Amin also noted efforts to improve documentation for blood lead testing, with delegated providers submitting attestations to ensure quality reporting and gap closure. For member experience, Dr. Amin noted that L.A. Care launched a webinar series in March titled <i>Enhancing the Clinical Experience for All</i>, which would run through May. He mentioned the introduction of a pilot shadow coaching program in collaboration with the SullivanLuallen Group, aimed at improving provider-patient interactions. These interventions and other ongoing initiatives have led to significant improvements in performance for nearly all HEDIS measures compared to the previous year. The improvements ranged from 2% to 17%, with an average of 7%. However, he noted that the Center for Medicare and Medicaid Services (CMS) cut points used to determine star ratings continue to rise, which might offset these gains and keep the overall rating steady. Dr. Amin spoke about specific performance increases, including a 10% rise in diabetic eye exams, a 12% increase in Care of Older Adults (COA) medication reviews, a 7% improvement in MRPs, and a 9% boost in blood pressure data accuracy. These gains are particularly related to the Duals Special Needs Plan (DSNP) line of business. L.A. Care Covered (LACC) also showed improvements, especially in well-child visits, breast and colorectal cancer screenings, cervical cancer screenings, diabetic eye exams, and blood pressure control. He acknowledged that not all areas improved. He pointed out that CIS-10, the vaccine metric, declined due to rising vaccine hesitancy among parents, despite intensive outreach and incentives. This issue is compounded by a small denominator and heavy financial penalties. L.A. Care is working with Covered California to seek relief on this measure and find ways to address vaccine hesitancy throughout Los Angeles County.</p> <p>Chairperson Booth asked how other health plans were performing on the same set of quality measures. Dr. Amin responded that they do not currently have visibility into how other plans are doing in real time. He explained that only retrospective data becomes available after the reporting year ends, when star ratings are released. He noted that even strong performance might not lead to better ratings due to rising CMS cut points, but a drop in star ratings would indicate a decline in performance. Chairperson Booth expressed concern about vaccine hesitancy, referencing children who died from measles and her past experience with vaccine-preventable illnesses. She commented that people may not perceive these diseases as a threat anymore because they rarely see them. Dr. Amin agreed and said he and Dr. Sheen had recently discussed this issue with Covered</p> |              |



| AGENDA ITEM/<br>PRESENTER | MOTIONS / MAJOR DISCUSSIONS   | ACTION TAKEN |
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|                           | <p>California in Sacramento. Despite outreach, deeply held anti-vaccine beliefs among some families have proven difficult to change, even when presented with facts by knowledgeable physicians. Dr. Amin invited Edward Sheen, MD, <i>Chief Quality and Population Health Executive</i> to share more about his direct work with these communities.</p> <p>Dr. Sheen noted there is growing research on how to talk to parents who are hesitant about vaccines. He explained there is not one right way to approach it. His team has been working with other health plans, including Kaiser and Covered California, to better understand what works. He shared that scare tactics, like showing stories of very sick children, have not been effective. Instead, what works better is listening, showing empathy, and recognizing that each parent is at a different point in their decision-making. It usually takes multiple respectful conversations to help parents move toward vaccination. Their efforts have led to higher vaccination rates so far this year. Covered California recently agreed to allow more flexibility in the vaccine schedule for children. While the National Committee for Quality Assurance (NCQA) guidelines remain unchanged, Covered California now allows earlier or slightly delayed vaccinations, which still offer protection and make it easier for children to stay on track. This flexibility applies to most vaccines except for rotavirus, which has strict timing rules. Dr. Sheen noted that vaccine hesitancy remains a major challenge and could get worse, so continued outreach and community partnership are essential.</p> <p>Chairperson Booth suggested that instead of scare tactics, it might be more powerful to show a parent or child talking about wishing they had gotten vaccinated. Dr. Sheen agreed and said it is important to clearly communicate the risks of not vaccinating and keep improving how they share these messages with families.</p> <p>Board Member Ballesteros asked Dr. Amin whether vaccines given at the Family Resource Centers are recorded and sent to the member's primary care doctor. Dr. Amin said yes, that's the goal. He explained they work to make sure not just the vaccines but any tests or services given are communicated back to the primary care doctor. This is especially important when a member is hard to reach or needs extra help to close care gaps. Dr. Amin added that it is a top priority to make sure providers are informed if results come in, like if someone gets diagnosed with a serious condition.</p> <p>Board Member Ballesteros said it is great this work is happening, especially since some people who visit the centers may not be regularly seeing their main doctor. He also noted that making sure the information flows back properly is a big technical task.</p> <p>Dr. Amin agreed that while vaccine records are easier to track, other services are more complicated. They continue working on it with their quality improvement team. He also pointed</p> |              |

| AGENDA ITEM/<br>PRESENTER                                      | MOTIONS / MAJOR DISCUSSIONS  | ACTION TAKEN |
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|  | <p>out that as they provide more care at the centers, it is even more important and more challenging to make sure providers stay in the loop. Dr. Sheen added that his team is working hard in several areas like offering incentives, educating people, and engaging both members and providers. He pointed out that one big challenge is with data. While the data exists, it is often incomplete, scattered, or hard for providers to access. To fix this, they created “vaccine due” reports that give providers a clear, single source of truth. These reports combine data from different systems to help providers know which vaccines are needed and when. They’re also building more tools to support providers in their vaccination efforts.</p> <p>Board Member Vazquez stated that members with diabetes have benefited from being part of the L.A. Care Health Plan, noting that they’ve received support such as appointment reminders, transportation, and health education classes. These services have helped members stay engaged in their care and that many are happy with the support provided. She noted the importance of continued follow-up and outreach to members and communities. Regarding childhood vaccinations, she noted that it is crucial to educate parents, hold community forums, and partner with schools and other organizations. She shared that access to clear information from her doctor and school vaccination requirements helped her make informed decisions for her own children. It is important to stay connected with the community and to remain consistent in these efforts.</p> |              |
| <b>PROVIDER<br/>QUALITY REVIEW<br/>(PQR) ANNUAL<br/>REPORT</b> | <p>Rhonda Reyes, <i>Manager, Quality Improvement, Data Management</i>, gave Provider Quality Review (PQR) Annual report (<i>a copy of the report can be obtained from Board Services</i>).</p> <p>Provider Quality Review Background: The Quality Improvement (QI) Provider Quality Review (PQR) team at L.A. Care oversees the Potential Quality of Care Issue (PQI) process—a key regulatory requirement aimed at identifying and addressing clinical care concerns. The team evaluates potential deviations from accepted standards of care for L.A. Care's directly managed members, while delegated entities (Plan Partners) manage their assigned members and network providers. The team conducts quarterly monitoring and annual oversight audits of our plan partners to ensure that the quality-of-care reviews align with L.A. Care’s policies and procedures. All PQI reviews must be completed within six calendar months to be considered timely.</p> <p>Four key strategic priorities, as well as the team performance and monitoring process, were highlighted.</p> <p>Identification of Potential Quality Issues (PQI): Most PQI referrals (95%) originate from the Appeals and Grievances department, with other departments contributing smaller numbers. No PQI was received from external providers, highlighting a learning opportunity to train providers to</p>  |              |

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|   | <p>submit a PQI. Provider Quality Review has a virtual training scheduled for June 25, 2025. Monthly PQR oversight for Grievances noted that 14% of cases reviewed should have been sent to PQI but were not, emphasizing the need for more collaboration with Grievances on correctly identifying potential quality issues.</p> <p>Timeliness of PQI Review: The team has maintained strong timeliness performance, achieving a 99% timely closure rate and a declining trend in case extensions, reflecting improvements in operational efficiency.</p> <p>Taking Action to Address Quality Findings: The team reviewed 360 PQI cases with quality issues and initiated 355 (98.6%) actions to address those quality issues. For the five cases with no action taken, the provider was either no longer practicing, contracted with L.A. Care, or had been coached during the case review process. A new corrective action plan (CAP) validation process was implemented for providers who previously received a CAP as a follow-up within the respective time frame to ensure that the CAP functions as intended.</p> <p>Partnering with our Providers: Additional collaborative discussions with Participating Provider Groups (PPGs) are ongoing to share PQI findings, streamline data requests, and identify improvement opportunities for L.A. Care members. Meetings have been very engaging, and groups are using the data to help drive improvements.</p> <p>Key Performance Indicators for Provider Quality Review are included in the packet appendices.</p> |              |
| <p><b>APPROVE UTILIZATION MANAGEMENT (UM) DOCUMENTS (COM A.0425)</b></p> <p><b>2024 UM Program Evaluation</b></p> <p><b>2025 UM Program Description</b></p> | <p>Tara Nelson, BSN, RN, <i>Senior Director, Utilization Management</i>, presented the 2024 UM Program Evaluation and 2025 UM Program Description for approval (<i>a copy of the written report and materials can be obtained from Board Services</i>).</p> <p>Ms. Nelson reviewed both the 2025 Utilization Management (UM) Program Description and the 2023–2024 Program Evaluation. The Program Description is updated annually to reflect regulatory and structural changes within the UM department, which now includes new role descriptions (such as UM Clinical Quality Nurse Reviewer and UM Authorization Technician) and recognizes the integration of Health Equity Experts. The Program Evaluation covered activities from October 2023 to September 2024, highlighting achievements and identifying areas for ongoing improvement. A key focus was maintaining regulatory compliance, especially around case turnaround times, while simplifying utilization requirements and enhancing internal dashboards to monitor utilization trends, gaps in care, and efficiency across the network.</p> <p>Ms. Nelson noted the importance of cross-team collaboration in supporting members post-hospital discharge and reducing readmission rates across all lines of business. The evaluation recommends continued investment in tools that track care utilization and operational efficiency.</p>   |              |

| AGENDA ITEM/<br>PRESENTER  | MOTIONS / MAJOR DISCUSSIONS  | ACTION TAKEN                                  |
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|  | <p>Key takeaways include the need for enhanced integration between UM and Quality functions, the importance of data-driven decision-making, and the push for increased coordination across teams to uphold care quality and access. The presentation also included a breakdown of Key Performance Indicators (KPIs), monitoring metrics, and a glossary of terms for reference. While the department is not currently subject to any regulatory or audit corrective actions, the presentation underscored the high inherent risk associated with failing to maintain an up-to-date and compliant UM Program.</p> <p><b><u>COM A.0425</u></b><br/> <b>Approve Utilization Management (UM) Documents</b></p> <ul style="list-style-type: none"> <li>• 2024 UM Program Evaluation</li> <li>• 2025 UM Program Description</li> </ul>   | <p><b>Unanimously<br/>Approved 4 AYES</b></p> |
| <p><b>QUALITY<br/>OVERSIGHT<br/>COMMITTEE (QOC)<br/>REPORT</b></p> | <p>Dr. Sheen gave an Quality Oversight Committee (QOC) Report. <i>(A copy of the written report and materials can be obtained from Board Services).</i></p> <p>The most recent Quality Oversight Committee meeting took place on March 6 and focused on the 2023–2024 Quality Improvement (QI) and Health Equity annual evaluation and work plan. The evaluation provides an overview of the organization’s QI activities and accomplishments. He clarified that various data sets referenced in the report use different timeframes. For the Medi-Cal line of business (MCLA), L.A. Care met the Minimum Performance Level (MPL) on 11 out of 15 Managed Care Accountability Set (MCAS) measures for 2023. Although several measures, such as childhood immunizations, well-child visits, and cervical cancer screenings fell below the MPL, three measures with known data problems were excluded from sanctions by the Department of Health Care Services (DHCS). Overall in 2023 there was significantly improved performance across the MCAS measures. As a result of this improved performance, sanctions decreased by 76%, from \$890,000 in 2022 down to \$220,000 in 2023. He added that both the 2023 and 2022 sanctions are still under administrative appeal.</p> <p>Dr. Sheen noted several MCAS measures showed strong performance, including chlamydia screening, breast cancer screening, prenatal care, and developmental screenings. He stated that 13 out of 20 HEDIS measures for the D-SNP line of business and 13 out of 19 measures for LACC achieved rate increases in 2023.</p> <p>Under the member experience domain, he explained CAHPS survey results. Although Medi-Cal CAHPS adult scores remained low in 2024, they showed some improvement from 2023. Medi-Cal child CAHPS scores declined, while LACC saw improvements in nearly all areas except specialist care. D-SNP CAHPS scores, measured for the first time in 2024, were low overall. Dr. Sheen</p> |   |

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|                           | <p>highlighted six focus areas for D-SNP CAHPS: customer service, access to prescription drugs, access to care, timely appointments, provider communication, and care coordination with low composite scores. He emphasized that improving these scores is a key priority, as they significantly affect the plan's overall member experience as well as Star ratings.</p> <p>On access to care, L.A. Care met the Department of Managed Health Care (DMHC) standards for urgent and routine appointments across all lines of business. L.A. Care sets internal access targets 10% higher than DMHC's to prioritize timely care. However, he acknowledged ongoing efforts to expand access to primary care, specialty care, and after-hours services. In the appeals and grievances domain, he reported that "attitude and service" was the most common grievance across both Medi-Cal and D-SNP, while access issues were the leading cause of appeals. For LACC, billing and financial issues topped grievances, with access issues again being the most common appeal. He noted that the top five access-related complaints across all lines included delays in appointments, authorizations, scheduling issues, provider availability, and prior authorizations.</p> <p>Dr. Sheen summarized that L.A. Care launched 83 clinical quality campaigns during the 2023–2024 cycle, including initiatives like home-based testing, text messaging, direct mail, and community health fairs. He emphasized an increased focus on provider engagement, with monthly forums held with major provider partners and quarterly forums with direct network providers to strengthen collaboration and alignment. He also highlighted the pharmacy team's efforts, including nearly 5,900 medication adherence interventions supported by outreach efforts such as scorecards, mailers, text campaigns, and community events. The PQI team processed approximately 8,200 referrals, with 99% completed within the required timeframe, exceeding their goal of 90%.</p> <p>Chairperson Booth asked whether the pharmacy carve-out to the state had affected L.A. Care, noting that if the state's performance was poor, it could result in sicker patients. Dr. Sheen responded that he did not currently have detailed data to fully answer the question. L.A. Care's pharmacy team primarily focuses on member engagement, education, and medication adherence, as well as supporting providers in delivering effective care. He noted that certain aspects—such as formularies and prescription refill processes—are now outside of the plan's direct control and could have downstream effects on patient health. He said he would follow up with more specific data at a later time.</p> <p>The Quality team uses a continuous improvement process to address performance challenges. This process includes identifying barriers, analyzing root causes, implementing targeted interventions, and evaluating results. Several persistent challenges were highlighted in the annual</p> |              |

| AGENDA ITEM/<br>PRESENTER                             | MOTIONS / MAJOR DISCUSSIONS   | ACTION TAKEN |
|---|---|--------------|
|   | <p>evaluation, including ongoing effects from the COVID-19 pandemic, particularly in preventive care and shifts in patient behavior and trust in the healthcare system. Access to care remains a major concern, even though L.A. Care exceeds state standards. The report noted high provider burnout and staff turnover, which make it difficult to sustain quality improvements. Other issues highlighted in the report included low reimbursement rates, limited provider technology, patients delaying care until they are sick, vaccine hesitancy, low health literacy, and challenges with data reporting. Despite these challenges, he stated that the organization is making progress. He outlined eight improvement pillars guiding efforts in 2023 and 2024, including provider engagement, data integrity, access to care, member experience, incentives, staffing development, and cross-departmental collaboration. He shared that 2024 data show higher performance in many key performance areas, including across most MCAS measures, across D-SNP HEDIS measure, and QTI metrics. The increase across most MCAS measures was achieved in 2024 even after Kaiser's plan partner exit. This is significant because Kaiser historically lifted all measures, meaning that the 2024 measure increases without Kaiser likely reflect an even higher performance lift from 2023 than the numbers alone can display. Although there will still be a financial penalty from Covered California for CIS-10, policy adjustments have helped reduce the amount. The Covered California CIS-10 measure is a very low denominator measure with only a very small number of unvaccinated members and each open vaccination gap accounting for a huge penalty amount. Vaccine hesitancy remains a major barrier and outreach, education, and incentives alone are not effective in changing some parents' minds.</p> <p>Regarding member experience, CAHPS scores continue to lower star ratings, even though the survey may not fully reflect actual member care. He emphasized that improving the member journey is a key priority for health equity and better outcomes. L.A. Care completed its first member journey map for the D-SNP line of business, identifying nearly 200 member touchpoints, many of which fall outside L.A. Care's direct control. The organization is committed to addressing short- and long-term opportunities to improve member experience and will continue to prioritize this work.</p> |              |
| <b>PUBLIC COMMENT<br/>ON CLOSED<br/>SESSION ITEMS</b> | <i>There was no public comment.</i>   |              |
| <b>CLOSED SESSION</b>                                 | <b>PEER REVIEW</b><br>Welfare & Institutions Code Section 14087.38(o)   |              |

| AGENDA ITEM/<br>PRESENTER | MOTIONS / MAJOR DISCUSSIONS  | ACTION TAKEN |
|---------------------------|--|--------------|
|                           | <p>CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION<br/>Significant exposure to litigation pursuant to Section 54956.9(d)(2) of Ralph M. Brown Act:<br/>Three potential cases</p> <p>THREAT TO PUBLIC SERVICES OR FACILITIES<br/>CA Government Code Section 54957<br/>Consultation with: Todd Gower, Chief Compliance Officer, Tom MacDougall, Chief Information and Technology Officer, IT Executive Administration, Michael Sobetzko, Senior Director, Risk Management, and Vlad Popescu, Senior Director II, Information Technology Project Management, IT Executive Administration</p> <p>CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION<br/>Gov. Code § 54956.9(d)(1)<br/>L.A. Care Health Plan’s Notice of Contract Dispute under Contract No. 04-36069<br/>Department of Health Care Services (Case No. Unavailable)</p> |              |
| <b>ADJOURNMENT</b>        | The meeting adjourned at 4:10 PM.  |              |

Respectfully submitted by:  
Victor Rodriguez, *Board Specialist II, Board Services*  
Malou Balones, *Board Specialist III, Board Services*  
Linda Merkens, *Senior Manager, Board Services*

APPROVED BY:

\_\_\_\_\_  
Stephanie Booth, MD, *Chairperson*  
Date Signed: \_\_\_\_\_



**Compliance**  
*The Heartbeat of Accountability*

## **AGENDA**

### **Compliance & Quality Committee Meeting**

**Board of Governors**

**May 15, 2025**

### **Compliance Agenda and Presenters**

| TOPIC |  | PRESENTER(S)   |
|-------|--|--|
| 1.    | Chief Compliance Officer Report                                    | <b>Todd Gower</b><br><i>Chief Compliance Officer</i>                   |
| 2.    | Provider Training and Internal Compliance Training Program Updates | <b>Theresa Moore</b><br>Director, Enterprise Compliance                |
| 3.    | Policy Management  | <b>Theresa Moore</b><br>Director, Enterprise Compliance                |
| 4.    | Special Investigations Unit Update                                 | <b>Michael Devine</b><br><i>Director, Special Investigations Unit</i>  |
| 5.    | Privacy SPOC Update  | <b>Serge Herrera</b><br>Director, Privacy                              |
| 6.    | Internal Audit Update  | <b>Maggie Marchese</b><br>Sr. Director, Internal Audit Services        |
| 7.    | Regulatory Operations Update                                       | <b>Miguel Varela</b><br>Sr. Director II, Regulatory Operations         |
| 8.    | Issues Management Update and MAP Update                            | <b>Dominic Simonton</b><br><i>Director, Enterprise Risk Management</i> |
| 9.    | Payment Integrity Report   | <b>Erik Chase</b><br><i>Sr. Director, Claims Integrity</i>             |



# Compliance & Quality Committee Meeting



**L.A. Care**  
HEALTH PLAN®

**For All of L.A.**

May 15, 2025



**Compliance**

*The Heartbeat of Accountability*

# Agenda

| TOPIC  | PRESENTER(S)   |
|--|--|
| 1. Chief Compliance Officer Report                         | Todd Gower<br>Chief Compliance Officer                   |
| 2. Training Program Update – Provider & New Hire Associate | Theresa Moore<br>Director, Enterprise Compliance         |
| 3. Policy Management                                       | Theresa Moore<br>Director, Enterprise Compliance         |
| 4. Special Investigations Unit Update                      | Michael Devine<br>Director, Special Investigations Unit  |
| 5. Privacy SPOC  | Serge Herrera<br>Director, Privacy                       |
| 6. Internal Audit  | Maggie Marchese<br>Sr. Director, Internal Audit Services |
| 7. Regulatory Operations                                   | Miguel Varela<br>Sr. Director II, Regulatory Operations  |
| 8. Issues Management Update and MAP Update                 | Dominic Simonton<br>Director, Enterprise Risk Management |
| 9. Payment Integrity Report                                | Erik Chase<br>Sr. Director, Claims Integrity             |

## BOARD REPORT EXECUTIVE SUMMARY

---

**Report Title:**

*Provider Training and Internal Compliance Training Update*

**Date:**

*05/15/2025*

**Prepared By:**

*Theresa Moore, Director Enterprise Compliance*

---

### 1. Purpose of the Report

*This report to the board meets our quarterly requirement to provide a status update on the required provider and employee training programs*

---

### 2. Background / Context

*Provide a high-level summary of relevant history, current status, and any context needed to understand the issue. Avoid jargon. Keep it brief (3–4 bullet points max).*

- Providers are required to complete onboarding training within 30 days of active status.
  - Providers that are out of compliance without self correction are placed on a Corrective Action Plan
  - New Employees are required to complete the require compliance training
- 

### 3. Key Considerations / Analysis

*Summarize the most important data, findings, or considerations. Highlight risks, community impact, financial implications, or alignment with strategic goals (3–4 bullets max).*

- Two PPGs have been issued Corrective Action Plans in Fiscal Q2
- Three direct network provider (Ancillary and Vendor) were non-compliant but have self corrected and completed all training.
- New hire associate training was 98% for LA Care employees and 95% for contingent workers

---

#### **4. Recommended Action / Decision Requested**

*State what you need from the Board: a vote, input, endorsement, or simply to inform. Be clear and concise.*

##### **Board Action Needed:**

☒ For Information Only

☐ For Discussion

☐ For Approval / Decision (specify below)

##### **Proposed Motion (if applicable):**

*"Motion to approve..." (Include the exact language the Board will be asked to vote on a separate Board Resolution Template and reference motion.)*

---

#### **5. Next Steps / Timeline**

*List next steps, timelines, or what happens if the Board acts or does not act.*

- Continued monitoring of provider performance and CAPs
- Escalation of employee and contingent worker training completion as needed

## BOARD REPORT EXECUTIVE SUMMARY

---

**Report Title:** Enterprise Compliance, Provider and Associate Training

**Date:** 05/07/2025

**Prepared By:** Theresa Moore, Enterprise Compliance

---

### 1. Purpose of the Report

*The purpose of this board report is to provide updates on Provider and Associate Training.*

---

### 2. Background / Context

- External Learning Provider Training: The Provider Training Unit is responsible for facilitating training to all providers who contract with L.A. Care. This unit ensures providers complete the required onboarding and confirmation of training understanding and completion.
  - Enterprise Compliance New Hire Training: The Enterprise Compliance Unit is responsible for ensuring all new hire associates and contingent workers complete their required compliance training timely.
- 

### 3. Key Considerations / Analysis

- The key objective is to meet the quarterly requirement of Provider Training as well as the requirement for all associates.
- 

### 4. Recommended Action / Decision Requested

**Board Action Needed:**

☒ For Information Only

☐ For Discussion

☐ For Approval / Decision (specify below)

**Proposed Motion (if applicable):** *N/A*

---

## **5. Next Steps / Timeline**

- No immediate action from the board is required.
- 

**Attachments / Supporting Materials:**

*N/A*

# SUMMARY: Provider Training Quarterly Performance

Presenter: Theresa Moore, Director - Enterprise Compliance

**Key Takeaway:** The External Learning Provider Training Unit is responsible for facilitating training to all providers who contract with L. A. Care. This Unit ensures providers complete required Onboarding Training and provide confirmation of training completion. We monitor training compliance for the Direct and Delegated Networks monthly.

**Key Objective:** To meet the quarterly requirement of providing an update on Provider Training Compliance.

**Risk Statement:** Providers are required to complete onboarding training within 30 days of active status. We monitor for training confirmation and collect training validation materials to confirm compliance.

**Risk Rating** (*inherent or residual impact and likelihood*):

- **Impact:** Low
- **Likelihood of occurrence:** Low

Is this in response to regulatory corrective action: **N**

Is this in response to compliance or internal audit corrective action plan: **N**

**Supporting Details:**

- Direct Network 1st QTR 2025 Performance Results
- PPG Network 1st QTR 2025 Performance Results
- PPG Network 1st QTR 2025 Corrective Action Plan Monitoring

## DIRECT NETWORK

| Month<br>PCP/Specialists/ Mid-Level<br>Providers | #of New Providers | # of Compliant Providers | Training Compliance<br>Percentage |
|--|-------------------|--------------------------|-----------------------------------|
| January  | 13                | 13                       | 100%                              |
| February   | 12                | 12                       | 100%                              |
| March  | 24                | 24                       | 100%                              |
| Month<br>Ancillary Providers                     | #of New Providers | # of Compliant Providers | Training Compliance<br>Percentage |
| January  | 3                 | 2                        | 66.67%                            |
| February   | 1                 | 1                        | 100%                              |
| March  | 0                 | 0                        | 0.00%                             |
| Month<br>Vendors                                 | #of New Providers | # of Compliant Providers | Training Compliance<br>Percentage |
| January  | 6                 | 4                        | 66.67%                            |
| February   | 0                 | 0                        | 0.00%                             |
| March  | 0                 | 0                        | 0.00%                             |



## PPG DELEGATED NETWORK

| Month<br>PCP/Specialists     | #of New Providers | # of Compliant<br>Providers | % of Monthly Reports<br>Received | Training Compliance<br>Percentage |
|------------------------------|-------------------|-----------------------------|----------------------------------|-----------------------------------|
| January                      | 131               | 125 *                       | 100%                             | 95%                               |
| February                     | 130               | 130                         | 100%                             | 100%                              |
| March                        | 131               | 131                         | 100%                             | 100%                              |
| Month<br>Mid-Level Providers | #of New Providers | # of Compliant<br>Providers | % Monthly Reports<br>Received    | Training Compliance<br>Percentage |
| January                      | 72                | 64 *                        | 100%                             | 89%                               |
| February                     | 42                | 41 *                        | 100%                             | 98%                               |
| March                        | 56                | 55                          | 100%                             | 98%                               |
| Month<br>Ancillary Providers | #of New Providers | # of Compliant<br>Providers | % Monthly Reports<br>Received    | Training Compliance<br>Percentage |
| January                      | 7                 | 7                           | 100%                             | 100%                              |
| February                     | 14                | 14                          | 100%                             | 100%                              |
| March                        | 21                | 21                          | 100%                             | 100%                              |

\* 2 PPGs were issued Corrective Action Plans due to Providers training late in the 1<sup>st</sup> QTR.

## PPG DELEGATED NETWORK PROVIDER TRAINING

### Quarter 1 Corrective Action Plan Monitoring

| Month    | Health Network              | Late Trainings        | Training Compliance |
|----------|-----------------------------|-----------------------|---------------------|
| January  | Prospect Medical Group      | 3 PCP, 4 ML providers | 12.5%               |
| February | Prospect Medical Group      | 1 ML provider         | 75%                 |
| March    | Pomona Valley Medical Group | 1 ML provider         | 50%                 |

# 2025 Q2 (Jan-Mar) New Hire Compliance Training Program Results

## Compliance Training Results - L.A. Care Employees (FTE's)

| Fiscal Year Q2 - January through March 2025 | Compliance Training L.A. Care New Employees |              |                      |
|---|---|--------------|----------------------|
|   | # Complete                                  | # Incomplete | Percentage Completed |
| Total of 116 New Employees                  | 114   | 2            | 98%                  |

## Compliance Training Results - L.A. Care Contingent Workers (CW's)

| Fiscal Year Q2 - January through March 2025 | Compliance Training L.A. Care New CW's |              |                      |
|---|--|--------------|----------------------|
|   | # Complete                             | # Incomplete | Percentage Completed |
| Total of 261 New Contingent Workers         | 250                                    | 11           | 95%                  |

## BOARD REPORT EXECUTIVE SUMMARY

---

**Report Title:** Policy Management Report out

**Date:** 05/16/2025

**Prepared By:** Meagan De Leon - Managing Advisor, Enterprise Compliance

---

### 1. Purpose of the Report

*The purpose of this board report is to evaluate the effectiveness of our current policy management process, focusing on the status of active and outdated policies and their impact on compliance and organizational risk.*

---

### 2. Background / Context

Enterprise Compliance initiated a review of the organization's policy management framework to evaluate its effectiveness and address growing concerns related to outdated or unpublished policies. This effort aligns with the broader goal of strengthening governance, improving accountability, and reducing compliance risk. The updated policy module in the GRC system (SAI360) offers new capabilities for real-time monitoring, ownership tracking, and automated reminders, creating a foundation for a more sustainable and transparent policy lifecycle. Despite a high compliance rate of 96%, 399 out of 745 policies remain unpublished, signaling the need for continued attention and process reinforcement.

---

### 3. Key Considerations / Analysis

Analysis of current policy data revealed that outdated policies are primarily driven by lack of ownership, infrequent review cycles, and limited tracking mechanisms. While the system upgrade has improved visibility and reporting, gaps persist in timely policy review and publication. Key mitigation strategies include assigning clear ownership, automating review reminders, and enforcing annual attestations. Immediate priorities also focus on leadership engagement, cleanup of outdated content, and dashboard integration to

support ongoing compliance monitoring. Addressing these issues proactively will minimize regulatory exposure and enhance enterprise-wide consistency.

---

#### **4. Recommended Action / Decision Requested**

**Board Action Needed:**

- ☒ For Information Only
- ☐ For Discussion
- ☐ For Approval / Decision (specify below)

**Proposed Motion (if applicable):** *N/A*

---

#### **5. Next Steps / Timeline**

- No immediate action from the board is required.
- 

**Attachments / Supporting Materials:**

*N/A*

# SUMMARY: Policy Management Report Out

Presenter: Theresa Moore, Director - Enterprise Compliance

**Key Takeaway:** This presentation evaluates the effectiveness of our current policy management process, focusing on the status of active and outdated policies and their impact on compliance and organizational risk.

**Key Objective:** To provide a concise overview of policy management performance, identify compliance risks related to outdated policies, and recommend actionable steps to improve oversight and accountability.

**Risk Statement:** Outdated or unmanaged policies increase the risk of non-compliance, inconsistent practices, and potential regulatory violations, undermining both operational efficiency and organizational credibility.

## **Risk Rating:**

- **Impact:** High
- **Likelihood of occurrence:** Medium

Is this in response to regulatory corrective action: **N**

Is this in response to compliance or internal audit corrective action plan: **N**

## **Supporting Details:**

- Updates to Policy Module
- Current Policy Outlook
- Next Steps & Recommendations

# Introduction – New Policy Module

- Updated Policy Module in Governance, Risk, and Compliance (GRC) platform, SAI360
  - **Updated policy allows for better reporting capabilities:**
    - Enabled real-time visibility into policy status and ownership
    - Improved identification of outdated and high-risk policies
    - Streamlined compliance tracking across departments
    - Supported data-driven decision-making and board reporting
    - Reduced manual follow-up through automated alerts and reminders

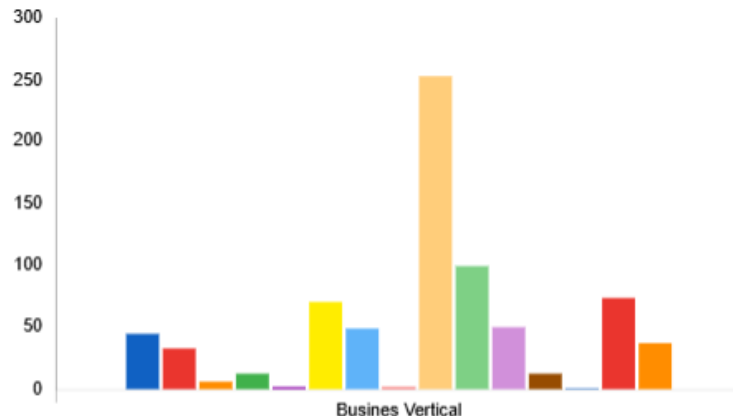


# Current Policy Status

## In Review:

- Total active policies: **745**
  - Currently Approved: **346**
    - Out of date: **4**
    - Compliance Rate: **96 %**
  - Not Published: **399**

Require Review - Not Fully Published (By Vertical)



# Root Causes, Mitigation and Next Steps

## Why Policies Are Outdated:

- Lack of ownership – change of employees
- Infrequent review cycles
- Limited tracking tools

## Mitigation Steps:

- Assign clear policy owners
- Implement automated review reminders
- Enforce annual review and attestation

## Immediate Priorities and Next Steps:

- Working sessions with Leadership to clean up overdue and “To Be Retired” policies
  - Operation Policy Cleanup: cleanup of all pending policies by September 30
- Leadership endorsement for new review cadence
  - Annual reviews and attestations
- Initiate policy dashboard integration with compliance system

## BOARD REPORT EXECUTIVE SUMMARY

---

**Report Title:** SIU Quarterly Update

**Date:** 05/07/2025

**Prepared By:** Michael Devine, Director, Special Investigations Unit (SIU)

---

### 1. Purpose of the Report

*The purpose of this report is to provide a quarterly update regarding activities of the Special Investigations Unit to combat Health Care Fraud.*

---

### 2. Background / Context

- Savings and Recoveries Feb-Apr 2025
  - SIU Cases Analysis
  - Major Case Reviews
- 

### 3. Key Considerations / Analysis

- SIU has recovered \$4.4M to date, a 29% increase over the \$3.4 in recoveries at this time last year.
  - To date SIU has \$11.3 in Savings and recoveries a 20% increase over the same period last year
  - Working closely with DHCS and placed 16 hospices on “Deny for Records” because member were “Ghost Members”
-

#### **4. Recommended Action / Decision Requested**

*For Information Only*

##### **Board Action Needed:**

- ☐ For Information Only
- ☐ For Discussion
- ☐ For Approval / Decision (specify below)

**Proposed Motion (if applicable):** N/A

---

#### **5. Next Steps / Timeline**

- No immediate action from the Board is required.
- 

##### **Attachments / Supporting Materials:**

N/A

# SUMMARY - Special Investigations Unit

Presenter: Michael Devine, Ph.D., SIU Director

**Key Takeaway:** Quarterly update for the Special Investigations Unit

**Key Objective:** Presentation is informational and will highlight the ongoing efforts of the Special Investigations Unit to aggressively investigate health care fraud and efforts to recoup wrongful payments.

**Risk Statement:** Healthcare fraud, encompassing schemes like false claims, kickbacks, and unnecessary services, poses a significant risk to the healthcare system and taxpayers, with potential consequences including financial losses and compromised patient care.

**Risk Rating (*inherent or residual impact and likelihood*):**

- **Inherent impact:** Medium
- **Likelihood of occurrence:** Medium

Is this in response to regulatory corrective action: **N**

Is this in response to compliance or internal audit corrective action plan: **N**

**Supporting Details:**

- Savings and Recoveries
- Law Enforcement Cases
- Health care fraud case highlights

# Compliance Unit – SIU Update

## FY23/24 Year-to-Date Recoveries and Savings Dashboard

|                   | Feb – April 2025 | FY25           |
|-------------------|------------------|----------------|
| <b>Recoveries</b> | \$2.4M           | \$4.4M         |
| <b>Savings</b>    | \$3.9M           | \$6.9M         |
| <b>Totals</b>     | \$6.3M           | <b>\$11.3M</b> |

## Law Enforcement

|  |           |
|--|-----------|
| <b>Active Criminal Investigations<br/>(FBI, CA DOJ, LASD HALT)</b> | <b>65</b> |
| <b>Undercover Operations</b>                                       | 0         |
| <b>Arrests</b>   | 2         |
| <b>Pending Prosecution</b>   | 9         |
| <b>Convictions</b>   | 5         |

# SIU Update - Recoveries & Savings

## Comparative Analysis Oct - April FY-24/FY-25

|            | FY-24  | FY-25   | % Change     |
|------------|--------|---------|--------------|
| Recoveries | \$3.4M | \$4.4M  | 29% Increase |
| Savings    | \$6.0M | \$6.9M  | 15% Increase |
| Total      | \$9.4M | \$11.3M | 20% Increase |

# SIU Update - Current Open Cases

**SIU Current Open Case Inventory is 411**

| Month | Year | New Leads | Cases Opened | Cases Closed | Case Inventory |
|-------|------|-----------|--------------|--------------|----------------|
| Feb.  | 2025 | 110       | 49           | 80           | 452            |
| Mar.  | 2025 | 90        | 39           | 46           | 445            |
| Apr.  | 2025 | 102       | 31           | 65           | 411            |

**100% compliance with Regulatory Reporting**



# Compliance Unit - SIU Update

| 2025 Lead Source  | No.        | Percentage |
|-------------------|------------|------------|
| Internal          | 110        | 28%        |
| Law Enforcement   | 74         | 19%        |
| PPG               | 69         | 17%        |
| Hotline           | 59         | 15%        |
| Planned Partner   | 33         | 8%         |
| PostShield        | 18         | 5%         |
| L.A. Care Website | 17         | 4%         |
| Other             | 15         | 4%         |
| Navitus           | 2          | .5%        |
| <b>Total</b>      | <b>397</b> |            |

| 2025 Primary Allegations         | No.        | Percentage |
|----------------------------------|------------|------------|
| Services not rendered/documented | 67         | 17%        |
| Transportation                   | 59         | 15%        |
| Questionable Billing Patterns    | 46         | 12%        |
| Identity Theft                   | 42         | 11%        |
| Ineligible Provider              | 41         | 10%        |
| Not Fraud                        | 38         | 9%         |
| Ineligible Member                | 11         | 3%         |
| Not Medically Necessary          | 9          | 2%         |
| *All Others                      | 84         | 21%        |
| <b>Total</b>                     | <b>397</b> |            |

*\*All Others is the combined amount from all the other allegation categories.*

# Compliance Unit – SIU Update

## Cases Referred to DOJ

- Lab for wrongful billing \$20M Paid (1/21 – 4/25)
- Lab for Stark Law violation \$ 3.3M Paid (1/24-2/25)
- F Hospice \$ 2.7M Paid (Jan 2024 – Mar 2025)
- B Hospice \$ 5.3M Paid (Feb 2024 – Mar 2025)

## Cases worked with DHCS

- 14 hospices billing with “ghost members”

## 16 Hospices placed on “deny for records”

- Estimated cost savings \$14.1M

## Payment Integrity

- Worked with Payment Integrity and Configuration to set up an edit in the system to only allow acupuncturists to bill for 4 acupuncture codes (Not E/M, massage, cupping etc.)

## BOARD REPORT EXECUTIVE SUMMARY

---

**Report Title:** Security and Privacy Oversight Committee

Update **Date:** May 15, 2025

**Prepared By:** Serge Herrera, Director, Compliance - Privacy

---

### 1. Purpose of the Report

*The purpose of this report is to update C&Q members of the last Security and Privacy Oversight Committee for the reporting period of Q4 2024/Q1 2025.*

---

### 2. Background / Context

- Updates on ongoing process improvements.
  - Privacy audits of delegates, including PHI/PII walkthrough assessments of CRCs.
  - Reports on incidents and breaches from business associates and internal staff.
  - Status of HIPAA right of access requests.
  - Pilot assessment focused on data flow analysis.
- 

### 3. Key Considerations / Analysis

- Privacy conducted 143 investigations during the reporting period, including 56 internal and 87 external cases. These investigations primarily addressed misdirected faxes, emails, and unauthorized disclosures. No confirmed breaches occurred during this time.

- In 2024, Privacy completed 13 delegate audits. All findings and corrective actions were resolved by March 2025. Additionally, PHI walkthrough audits covered 13 CRCs, identifying issues such as unsecured paper PHI and unsecured devices. Impacted CRCs were provided recommendations for HIPAA compliance and L.A. Care Physical Safeguards Policy. Blast email was sent out to the organization as a reminder.
  - During the reporting period, Privacy processed 183 PHI access requests, averaging 30 completed requests per month. The majority of requests were related to claims. All requests were completed within the HIPAA compliance timeframe.
- 

#### **4. Recommended Action / Decision Requested**

*Informational purpose.*

##### **Board Action Needed:**

- ☒ For Information Only
- ☐ For Discussion
- ☐ For Approval / Decision (specify below)

**Proposed Motion (if applicable):** Not Applicable

---

#### **5. Next Steps / Timeline**

- No action from the Board required.
- 

**Attachments / Supporting Materials:** N/A

# SUMMARY: Process Improvements

## *Workflow Automation*

**Presenter Name:** Serge Herrera, Director/Privacy Officer

**Key Takeaway:** Streamlined processes to drive efficiency, collaboration, and performance optimization across privacy initiatives.

**Key Objective:** Enhance efficiency, elevate quality, and optimize overall performance.

**Risk Statement:** Relying on manual processes instead of automation increases the risk of inefficiencies, human errors, higher operational costs, and reduced scalability, which could hinder overall organizational performance and adaptability.

**Risk Rating:**

- **Inherent impact:** Medium
- **Likelihood of occurrence:** Low

Is this in response to regulatory corrective action: No

Is this in response to compliance or internal audit corrective action plan: No

**Supporting Details:**

- Workflow automation to increase efficiency.
- Kanban boards for tracking task progress.

# Privacy Initiatives Update

- **Process Improvements:** Our objective is to enhance efficiency, elevate quality, and optimize overall performance. These initiatives include:
  - Reviewing and automating workflows using available technologies.
  - Revising intake forms such as Root Cause Analysis, Breach Cost Projections, and Contract Risk Analysis.
  - Updating policies and procedures.
  - Training staff on new improved processes.
- **Kanban Board:** We are leveraging Kanban Boards for task assignments to visually organize work, enable teams to easily track progress, prioritize tasks, and identify bottlenecks in real time. The benefits of utilizing this tool include:
  - Promoting transparency and collaboration.
  - Facilitating better workload distribution.
  - Enhancing team communication.
  - Improving efficiency and productivity.

# SUMMARY: Privacy Audits

## *Delegated Network and PHI Walkthrough Audits*

**Presenter Name:** Serge Herrera, Director/Privacy Officer

**Key Takeaway:** Updates on delegated network privacy audits, and CRC PHI walkthrough audits.

**Key Objective:** Status of the 2024 delegate privacy audits and CRC PHI Walkthrough audits, ensuring thorough oversight, adherence to privacy regulations, and identification of any gaps requiring corrective action.

**Risk Statement:** Conducting privacy audits reduces risks associated with oversight gaps, strengthens physical safeguard controls, and improves compliance and accountability.

**Risk Rating** (*inherent or residual impact and likelihood*):

- **Inherent impact:** Medium
- **Likelihood of occurrence:** Low

Is this in response to regulatory corrective action: No

Is this in response to compliance or internal audit corrective action plan: No

**Supporting Details:**

- Delegate privacy audits
- CRC PHI Walkthrough audits

# Privacy - Delegate Audits

- Privacy conducted 13 delegate audits during 2024
  - Four specialty vendors
  - Nine PPGs
  - Corrective Action: As of end March, all audit findings and CAPs were closed.
- For 2025, Privacy audits of the delegates will no longer be managed through Delegation Oversight.
  - Privacy is in the process of selecting delegates to audit this year and creating an audit workplan to engage delegates directly.
  - Privacy is also in the process of reviewing vendors to audit all delegates annually for 2026.



# Privacy - Physical Audits

- Between October 2024 and March 2025, the Privacy Unit conducted walkthrough audits of our Community Resource Centers.

| CRC Location    | Findings - 8 of 12 had no findings                                  |
|-----------------|---|
| Metro LA        | Personal devices were left unattended on employee's desk            |
| Wilmington      | A list of names and contact info left unattended on employee's desk |
| Pomona          | No findings   |
| Panorama City   | No findings   |
| West L.A.       | No findings   |
| El Monte        | No Findings   |
| East LA         | PHI found in unlocked drawer and under employee's desk              |
| Long Beach      | No Findings   |
| Palmdale        | Two offices in common area were left unsecured                      |
| Inglewood       | No Findings   |
| Lynwood         | No Findings   |
| Norwalk         | No Findings   |
| Lincoln Heights | No findings, CRC not open   |

# SUMMARY: Privacy Investigations

## *Incidents and Breach Notifications*

**Presenter Name:** Serge Herrera, Director/Privacy Officer

**Key Takeaway:** Updates to Q4 2024 – Q1 2025 investigation and industry trends.

**Key Objective:** HIPAA investigations ensure compliance with privacy and security regulations, protecting sensitive health information from unauthorized access, disclosure, and misuse.

**Risk Statement:** Conducting comprehensive investigations reduces risks by ensuring timely identification and resolution of compliance issues, mitigating potential breaches, and reinforcing regulatory accountability and data protection.

**Risk Rating** (*inherent or residual impact and likelihood*):

- **Inherent impact:** Medium
- **Likelihood of failure:** Low

Is this in response to regulatory corrective action: No

Is this in response to compliance or internal audit corrective action plan: No

**Supporting Details:** This presentation will cover:

- Update for Q4 2024 and Q1 2025
- Industry trends

# Breach Notification

- During Q4 of 2024, The Privacy Unit investigated a total of 78 HIPAA Violations, which included:
  - 27 Events where PHI was not disclosed.
  - 51 incidents that were investigated and reported to the respective regulators.
  - 0 breaches reported by L.A. Care or our Business Associates.
- During Q1 of 2025, The Privacy Unit investigated a total of 69 HIPAA Violations, which included:
  - 14 Events where PHI was not disclosed.
  - 55 Incidents that were investigated and reported to the respective regulators.
  - 0 breaches reported by L.A. Care and our Business Associates.

# Breach Notification-Industry Trends

- In 2024, there was a notable increase in data breaches within healthcare organizations. Particularly the incidents involving 500,000 or more records. Most of these breaches were caused by hacking and IT related incidents, such as ransomware attacks. Unauthorized access and disclosures ranked as the second most common cause of breaches.
- Over 700 data breaches affecting 500 or more healthcare records were reported to the U.S. Department of Health and Human Services (HHS) Office for Civil Rights (OCR). Three of the largest healthcare breaches in 2024 were Change Healthcare, Kaiser Foundation Health Plan and Ascension Health impacting more than 5 million records.

# SUMMARY: PHI Assessments

## *Uses and Disclosure*

**Presenter Name:** Serge Herrera, Director/Privacy Officer

**Key Takeaway:** Update on asset risk inventory and minimum necessary assessment automation.

**Key Objective:** Enhance data governance by conducting a pilot asset/data element inventory, to map the ecosystem, and automating minimum necessary assessments to proactively identify and mitigate emerging technology privacy risks.

**Risk Statement:** Conducting an asset inventory, mapping the data ecosystem, and automating minimum necessary assessments reduces the risk of unauthorized access, data exposure, and emerging technology-related privacy threats, ensuring stronger regulatory compliance and proactive risk mitigation.

**Risk Rating** (*inherent or residual impact and likelihood*):

- **Inherent impact:** Medium
- **Likelihood of occurrence:** Low

Is this in response to regulatory corrective action: No

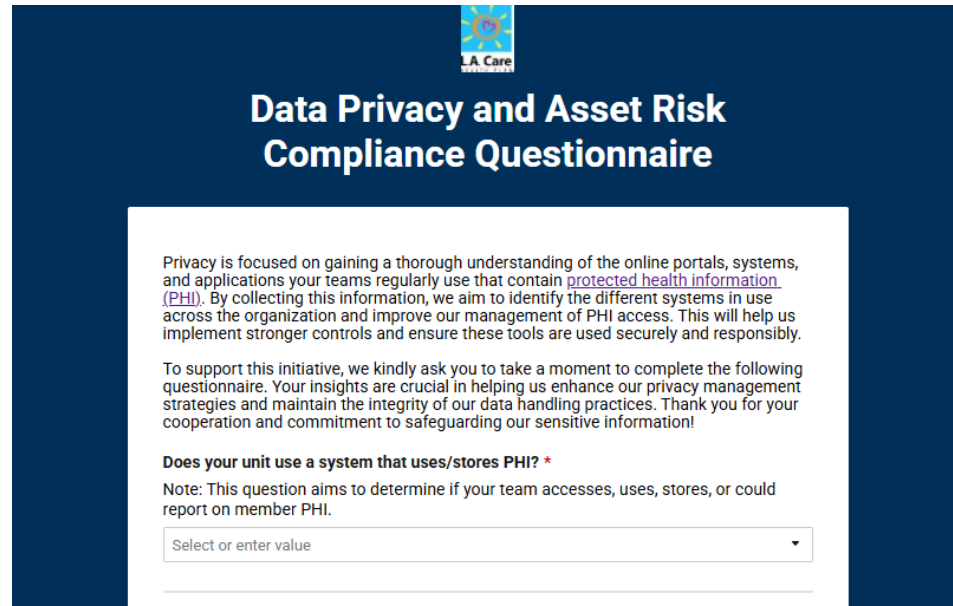
Is this in response to compliance or internal audit corrective action plan: No

**Supporting Details:**


- Data privacy and asset risk compliance questionnaire.
- Minimum necessary automation tool.

# Data Privacy and Asset Risk Compliance Questionnaire

- In Fall 2024, Privacy surveyed Compliance groups to assess their access to protected health information (PHI).
- The survey covered the following types of data groups:
  - Type of PHI
    - Names
    - Addresses
    - Pictures
  - System Utilization
  - Primary Users
  - Frequency Accessibility
  - Contractor Accessibility



The screenshot shows a digital form titled "Data Privacy and Asset Risk Compliance Questionnaire" with the L.A. Care logo at the top. The form contains an introductory paragraph about the survey's purpose, a request for completion, and a specific question: "Does your unit use a system that uses/stores PHI? \*". Below this question is a note explaining the question's intent and a dropdown menu with the placeholder text "Select or enter value".

  
**Data Privacy and Asset Risk Compliance Questionnaire**

Privacy is focused on gaining a thorough understanding of the online portals, systems, and applications your teams regularly use that contain [protected health information \(PHI\)](#). By collecting this information, we aim to identify the different systems in use across the organization and improve our management of PHI access. This will help us implement stronger controls and ensure these tools are used securely and responsibly.

To support this initiative, we kindly ask you to take a moment to complete the following questionnaire. Your insights are crucial in helping us enhance our privacy management strategies and maintain the integrity of our data handling practices. Thank you for your cooperation and commitment to safeguarding our sensitive information!

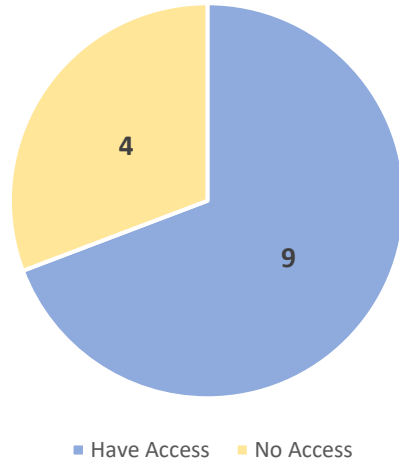
**Does your unit use a system that uses/stores PHI? \***

Note: This question aims to determine if your team accesses, uses, stores, or could report on member PHI.

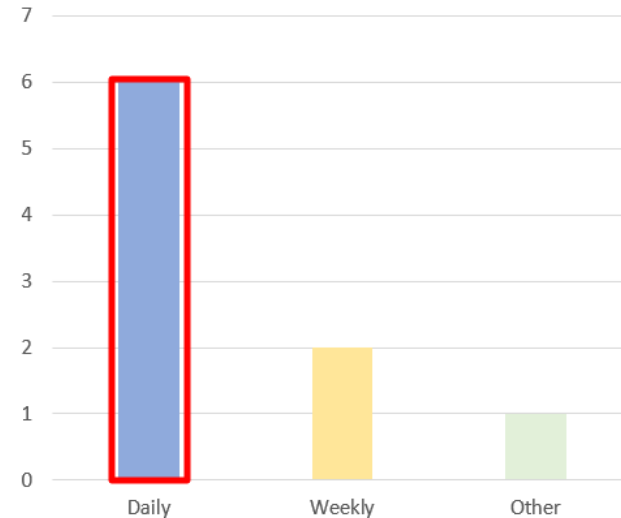
Select or enter value

# Data Privacy and Asset Risk Compliance Questionnaire (Continued): Compliance Units Accessing PHI

- 9 out of 13 Compliance units have access to members' protected health information.



- Most Compliance units are accessing PHI daily.



# Minimum Necessary Assessment (MNA)

- In March, Privacy re-announced the use of the Minimum Necessary Assessment.
- The purpose of the MNA is to:
  - Identify Emerging Technologies: The assessment helps privacy and security teams identify and evaluate emerging technologies for privacy and security risks.
  - Adhere to the Minimum Necessary Standard: There's a standardized and organized manner to collect data and demonstrate compliance with HIPAA's Minimum Necessary Standards
  - Data Inventory: The intake form will also facilitate a more systematic approach to inventorying the categories of data shared with external parties.



# Minimum Necessary Assessment (MNA) (Continued):

Some of the major questions focus on topics inclusive of:

- Member Data
  - Applicant
  - Current Members
  - Former Members
- Workforce Data
  - Payroll Information
  - Medical Information
- Provider Data
  - Procedure Codes
  - Treatment Authorization Request
- Proprietary Information
  - Trade Secrets
  - Attorney-Client Data

## Privacy & Information Security Minimum Necessary Assessment (For Internal L.A. Care Staff Only)

This form is designed to identify key contractual member and staff data elements that may be shared or disclosed between L.A. Care and third-party vendors (e.g., contractors, plan partners, etc.).

To help ensure proper information security, privacy, and data protection, Compliance and Information Security request that you complete the form to the best of your ability. Most questions require a response, but if one is irrelevant to your business unit, simply select "Not Applicable."

Please fill out all relevant sections thoroughly. If you have any questions please contact [PrivacyOfficer@lacare.org](mailto:PrivacyOfficer@lacare.org).

### SECTION I: L.A. CARE POINT OF CONTACT INFORMATION

## BOARD REPORT EXECUTIVE SUMMARY

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**Report Title:** Internal Audit Updates

**Date:** 05/15/2025

**Prepared By:** Maggie Marchese, Sr. Director Audit Services

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### 1. Purpose of the Report

*This board report provides a high-level overview of the 2025 internal audit work plan, progress on the remaining 2024 audits, and the status of management action plan follow-ups.*

---

### 2. Background / Context

- 2025 Internal Audit Work Plan & Enforcement Matters
  - 2024 Internal Audit Work Plan Status & Open Follow-Ups
  - External (Regulatory) Requests
- 

### 3. Key Considerations / Analysis

- Alignment with Risks. 2025 internal audit work plan prioritizes audits addressing the enforcement matters while monitoring top 10 risk areas for audit readiness.
  - Audit Delay Risks. The risk of audit delays due to business unit availability could compromise validation audits completion timeliness.
  - Previous year's audit work is nearly complete, with only three (3) remaining.
-

#### **4. Recommended Action / Decision Requested**

**Board Action Needed:**

- ☒ For Information Only
- ☐ For Discussion
- ☐ For Approval / Decision (specify below)

**Proposed Motion (if applicable):** N/A

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#### **5. Next Steps / Timeline**

- No immediate action from Board is required.
- 

**Attachments / Supporting Materials:**

N/A

# SUMMARY: Internal Audit Updates

Presenter: Gennadiy Daych, Director, Audit Services

**Key Takeaway:** 2025 internal audits are focused on Enforcement Action validation testing (i.e., outcomes testing) of the key areas/categories. Work began in April.

**Key Objective:** Ensure timely validation audits in high-profile and/or high-risk areas starting in 2025 to strengthen compliance. The focus is on securing leadership commitment to meet audit timeliness and objectives.

**Risk Statement:** The risk of audit delays due to auditee availability could compromise validation audits completion timeliness, requiring proactive planning to ensure success.

## **Risk Rating:**

- **Inherent impact:** Medium
- **Likelihood of occurrence:** Low

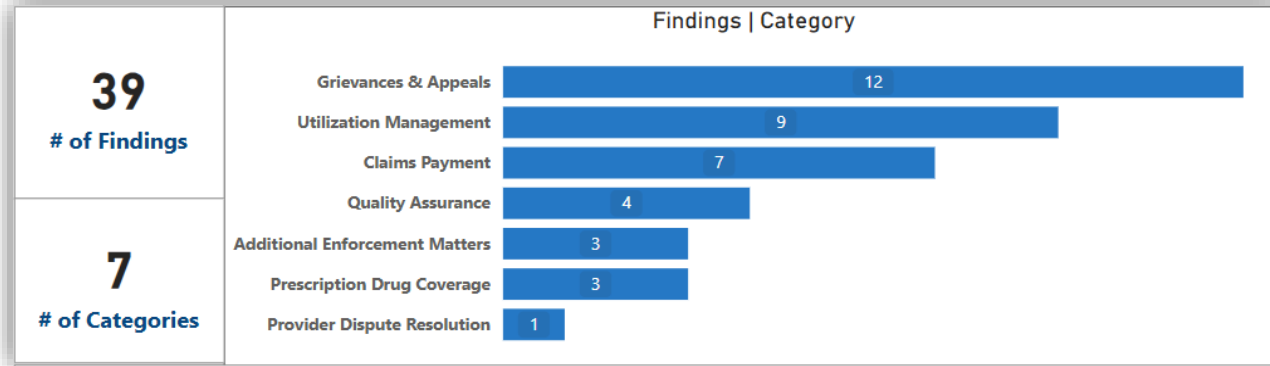
Is this in response to regulatory corrective action: **Y**

Is this in response to compliance or internal audit corrective action plan: **Y**

## **Supporting Details:**

- 2025 Internal Audit Workplan including Enforcement Matter testing areas.
- 2024 Internal Audit Status Report & Current Follow-Ups
- External (Regulatory) Requests

# 2025 IA Workplan & Enforcement Matters



## Validation Audits Testing – Through 2nd Quarter 2025

- **Testing Parameters** is an examination of the adherence to guidelines or the accuracy of reported results. Emphasis on accuracy of data and sample evidence to verify remediation.
- **Coordination** of documentation and data requests with Compliance team to streamline and minimize impact.
- **Collaboration** with various business units to ensure flexibility and timely completion.

## Documentation Request Log Submission Timeline

### *Phase 1 – Initial Submissions to Business Units*

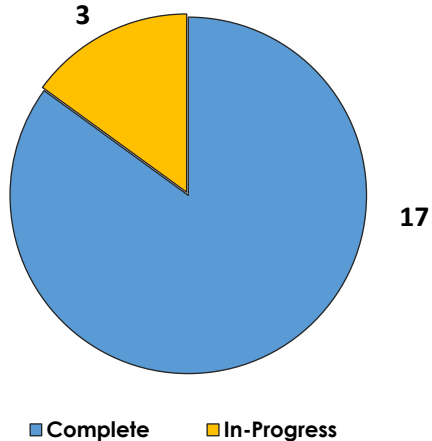
- **Submitted:** April 16, 2025 (Quality Improvement/Quality Assurance and Pharmacy)
- **Requested Documents Due:** April 25, 2025
- **Sample Selection & Follow-up DRLs Sent:** May 1, 2025
- **Sample Evidence Due Back:** May 15, 2025

### *Phase 2 – Upcoming Submissions*

- **Targeted Areas:** Appeals & Grievances, Claims, Provider Dispute Resolution
- **Note:** UM is postponed per Dr. Amin's request
- **Proposed Submission Window:** Mid to late May 2025

# 2024 IA Status Report & Current Follow-Ups

2024 Audit Inventory



- **Recently Completed** – (3 out of 17) Human Resources-Background and Recruitment Process (Addendum Report), Encounters/ Proposition 56 Payments, Transportation Audit: Call the Car.
- **In-Progress** – Vendor Management Contracting Pre-Implementation Risk Assessment and (2) A&G Follow-Ups.

## Follow-Ups (In-Progress)

- First Tier, Downstream, and Related (FDR) Entities.
- Health Risk Assessment (HRA) - Reassessment Efforts.
- Compliance Monitoring / Enforcement / Audits (CPE).
- Staffing: Staffing / Skilled Hires / Time to Hire.
- IT System Security: Vulnerability Management Audit.

- **Upcoming – 3rd Quarter 2025 Audits:** Provider Network (Access & Availability of Services) and Provider Operations.
- **On-going – Management Action Plan** monitoring for audit readiness (8 risks).

# External (Regulatory) Requests

- **2024 DMHC Financial Audit** – *Complete.*
- **2026 QHP (Qualified Health Plan – Covered California) Application** – *Complete.*
- **CPE COA (Compliance Program Effectiveness) Quarterly Universes** – *In-progress / on-going.*

## BOARD REPORT EXECUTIVE SUMMARY

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**Report Title: Regulatory Operations**

**Date:** 05/07/2025

**Prepared By: Miguel Varela, Sr. Director II, Regulatory Operations**

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### 1. Purpose of the Report

*The purpose of this board report is to provide updates on the status of the regulatory audits affecting L.A. Care*

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### 2. Background / Context

- L.A. Care is currently undergoing multiple regulatory audits conducted by oversight entities including the Department of Health Care Services (DHCS), the Department of Managed Health Care (DMHC), and the Centers for Medicare & Medicaid Services (CMS). These audits are part of routine oversight to assess the Plan's compliance with contractual and regulatory requirements across operational, clinical, and administrative functions.
  - The current audit cycle reflects heightened scrutiny following recent enforcement trends across the industry and places increased emphasis on timely access, utilization management, grievance and appeals processing, and encounter data accuracy. In response, Compliance has implemented a structured audit response framework to ensure timely coordination, documentation, and remediation where necessary.
- 

### 3. Key Considerations / Analysis

- **Audit Scope and Volume:** The Plan is subject to concurrent audits with overlapping scopes across multiple lines of business, requiring coordination across departments and delegated entities.



- **Timeliness and Responsiveness:** Regulatory timelines are strict, and delays in business unit responses pose a risk to L.A. Care's ability to meet submission deadlines and regulatory expectations.
  - **Findings and Risk Exposure:** Preliminary audit observations have identified potential compliance gaps that could lead to corrective actions, financial sanctions, or reputational harm if not remediated promptly.
- 

#### **4. Recommended Action / Decision Requested**

**Board Action Needed:**

- ☒ For Information Only
- ☐ For Discussion
- ☐ For Approval / Decision (specify below)

**Proposed Motion (if applicable):** N/A

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#### **5. Next Steps / Timeline**

- No immediate action from the board is required.
- 

**Attachments / Supporting Materials:**

N/A

# SUMMARY: Regulatory Audits Update

**Presenter Name:** Miguel Varela Miranda, Sr. Director II, Regulatory Operations

**Key Takeaway:** Multiple regulatory audits are actively underway, with close coordination across teams to respond to requests and mitigate preliminary risks.

**Key Objective:** To provide visibility into the status of ongoing regulatory audits.

**Risk Statement:** Failure to adequately address regulatory audit requests, preliminary findings, or documentation gaps may result in corrective action requirements, enforcement actions, reputational harm, and potential financial penalties.

**Risk Rating** (*inherent or residual impact and likelihood*):

- **Inherent | Residual impact:** **Medium**
- **Likelihood of occurrence:** **Medium**
- Is this in response to regulatory corrective action: **N**



Is this in response to compliance or internal audit corrective action plan: **N**

**Supporting Details:**

- Overview of Current Regulatory Audits
- Next Steps and Ongoing Readiness Efforts




# Current Audits

## - L.A. Care 2025 Audits -

| Audit Name                       | Regulatory | Audit Description  | Risk Rating  | Status  |
|----------------------------------|------------|--|--|---|
| <b>2025 DMHC Financial Audit</b> | DMHC       | Financial examination (a minimum of once every five years) with a specific focus on claims timeliness and payment integrity, and financial statutory compliance.                       |  High | <ul style="list-style-type: none"> <li>Virtual audit with a March 2025 kick-off.</li> <li>The audit is active with continuing bi-weekly interviews with Claims, Finance and Regulatory Audits.</li> <li>Current risk areas identified in audit: Provider Dispute Resolutions, Claims interest payments and payment integrity (i.e., Fair Health)</li> </ul> |
| <b>2024 1/3 Financial Survey</b> | CMS        | Annual CMS Financial Audit of 1/3 of all participating Medicare Advantage and Prescription Drug Plans with a specific focus on internal controls, cost allocation and solvency review. |  High | <ul style="list-style-type: none"> <li>Virtual audit with a March 2025 kick-off</li> <li>This audit is active, at 85% completion rate.</li> <li>No known risk areas currently.</li> </ul>   |





# Current Audits

## - L.A. Care 2025 Audits -

| Audit Name  | Regulatory | Audit Description   | Risk Rating  | Status  |
|---|------------|---|--|---|
| <b>2025 (MY24) Medicare Data Validation (MDV) Audit</b> | CMS        | Medicare Part C and Part D Data validating audit with a focus on ensuring the accuracy and reliability of the data reported by Plan to CMS. |  Medium | <ul style="list-style-type: none"> <li>Virtual audit.</li> <li>In phase I with kick-off scheduled for May 6, 2025, and sample selection underway.</li> <li>Phase II scheduled for May 9, 2025.</li> </ul>               |
| <b>Forvis Mazars Settlement Agreement Work Plan</b>     | DHCS/DMHC  | Mandated consulting agreement to ensure all findings part of the settlement agreement are closed and in compliance.                         |  High   | <ul style="list-style-type: none"> <li>Active, in Work Plan development.</li> <li>Anticipated Work Plan presentation to the DMHC/DHCS, June 2025.</li> </ul>  |
| <b>2025 PBP SBE APTC Payment Audit (2021)</b>           | CMS        | Audit evaluating compliance with the Advance Payments of the Premium Tax Credit (APTC) Program for State Based Exchanges (SBE) plans        |  Low    | <ul style="list-style-type: none"> <li>Virtual audit.</li> <li>Kick-off was April 2025.</li> <li>Currently in the server testing phase of the audit.</li> <li>Audit deliverables pending – due May 31, 2025.</li> </ul> |

# Anticipated Audits in 2025

## - L.A. Care 2025 Audits -

| Audit Name  | Regulatory | Audit Description   | Risk Rating  | Status                    |
|---|------------|---|--|---------------------------|
| <b>2025 Network Adequacy Validation (NAV) Audit</b>                 | DHCS       | Evaluates the accuracy of data related to the plan's network adequacy with a specific focus on the plan's ability to provide quality healthcare services. |  Low    | • Date TBD                |
| <b>2025 Encounter Data Validation Audit Support</b>                 | CMS        | Data integrity audit to validate encounter data accuracy, consistency with medical records, and compliance with CMS guidelines and regulations.           |  Medium | • Date TBD                |
| <b>2025-2026 DPSS Annual Monitoring</b>                             | CMS        | Audit evaluates program performance, financial accountability, compliance and operational processes.  |  Low    | • Date TBD                |
| <b>2025 Routine Survey (2021-2022) CAP Implementation Follow-up</b> | DMHC       | Focused audit to review assess plan implementation of the CAPs issued in the 2021-2022 routine medical audit.   |  High   | • Scheduled November 2025 |

## BOARD REPORT EXECUTIVE SUMMARY

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**Report Title:** *Q2 FY 2025 Issues Management Update*

**Date:** 05/08/2025

**Prepared By:** Dominic Simonton, Director, Enterprise Risk Management

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### 1. Purpose of the Report

Presentation is an informational report of issues that have been raised, current status, and any mitigating or remediating activities that have occurred.

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### 2. Background / Context

The Issues Management process is part of L.A. Cares “Continuous Monitoring Program” to track potential key Issues that have a potential effect on members’ access to care, industry reputation and market value position.

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### 3. Key Considerations / Analysis

- New Issues from Fiscal Year 2025 Quarter 2
  - Mitigation activities
- 

### 4. Recommended Action / Decision Requested

*For Information Only*

**Board Action Needed:**

- ☒ For Information Only  
☐ For Discussion  
☐ For Approval / Decision (specify below)

**Proposed Motion (if applicable):** N/A

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**5. Next Steps / Timeline**

- No immediate action from the Board is required.
- 

**Attachments / Supporting Materials:**

*See presentation slides*

# SUMMARY: Q2 FY 2025 Issues Management

**Presenter Name:** Dominic Simonton, Director, Risk Management

- **Key Takeaway:** Quarterly update for Risk Management Issues.
- **Key Objective:** Presentation is an informational report of issues that have been raised, current status, and any mitigating or remediating activities that have occurred.
- **Risk Statement:** Issues have a potential effect on members' access to care, industry reputation and market value position.
- **Risk Rating (*inherent or residual impact and likelihood*):**
  - **Inherent Impact Risk:** Low
  - **Likelihood of occurrence:** High
- Is this in response to regulatory corrective action: N
- Is this in response to compliance or internal audit corrective action plan: N
- **Supporting Details:** This presentation will cover:
  - New Issues from Fiscal Year 2025 Quarter 2
  - Mitigation activities



# Issues Inventory Update – Summary

| Status              | Jan-25 | Feb-25 | Mar-25 |  |  |  |  |  |  |  |  |  |  |
|---------------------|--------|--------|--------|--|--|--|--|--|--|--|--|--|--|
| Reported            | 2      | 3      | 3      |  |  |  |  |  |  |  |  |  |  |
| Open                |        | 1      |        |  |  |  |  |  |  |  |  |  |  |
| Closed to inventory |        |        | 1      |  |  |  |  |  |  |  |  |  |  |
| Deferred            |        |        |        |  |  |  |  |  |  |  |  |  |  |
| Remediated          | 1      |        |        |  |  |  |  |  |  |  |  |  |  |
| Tracking Only       | 1      | 2      | 2      |  |  |  |  |  |  |  |  |  |  |
| Monitoring Only     |        |        |        |  |  |  |  |  |  |  |  |  |  |

- **Open** – Issues confirmed by Compliance Risk Operations that require oversight and monitoring with business units.
- **Closed to Inventory** – Issues in which business units' are seeking guidance about a regulation or best practice process.
- **Deferred** – Issues in which regulatory guidance (DHCS, DMHC, or CMS) is pending to resolve or issue resolution is dependent on another business units' implementation of a system or process.
- **Remediated** – Issues that require formal or informal corrective action plans for resolution.
- **Tracking Only** – Issues managed by other Compliance areas ( such as Regulatory Affairs, Audits, Analysis, Communication and Internal Audit In which the risk management staff is following up for current status updates to closure.
- **Monitoring Only** – Issues in which corrective action plans are completed and monitoring is to be done by Compliance.

# Issues Inventory Years 2019 - 2025

- OPEN
- DEFERRED
- TRACKING ONLY

| Year                | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------|------|------|------|------|------|------|------|
| Total               | 6    | 134  | 32   | 105  | 212  | 102  | 8    |
| Open                |      |      |      | 1    | 5    | 7    | 1    |
| Closed to Inventory |      |      | 2    | 20   | 142  | 39   | 1    |
| Deferred            |      |      | 1    |      | 1    |      |      |
| Remediated          | 6    | 134  | 29   | 84   | 60   | 19   | 1    |
| Tracking Only       |      |      |      |      | 4    | 37   | 5    |
| Monitoring Only     |      |      |      |      |      |      |      |

# Appendix

# Issues Inventory Update - Remediation

| Issues Name & Description  | Date Reported | Accountable Exec. / Business Unit             | Remediation Description   | Date Remediated |
|--|---------------|---|---|-----------------|
| <b>Laboratory Information System(LIS) File Not Updating Properly in QNXT.</b><br><br>The annual LIS data report is not updating which is impacting the member's pharmacy copays in QNXT. (1646)  | 1/22/2025     | Enrollment; Aurora Cabellon; Dwayne Broussard | The fix was deployed and validated in QNXT, and member's LIS data is updating.  | 3/11/2025       |
| <b>Non-Current Contingent Workers remains Active Access to L.A. Care</b><br><br>Investigating L.A. Care's process for removing access for non-current Contingent Workers. (1630)   | 12/18/2024    | Human Resources                               | There is an off-boarding process for Contingent Workers (CW). The business units are to utilize the Human Resources Portal to open a request for off-boarding Contingent Workers. | 2/11/2025       |
| <b>Memorandum of Understanding (MOU) Implementation Requirements</b><br><br>Investigating L.A.Care's resources in place to manage MOUs for contracts, policies, oversight and monitoring based on the 2024 DHCS Medical APL 23-029.(1547)  | 2/1/2024      | MediCal Products                              | The implementation of the Memorandum of Understanding (MOU) Information Hub will satisfy the website posting requirements as they become due for APL 23-029.                      | 3/10/2025       |
| <b>Independent Medical Review Forms - Appeals &amp; Grievances Medi-Cal Cases</b><br><br>An internal review was conducted to confirm the Independent Medical Review (IMR) form from Department of Managed Health Care (DMHC) as of January 2023 was included in the resolution of Medi-Cal beneficiaries Appeals & Grievances cases. Several templates were found to be non-compliant with regards to IMR form. (1506) | 10/20/2023    | Material Review. Appeals & Grievances         | The IMR. Configuration team reviewed and revised the templates to ensure required attachments are included in the final out of the letters.                                       | 2/11/2025       |

# Issues Inventory Update - Remediation

| Issues Name & Description  | Date Reported | Accountable Exec. / Business Unit             | Remediation Description  | Date Remediated |
|--|---------------|---|--|-----------------|
| <b>PCT System Enhancements for Regulatory Reports - Table 6</b><br><br>A&G needs to provide a list of enhancements to the PCT IT system for L.A. Care to better comply with regulatory reporting requests. (1466)                          | 6/1/2023      | Appeal & Grievances; IT                       | The PCT system enhancements were completed to ensure ODAG/CDAG data Table 6 have the reporting requirements. - | 1/27/2025       |
| <b>PCT System Enhancements for Regulatory Reports - Table 4</b><br><br>A&G needs to provide a list of enhancements to the PCT IT system for L.A. Care to better comply with regulatory reporting requests. (1465)                          | 6/1/2023      | Appeal & Grievances; IT                       | The PCT system enhancements were completed to ensure ODAG/CDAG data Table 4 have the reporting requirements. - | 1/27/2025       |
| <b>PCT System Enhancements for Regulatory Reports - Table 2</b><br><br>A&G needs to provide a list of enhancements to the PCT IT system for L.A. Care to better comply with regulatory reporting requests. (1461)                          | 5/1/2023      | Appeal & Grievances; IT                       | The PCT system enhancements were completed to ensure ODAG/CDAG data Table 2 have the reporting requirements. - | 1/27/2025       |
| <b>Members Transitioning Fee-For-Service (FFS) to Managed Care (MC) Primary Care Provider (PCP) Matching</b><br><br>Assigning the correct member's PCP selection based on the NPI number on the HealthCare Organization (HCO) form. (1433) | 4/14/2023     | Enrollment; Aurora Cabellon; Dwayne Broussard | PCP matching based on NPI on HCO form (per pasted image) has been resolved.                                    | 1/31/2025       |

# Issues Inventory - Closed to Inventory

| Issues Name & Description  | Date Reported | Accountable Exec. / Business Unit | Remediation Description   | Date Remediated |
|--|---------------|-----------------------------------|---|-----------------|
| <b>ATMOS VPN Connectivity Issue</b><br><br>L.A. Care is currently experiencing a major connectivity issue with ATMOS VPN. (1653)   | 3/11/2025     | IT                                | The vendor has confirmed the resolution of the global connectivity issue.   | 3/21/2025       |
| <b>Annual Network Certification Audit - 2023</b><br><br>DHCS issued two pass with condition findings for 2023 Annual Network Certification Audit 1. PCP(Pediatric) Time/Distance and 2. Alternative Access Standards (AAS) Requests.(1619)   | 10/29/2024    | Regulatory Affairs                | The CAP was closed by DHCS and no further action is needed.   | 2/21/2025       |
| <b>Compliance Program Effectiveness Mock Audit 2023</b><br><br>L.A. Care conducted a mock Compliance Program Effectiveness audit in 2023 assessed findings for Distribution of Compliance Policies and Procedures and Standards of Conduct and Related to internal reporting of potential noncompliance and FWA issues. (1618) | 10/29/2024    | Regulatory Affairs                | The 2023 CPE audit is closed, and no further action is needed.  | 1/27/2025       |
| <b>Integrated Plan Coverage Decision Letter</b><br><br>L.A. Care is at risk of not meeting the 1/1/2025 implementation of the Integrated Plan Coverage Decision Letter. (1616)   | 10/24/2024    | Compliance Material Review        | The 2025 Coverage Decision letter was successfully implemented and went live on 1/1/25; therefore, the CMS mandated deadline was met. | 1/21/2025       |

# Issues Inventory - Closed to Inventory

| Issues Name & Description   | Date Reported | Accountable Exec. / Business Unit | Remediation Description   | Date Remediated |
|---|---------------|-----------------------------------|---|-----------------|
| <b>2024 DHCS Medical Audit –Member Grievance System and Oversight (4.1.6)</b><br>The Plan did not ensure that members' written consent was obtained for authorized representation when a grievance was filed on a member's behalf. Repeat Finding: 2023 DHCS Audit Finding 4.1.5. (1603)  | 6/24/2024     | Regulatory Affairs                | This issue is closed to inventory because DHCS provided L.A. Care with the Potential Preliminary Findings for the 2024 Medical Audit. | 1/7/2025        |
| <b>2024 DHCS Medical Audit –Member Grievance System and Oversight (4.1.5)</b><br>The Plan did not send grievance resolution letters with clear and concise explanation of the Plan's decisions to members. Repeat Finding: 2023 DHCS Audit Finding 4.1.4. (1602)  | 6/24/2024     | Regulatory Affairs                | This issue is closed to inventory because DHCS provided L.A. Care with the Potential Preliminary Findings for the 2024 Medical Audit. | 1/7/2025        |
| <b>2024 DHCS Medical Audit –Member Grievance System and Oversight (4.1.4)</b><br>The Plan did not resolve the members' QOC grievances within 30 days of receipt of the grievance. Repeat Finding: 2023 DHCS Audit Finding 4.1.3. (1601)   | 6/24/2024     | Regulatory Audits                 | This issue is closed to inventory because DHCS provided L.A. Care with the Potential Preliminary Findings for the 2024 Medical Audit. | 1/7/2025        |
| <b>2024 DHCS Medical Audit –Member Grievance System and Oversight (4.1.3)</b><br>The Plan did not ensure that QOC grievances were immediately submitted to the Plan's Medical Director for action. Repeat Finding: 2023 DHCS Audit Finding 4.1.2. (1600)  | 6/24/2024     | Regulatory Audits                 | This issue is closed to inventory because DHCS provided L.A. Care with the Potential Preliminary Findings for the 2024 Medical Audit. | 1/7/2025        |
| <b>2024 DHCS Medical Audit –Initial Health Assessment (IHA) (2.1.D.3)</b><br>The Plan did not ensure the provision of Blood Lead Screening (BLS) tests to child members at ages one and two; and did not document the reason for not performing a BLS test in the child's medical record. Repeat Finding: 2023 DHCS Audit Finding 2.1.3. (1597) | 6/24/2024     | Regulatory Audits                 | This issue is closed to inventory because DHCS provided L.A. Care with the Potential Preliminary Findings for the 2024 Medical Audit. | 1/7/2025        |

# Issues Inventory - Closed to Inventory

| Issues Name & Description   | Date Reported | Accountable Exec. / Business Unit | Remediation Description   | Date Remediated |
|---|---------------|-----------------------------------|---|-----------------|
| <b>2024 DHCS Medical Audit –Initial Health Assessment (IHA) (2.1.D.2)</b><br><br>The Plan did not ensure Anticipatory Guidance for Lead Exposure was provided to parents or guardians of age-appropriate members. Repeat Finding: 2023 DHCS Audit Finding 2.1.2. (1596) | 6/24/2024     | Regulatory Audits                 | This issue is closed to inventory because DHCS provided L.A. Care with the Potential Preliminary Findings for the 2024 Medical Audit. | 1/7/2025        |
| <b>2024 DHCS Medical Audit - Encounter Data (6.3)</b><br><br>Claims and encounter code were not accurate and correct billed codes were not always used. Plan did not include required modifiers. (1592)   | 6/24/2024     | Regulatory Audits                 | This issue is closed to inventory because DHCS provided L.A. Care with the Potential Preliminary Findings for the 2024 Medical Audit. | 1/7/2025        |
| <b>2024 DHCS Medical Audit -Provider Qualifications (5.3)</b><br><br>The Plan did not train newly contracted providers within ten working days after being placed on active status. Repeat Finding: 2023 DHCS Audit Finding 5.3.1. (1590)                               | 6/24/2024     | Regulatory Audits                 | This issue is closed to inventory because DHCS provided L.A. Care with the Potential Preliminary Findings for the 2024 Medical Audit. | 1/7/2025        |
| <b>2024 DHCS Medical Audit -Member Grievance System and Oversight (4.1.1)</b><br><br>The Plan did not properly classify Quality of Care (QOC) or Quality of Service (QOS) grievances. Repeat Finding: 2023 DHCS Audit Finding 4.1.1. (1589)                             | 6/24/2024     | Regulatory Audits                 | This issue is closed to inventory because DHCS provided L.A. Care with the Potential Preliminary Findings for the 2024 Medical Audit. | 1/7/2025        |



# Issues Inventory - Closed to Inventory

| Issues Name & Description   | Date Reported | Accountable Exec. / Business Unit | Remediation Description   | Date Remediated |
|---|---------------|-----------------------------------|---|-----------------|
| <b>2024 DHCS Medical Audit - Non-Emergency, Non-Medical Transportation Services (3.8.1)</b><br><br>Plan did not have or collect PCS form for Post service urgent transportation requests in several of the samples provided (5 exceptions). (1588)                                  | 6/24/2024     | Regulatory Audits                 | This issue is closed to inventory because DHCS provided L.A. Care with the Potential Preliminary Findings for the 2024 Medical Audit. | 1/7/2025        |
| <b>2024 DHCS Medical Audit - Delegated Utilization Management (UM) Activities (1.5.1)</b><br><br>The Plan did not ensure that one of its delegated entities (DHS), complied with all UM and prior authorization requirements. Repeat Finding: 2023 DHCS Audit Finding 1.5.1. (1586) | 6/24/2024     | Regulatory Audits                 | This issue is closed to inventory because DHCS provided L.A. Care with the Potential Preliminary Findings for the 2024 Medical Audit. | 1/7/2025        |
| <b>2024 DHCS Medical Audit - Appeals Procedures (1.3)</b><br><br>The Plan did not ensure that it obtained members' written consent for authorized representation to file appeals on their behalf. Repeat Finding: 2023 DHCS Audit Finding 1.3.1. (1585)                             | 6/24/2024     | Regulatory Audits                 | This issue is closed to inventory because DHCS provided L.A. Care with the Potential Preliminary Findings for the 2024 Medical Audit. | 1/7/2025        |
| <b>2024 DHCS Medical Audit - Referral Tracking System (1.1.B)</b><br><br>The Plan did not track and monitor specialty referrals requiring prior authorization through the Plan. Repeat Finding: 2023 DHCS Audit Finding 1.1.2. (1583)   | 6/24/2024     | Regulatory Audits                 | This issue is closed to inventory because DHCS provided L.A. Care with the Potential Preliminary Findings for the 2024 Medical Audit. | 1/7/2025        |

# Issues Inventory - Tracking Only

| Issues Name & Description  | Date Reported | Accountable Exec. / Business Unit                    |
|--|---------------|--|
| <b>Unreceived Encounter Data from Human Services Association (HSA)</b><br><br>L.A. Care is investigating how to obtain encounter data from HSA for June - December 2021. (1652)  | 3/17/2025     | Healthcare Analytics                                 |
| <b>Non-Compliance DMHC Timely Access Report (TAR) Filling Out of Network Report</b><br><br>L.A.Care is investigating the accountable business area to confirm the accuracy for identifying out of network providers or their correct specialty data in the TAR report. (1651)                            | 3/20/2025     | Provider Data Management; Provider Data Services: IT |
| <b>B1 Newborn Gateway Auto Assigning</b><br><br>L.A. Care is requesting DHCS to provide additional information to ensure newborns are enrolled in the correct L.A. Care or Plan Partners plan. B1 (refers to Health Care Plan (HCP) enrollment status code we receive from DHCS via the 834 file. (1650) | 2/13/2025     | Enrollment; MediCal Products; Regulatory Affairs.    |
| <b>Department of HealthCare Services (DHCS) Offshoring Mandate</b><br><br>Planning and Investigating the impact to L.A. Care for the DHCS' Offshore Mandate.(1649)   | 2/13/2025     | Compliance Regulatory & Privacy                      |
| <b>PIH Health Cyberattack</b><br><br>On December 1, 2024, PIH Health was the victim of a ransomware attack compromising their network and impacting operations at local hospitals, urgent care centers, doctors' offices, and home health/hospice agency. (1647)   | 1/22/2025     | Delegation Oversight Monitoring                      |

## BOARD REPORT EXECUTIVE SUMMARY

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**Report Title:** *Enterprise Risk Assessment – Management Action Plans (MAPs) Update*

**Date:** 05/08/2025

**Prepared By:** Dominic Simonton, Director, Enterprise Risk Management

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### 1. Purpose of the Report

To provide the Board with an update on the mitigation status of enterprise risks rated “Very High” in the 2025 assessment cycle, with a focus on regulatory implementation and data integrity action plans. We have 7 high risk items which are all on track.

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### 2. Background / Context

- Update on 2024/2025 enterprise risks with focus on Regulatory Implementation, Data Integrity, and BC/DR.
  - Review of MAP progress, current risk levels, and mitigation status.
  - Highlights alignment with compliance, audit readiness, and operational priorities.
- 

### 3. Key Considerations / Analysis

- The risk that L.A. Care may not have sufficient systems, processes or contingency plans in place to ensure operational continuity during a

catastrophic event, which could severely disrupt the delivery of critical products and services to members has been reduced to manageable levels.

- Failure to mitigate high-priority enterprise risks such as regulatory implementation and data integrity may result in operational delays, regulatory non-compliance, audit findings, or compromised member data protection.

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#### **4. Recommended Action / Decision Requested**

*For Information Only*

**Board Action Needed:**

- ☒ For Information Only  
☐ For Discussion  
☐ For Approval / Decision (specify below)

**Proposed Motion (if applicable):** N/A

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#### **5. Next Steps / Timeline**

- No immediate action from the Board is required.

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**Attachments / Supporting Materials:**

*See presentation slides*

# SUMMARY: Enterprise Risk Assessment

## Management Action Plans (MAPs)

**Presenter:** Dominic Simonton, Director - Enterprise Risk Management

**Key Takeaway:** The risk that L.A. Care may not have sufficient systems, processes or contingency plans in place to ensure operational continuity during a catastrophic event, which could severely disrupt the delivery of critical products and services to members has been reduced to manageable levels.

**Key Objective:** To provide the Board with an update on the mitigation status of enterprise risks rated “Very High” in the 2025 assessment cycle, with a focus on regulatory implementation and data integrity action plans. We have 7 high risk items which are all on track.

**Risk Statement:** Failure to mitigate high-priority enterprise risks such as regulatory implementation and data integrity may result in operational delays, regulatory non-compliance, audit findings, or compromised member data protection.

### Risk Rating:

- **Impact:** High
- **Likelihood:** High
- Is this in response to regulatory corrective action: **N**
- Is this in response to compliance, risk assessment, or internal audit corrective action plan: **Y**

### Supporting Details:

- Update on 2024/2025 enterprise risks with focus on Regulatory Implementation, Data Integrity, and BC/DR.
- Review of MAP progress, current risk levels, and mitigation status.
- Highlights alignment with compliance, audit readiness, and operational priorities.

# Risk Management Update

Presenter(s): Dominic Simonton Director, Enterprise Risk Management

## Risk Mitigation Plan Status Key

Off Track

Delayed

On  
Track

Validating

Mitigation In Place

| Risk Year | Risk Title                               | Risk Mitigation Plan Status | Inherent Risk | Residual Risk                                    | Comments  |
|-----------|--|-----------------------------|---------------|--|---|
| 2024      | Health Risk Reassessment (HRA)           | On Track                    | Very High     | <b>Very High (based on 2024 Risk Assessment)</b> | The majority of mitigations have been completed. Internal Audit has completed an initial validation.  |
| 2024/2025 | Financial Risk - Encounters              | On Track                    | Very High     | <b>Very High (based on 2025 ERA)</b>             | Some mitigations have been completed. Several items on track. Encounters will continue to be a top risk for the company in 2025.                |
| 2024/2025 | Regulatory Compliance Risk - Oversight   | On Track                    | Very High     | <b>High (based on 2025 ERA)</b>                  | Some mitigations have been completed. An initial validation audit has been performed and a follow up is in process. Remains a top risk in 2025. |
| 2024/2025 | Risk Exposure From Delegates             | On Track                    | Very High     | <b>High (based on 2025 ERA)</b>                  | Some mitigations have been completed. Additional mitigations planned for 2025. IA validation is in progress. Remains a top risk in 2025.        |
| 2024      | Dual Special Needs Plan (DSNP) Oversight | On Track                    | Very High     | <b>High</b>                                      | Several mitigations have been completed. Internal Audit   |

# Risk Management Update

Presenter(s): Dominic Simonton, Director, Enterprise Risk Management

Risk Mitigation Plan Status Key

Off Track

Delayed

On  
Track

Validating

Mitigation In Place

| Risk Year | Risk Title        | Risk Mitigation Plan Status | Inherent Risk | Residual Risk Level           | Comments   |
|-----------|-------------------|-----------------------------|---------------|-------------------------------|--|
| 2024      | Talent Management | On Track                    | Very High     | Medium<br>(Based on 2025 ERA) | Mitigations in progress for 2025. Initial assessment performed by Internal Audit                           |
| 2024      | Vendor Management | On Track                    | Very High     | Medium<br>(based on 2025 ERA) | Some mitigations have been completed. A pre-implementation assessment has been performed by Internal Audit |

# Health Risk Assessment (HRA)

 Mitigation in Place




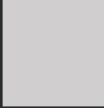

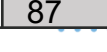
 Validating

 Not Started

 In Progress

 Behind Schedule
**Executive Owner:** Sameer Amin**Risk Owner:** Amanda Asmus**Inherent Risk:** Very High**Residual Risk:** Very High

| Key Drivers   | Implications   |
|---|--|
| <ul style="list-style-type: none"> <li>Staffing Shortages (e.g., not enough nurses or care coordinators to complete HRAs)</li> <li>Inefficient Workflows and Processes (manual tracking, bottlenecks in scheduling or follow-up)</li> <li>Inadequate Training (staff unclear on timelines, documentation, or prioritization of high-risk enrollees)</li> <li>Technology Limitations (lack of automated systems to track HRA completion and deadlines)</li> <li>Member Engagement Challenges (difficulty contacting members or securing participation)</li> <li>High Volume of New Enrollees (spikes that overwhelm operational capacity)</li> <li>Lack of Performance Monitoring (no dashboards or KPIs tracking timeliness)</li> </ul> | <ul style="list-style-type: none"> <li>Delayed Care for High-Risk Enrollees (leading to poorer health outcomes)</li> <li>Regulatory Violations and Sanctions (e.g., CMS or state-imposed corrective actions or penalties)</li> <li>Reduced Quality Ratings (impacting Star Ratings, HEDIS scores, accreditation status)</li> <li>Financial Penalties (loss of incentive payments or capitation adjustments)</li> <li>Increased Medical Costs (due to unmanaged conditions escalating into costly interventions)</li> </ul> |
| Key Takeaways   |  |
| <ul style="list-style-type: none"> <li>Failure to complete Health Risk Assessments timely may delay critical care interventions for vulnerable enrollees and expose L.A. Care to regulatory penalties, reputational damage, and increase healthcare costs.</li> </ul>   |  |

| Risk Mitigation Efforts in Process  | Due Date   | Status  |
|---|--|---|
| New reports to better track MCLA HRA outreach activities are in-progress to ensure ongoing compliance. Ad-hoc interim reporting is currently in place to support oversight.   | June 2025  |    |
| Risk Mitigation Efforts Completed   | Benefits   | Status  |
| MCLA HRA Operational reports expanded to capture new MCLA Populations. Completed; report is being used to track HRA outreach.   | Reports will provide tracking of all 1) outreach attempts and 2) completion for HRAs, to meet MCLA PHM requirements. |    |
| DSNP HRA Operational reports expanded to capture new DSNP line of business. Completed; DSNP initial HRA has reached near 100% compliance in 2024.   | Reports will provide tracking of all 1) outreach attempts and 2) completion of HRAs, for DSNP compliance.            |    |
| CMC-era Operational Reports and ad-hoc reports: Care Management and EvenMORE teams have been relying on ad-hoc reports and workarounds based on old reports to manually track DSNP HRA outreach and completion. Legacy reports have been phased out now that DSNP reports are operational | Compliance with DSNP HRA requirements through manual workarounds.  |    |
| DHCS High Risk populations configured into iPro reports in accordance with DHCS revisions.  | HRA outreach and completion for MCLA members meeting DHCS High Risk criteria.  |    |
| In July 2024, it was identified that L.A. Care was behind on outreaching MCLA members who require an HRA (DHCS High Risk populations). EvenMORE has obtained temporary staffing to remediate outreach efforts and close the gap by 1/10/2025.   | Improved staffing levels to meet workload.   |  |



# Financial Risk - Encounters

**Executive Owner:** Afzal Shah

**Risk Owner:** Loren Maddy

**New Information for May 25' C&Q**

**Inherent Risk:** Very High

**Residual Risk:** Very High

| Key Drivers  | Implications  |
|--|---|
| <ul style="list-style-type: none"> <li>Data Integrity Issues (errors, omissions, or inconsistent coding by providers)</li> <li>Inefficient Data Collection Processes (manual reporting, lack of automation)</li> <li>System Limitations or Integration Problems (incompatible EMRs, data warehouses, or reporting tools)</li> <li>Vendor or Delegated Entity Performance Problems (poor third-party data submission quality or timeliness)</li> <li>Inadequate Internal QA/QC Review Processes (no effective validation of encounter files before submission)</li> <li>Staffing Shortages or Skill Gaps (lack of experienced data analysts, coders, or compliance staff)</li> <li>Frequent Regulatory Changes (new formats or requirements not quickly implemented)</li> <li>Delayed Provider Submissions (providers submitting claims/encounters late)</li> </ul> | <ul style="list-style-type: none"> <li>Regulatory Non-Compliance (resulting in fines, corrective action plans, or sanctions)</li> <li>Financial Penalties or Funding Reductions (especially in risk-adjusted payment models like Medicare Advantage)</li> <li>Inaccurate Risk Adjustment Scores (leading to underpayment for high-risk populations)</li> <li>Audit Findings and Increased Oversight (including CMS or state audits and monitoring)</li> <li>Increased Administrative Burden (to correct, resubmit, or defend encounter data)</li> </ul> |

## Key Takeaways

- Failure to timely submit complete and accurate encounter data could result in regulatory sanctions, financial penalties, degraded quality scores and reduced trust with regulators and stakeholders.

| Risk Mitigation Efforts in Process   | Due Date   | Status |
|--|--|--------|
| Staffing Analysis and Enhancements – In order to expand efforts to monitor encounter submissions at the PPG level, as well as investigate issues that arise with their submissions, <a href="#">2025 budget includes two (2) additional analysts starting in March 2025</a> . <a href="#">Offers have been accepted for the final two (2) positions, with the final team member starting on 5/5/25</a> . | 5/2025   |        |
| Development of Encounter KPIs – Based on recommendations from AArete consulting, new KPI's have been defined and are under development. Due to extended period to recruit and train dedicated analytics team, these KPIs should now be available by the end of Q2 2025   | 6/2025   |        |
| <a href="#">Encounter Data Validation (Short Term) – Engage with third party vendor (Advize) to audit a sample of Prop 56 payments and validate that the payment-eligible CPT codes are supported by a valid medical record. This project is specific to the CAP for finding 6.3.1 from the DHCS 2024 Medical Audit</a>  | 9/2025   |        |
| <a href="#">Encounter Data Validation (Long Term) – In order to validate that information on encounter data records submitted to regulators is supported by a valid medical record, LAC needs to establish an on-going EDV process to sample, audit and escalate findings to ensure LAC is compliant.</a>  | 12/2025  |        |
| Risk Mitigations Efforts Completed   | Benefits   | Status |
| Establish an Encounter Data Governance Committee   | <a href="#">Improved Data Governance</a>   |        |
| PPG Outreach – Analysts have been assigned to reach out to our largest PPGs to assist with their submissions and error correction. This is a newly established function as previous monitoring was done at the submitter level.  | <a href="#">Real time support and error correction; improved oversight; increases submission accuracy &amp; completeness;; fewer rejections and rework; and audit readiness.</a> |        |

# Regulatory Compliance Risk Oversight

New Information for May 25' C&Q

**Executive Owner:** Todd Gower **Risk Owner:** Miguel Varela

| Key Drivers  | Implications   |
|--|--|
| <ul style="list-style-type: none"> <li>Resource constraints (staffing, budget, training)</li> <li>Ineffective governance structures</li> <li>Fragmented and siloed data systems</li> <li>Lack of operational readiness and testing</li> <li>Frequent organizational or regulatory changes</li> <li>Competing organizational priorities</li> <li>Technology limitations (manual processes)</li> <li>Poor documentation and recordkeeping practices</li> </ul>   | <ul style="list-style-type: none"> <li>Regulatory fines and sanctions</li> <li>Accreditation risks (e.g., NCQA, CMS)</li> <li>Operational disruptions during audits</li> <li>Increased audit findings and CAPs</li> <li>Increased regulatory oversight and scrutiny</li> <li>Erosion of stakeholder and member trust</li> <li>Financial impact (penalties, remediation costs)</li> </ul> |
| Key Takeaways  |  |
| <ul style="list-style-type: none"> <li>The overall risk is that the Compliance department is unable to properly oversee the organization's performance including operational performance monitoring, operational readiness, and audit readiness for all LOBs. This potentially puts L.A. Care in non-compliance status with our Regulatory bodies. With the development of the new team, it will help to add eyes on these potential compliance issues and will be able to help mitigate.</li> </ul> |  |

**Inherent Risk:** Very High

**Residual Risk:** High

| Risk Mitigation Efforts in Process  |   | Due Date | Status |
|---|---|----------|--------|
| CCM will be developing a separate team under the vertical to concentrate on Internal monitoring.  |   | May 2025 |        |
| CCM has hired a new manager for this new vertical who will be onboarded 3.10.2025. In addition, 3 Compliance Advisor Its will be hired on by May 2025. This team will likely need to be expanded later in the year to be able to cover the potential volume of work.  |   | May 2025 |        |
| The new Internal Monitoring vertical should be fully staffed by 6.1.2025. Once staffed they will be able to support Compliance in review any survey generated CAPs as well as following up with BU identified deficiencies. This work will be tracked and reported on a monthly bases to our Internal Compliance Committee (ICC). |   | 6/2025   |        |
| Risk Mitigations Efforts Completed  | Benefits  | Status   |        |
| Corporate Compliance Monitoring has established Key Performance Indicators (KPIs) to measure L.A. Care's Business Units (BUs) on a monthly basis.   | Results shared with BUs to mitigate any non-compliance. |          |        |
| Corporate Compliance Monitoring (CCM) is currently reviewing any key deficiencies that are brought to their attention.  | CAP initiated as applicable and investigated.           |          |        |
| CCM currently monitors monthly KPIs to ensure that BUs are following regulatory standards.  | Continuous Monitoring.                                  |          |        |
| CCM investigates key regulatory issues that are identified through the Regulatory Compliance team.  | Supports Effective Risk Management.                     |          |        |

# Risk Exposure From Delegates

New Information for May 25' C&Q

**Executive Owner:** Todd Gower **Risk Owner:** Albert Aguilar

**Inherent Risk:** Very High

**Residual Risk:** High

| Key Drivers  | Implications   | Risk Mitigation Efforts in Process   |  | Due Date | Status |
|--|--|--|--|----------|--------|
| <ul style="list-style-type: none"><li>•Lack of clear policies, procedures, and monitoring plans for delegation oversight.</li><li>•Insufficient staffing, expertise, or funding to monitor delegated entities (DEs) effectively.</li><li>•Weak or unclear delegation agreements regarding performance standards, reporting requirements, and compliance expectations.</li><li>•Delayed or inconsistent follow-up when issues are identified with a delegate.</li><li>•Delegates not providing required data (e.g., appeals, grievances, clinical performance) on time or L.A. Care not reviewing it promptly.</li><li>•Delegates do not fully understand regulatory requirements or L.A. Care’s expectations.</li><li>•Frequent changes in state and federal requirements for delegated functions (e.g., utilization management, claims processing, grievances).</li><li>•Limited collaboration between L.A. Care’s Compliance, Legal, Operations, and Delegation Oversight Teams.</li></ul> | <ul style="list-style-type: none"><li>•Member dissatisfaction and burden on internal resources to resolve issues.</li><li>•Delayed or inappropriate care management decisions by delegates.</li><li>•Risk of Corrective Action Plans (CAPs), fines, or penalties from DMHC, CMS, or DHCS.</li><li>•Need to sever relationships with non-compliant delegates or face regulatory actions.</li><li>•Associated with non-compliance and poor member satisfaction outcomes.</li><li>•Loss of trust with regulators, providers, and members.</li><li>•Resources diverted to remediation, re-audits, and corrective actions</li></ul> | <ul style="list-style-type: none"><li>• Implement a Governance, Risk, and Compliance (GRC) tool as a centralized platform for tracking delegate risks and mitigation efforts.</li><li>•Current 3rd party risk management central repository for delegate activities is 70% complete and undergoing testing and will be complete by July 2025.</li><li>• Other modules are under development such as Issue and CAP management that will further mature how we track delegate risk mitigation efforts.</li></ul> | 7/2025   |          |        |
|  |  | <ul style="list-style-type: none"><li>•Socialize DO RACI Assessment results with SLT and align on the future state of Delegation Oversight by the end of June 2025.</li><li>• DO RACI Assessment results Were socialized with SLT during the April 2025 Executive Delegate Oversight Committee comprised of the majority of SLT members.</li></ul>   | 6/2025   |          |        |
|  |  | <ul style="list-style-type: none"><li>•Develop a smartsheet tracker to identify potential performance trends based on CAP information and NONC information.</li><li>•The CAP template has been developed and is expected to be shared with the Delegation Oversight members by end of June 2025.</li></ul>   | 6/2025   |          |        |
| Key Takeaways/Metrics  |  | Risk Mitigations Efforts Completed   | Benefits   | Status   |        |
| <ul style="list-style-type: none"><li>• Alignment &amp; Cultural Shift: Implementing a multiyear strategic change requires ongoing alignment across SLTs and a shift in organizational culture toward proactive risk management.</li><li>• Scalability of Oversight: The complexity and volume of Delegation Oversight activities continue to grow, necessitating scalable solutions such as AI-driven monitoring and a centralized GRC tool.</li><li>• Data Integration &amp; Transparency: Ensuring seamless coordination across business units and systematically tracking risk indicators remains a challenge, reinforcing the need for a unified source of truth.</li><li>• Delegate Engagement &amp; Compliance: Balancing regulatory compliance with effective delegate relationships requires continuous refinement of oversight processes and feedback mechanisms.</li></ul>  |  | Enhance Delegation Oversight Committee structure to focus on high-risk issues and improve cross-functional collaboration.  | Expectation setting & accountability                                 |          |        |
|  |  | Conduct a delegate survey to assess oversight experience and identify improvement opportunities.   | Improved Delegate engagement and identify improvement opportunities. |          |        |

# Dual Special Needs Plan (DSNP) Oversight

New Information for May 25' C&Q

**Executive Owner:** Todd Gower

**Risk Owner:** Miguel Varela

**Inherent Risk:** Very High

**Residual Risk:** High

| Key Drivers  |  | Implications   | Risk Mitigation Efforts in Process  |  | Due Date   | Status      |
|--|--|--|---|--|--|-------------|
| <ul style="list-style-type: none"> <li>Delayed or Incomplete Internal Readiness Assessments:                             <ul style="list-style-type: none"> <li>Lack of a structured approach to assess compliance across departments and delegates.</li> </ul> </li> <li>Insufficient Resources for Program Oversight:                             <ul style="list-style-type: none"> <li>Limited staffing, expertise, or tools dedicated to DSNP implementation monitoring.</li> </ul> </li> <li>Poor Delegate Onboarding or Oversight:                             <ul style="list-style-type: none"> <li>Delegated entities may not have received clear DSNP program guidance or expectations.</li> </ul> </li> <li>Complexity of CMS DSNP Requirements:                             <ul style="list-style-type: none"> <li>Multiple layers of compliance involving Medicare, Medicaid, care coordination, and member communication.</li> </ul> </li> <li>Lack of a Centralized Monitoring Framework:                             <ul style="list-style-type: none"> <li>Fragmented efforts across departments without an enterprise-wide view.</li> </ul> </li> </ul> |  | <ul style="list-style-type: none"> <li>High Risk of CMS Audit Findings or Sanctions:                             <ul style="list-style-type: none"> <li>Failure to demonstrate compliance may result in Civil Monetary Penalties (CMPs) or Corrective Action Plans (CAPs).</li> </ul> </li> <li>Member Harm and Service Disruptions:                             <ul style="list-style-type: none"> <li>Poor care coordination or benefit delivery to dual-eligible members (some of the most vulnerable).</li> </ul> </li> <li>Reputational Damage with Regulators and Members:                             <ul style="list-style-type: none"> <li>Especially concerning given CMS's public audit findings and star rating implications.</li> </ul> </li> <li>Program Suspension or Enrollment Freezes:                             <ul style="list-style-type: none"> <li>CMS may freeze DSNP enrollment or restrict L.A. Care Care from expanding its footprint.</li> </ul> </li> <li>Increased Internal and Remediation Costs:                             <ul style="list-style-type: none"> <li>High administrative burden to respond to audits and implement corrective actions.</li> </ul> </li> </ul> | Development of DSNP KPI – Identify, create, and implement Key Performance Indicators (KPIs) related to DSNP metrics. <i>Six of eight metrics are complete and in production. One metrics is in testing, one requires completion of new UM system.</i>   |  | Q2/2025  | In Progress |
|  |  |  | Staffing Analysis and Enhancements – Compliance teams are conducting staffing analysis and requesting enhancements that will allow for this additional work. <i>Staffing analysis complete, in process to hire approved staff.</i>  |  | Q2/2025  |             |
| Key Takeaways/Metrics  |  |  | Risk Mitigations Efforts Completed  |  | Benefits   | Status      |
| <ul style="list-style-type: none"> <li>L.A. Care lacks a fully implemented monitoring program for its DSNP internal operations and delegated entities.</li> <li>There is uncertainty regarding compliance with CMS requirements for DSNP.</li> <li>L.A. Care is highly likely to be audited by CMS, increasing regulatory exposure</li> </ul>  |  |  | Establish a Compliance Delegation Oversight Committee – The Compliance Delegation Oversight team is standing up a three-tiered Committee structure that will allow for the ingestion of information from different L.A. Care Business areas completing Oversight activities. This centralization process will provide the oversight needed on the multiple activities happening within L.A. Care. |  | Improved collaboration and escalation of issues to respective committees | Not Started |
|  |  |  | Delegate Scorecards – the Delegation Oversight Monitoring team established a framework to gather and visualize compliance-related information for each of our delegates. These “baseball cards” will allow for a holistic analysis on the performance from each delegate  |  | Improved oversight and accountability                                    |             |

# Talent Management

## Timely Performance Management & Improve Recruitment Process

New Information for May 25' C&Q

Mitigation in Place
Validating
Not Started
In Progress
Behind Schedule

**Executive Owner:** Terry Brown

**Risk Owner:** Jyl Russell

**Inherent Risk:** Very High

**Residual Risk:** Medium

| Key Drivers  |  | Implications  | Risk Mitigation Efforts in Process |                                   | Due Date | Status |
|--|--|---|------------------------------------|-----------------------------------|----------|--------|
| <ul style="list-style-type: none"><li>• Key Talent Management (including Leadership)</li><li>• Organizational Structure<ul style="list-style-type: none"><li>• Span of Control (people &amp; processes)</li><li>• Siloed Organizations &amp; processes</li></ul></li><li>• Talent Acquisition</li><li>• Employee On-boarding</li><li>• Performance Management</li><li>• High Performing Organizational Reviews</li></ul> | <ul style="list-style-type: none"><li>• Personnel not aligned to Strategy</li><li>• Business Unit Misalignment</li><li>• Attrition/Retention of Key Employees</li><li>• Workforce Performance</li><li>• Skills aligned to role</li><li>• Lack of clear expectations and ownership of processes</li></ul> | <b>Complete Revisions of P&amp;P HR-214: Employee Conduct and Discipline:</b> <ul style="list-style-type: none"><li>• Review and approval process – Chief, Legal, Executive team</li><li>• Finalize documents and post to GRC Policy Manager</li><li>• Send for Employee Attestations</li></ul>   |                                    | Complete<br>Next revision: 9/2025 |          |        |
|  |  | <b>Updated Manager Training:</b> <ul style="list-style-type: none"><li>• Create training documentation (include policy and templates)</li><li>• Pilot training to select group</li><li>• Launch Training</li></ul>  |                                    | Next Training 5/2025              |          |        |
|  |  | <b>Address Hard To Fill Positions:</b><br>Create reporting for hard to fill positions (every other week)<br>Standardize Review for Talent Acquisition Advisors/Hiring Managers/HR Business Partners<br>Process for optimization of job postings, grades and department needs<br>Communicate all ongoing efforts to hiring managers<br>Ongoing review and appropriate improvements to process  |                                    | On-going                          |          |        |
|  |  | <b>Training for managers on L.A. Care's hiring process:</b> <ul style="list-style-type: none"><li>• Identify and document top issues that delay hiring process (e.g., candidates must meet the Basic Qualifications (BQs) ).</li><li>• Create plan to train managers on recruiting processes so that they may improve the cycle time of their portion of the process.</li><li>• Determine most effective delivery system</li><li>• Deliver training</li></ul> |                                    | Training scheduled for 5/21/2025  |          |        |
| Key Takeaways/Metrics  |  |   |                                    |                                   |          |        |
| <ul style="list-style-type: none"><li>• L.A. Care is like other health plans, with risks in recruiting and retaining skilled talent.</li><li>• L.A. Care's process can be perceived as cumbersome and may contain longer cycle times to recruit, promote, and receive approvals for hires.</li><li>• L.A. Care has difficulty in timely performance management of staff.</li></ul>                                       |  |   |                                    |                                   |          |        |
| Risk Mitigations Efforts Completed   |  | Benefits  | Status                             |                                   |          |        |
| Completed revisions to P&P HR-214 Employee Conduct and Discipline. Completed Feb 25'   |  | Expectation setting & accountability  |                                    |                                   |          |        |
| Completed updated Performance Management Training Pilot in Feb 25'   |  | Improved Timeliness and Performance Management measures   |                                    |                                   |          |        |

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# Vendor Management and Contracting Process

New Information for May 25' C&Q

**Executive Owner:** T. Gower / A. Shah

**Risk Owner:** Michael Sobetzko

**Inherent Risk:** Very High

**Residual Risk:** Medium

| Key Drivers   | Implications  |
|---|---|
| <ul style="list-style-type: none"> <li>Decentralized Vendor Oversight:                             <ul style="list-style-type: none"> <li>Different departments own different pieces of the vendor lifecycle (e.g., sourcing, contracting, performance), with limited coordination.</li> </ul> </li> <li>Complex and Manual Contracting Processes:                             <ul style="list-style-type: none"> <li>Excessive handoffs and unclear approval workflows delay execution and create accountability gaps.</li> </ul> </li> <li>Lack of a Designated Vendor Management Office (VMO):                             <ul style="list-style-type: none"> <li>No single team is responsible for monitoring vendor performance, compliance, and risk.</li> </ul> </li> <li>Inconsistent Contract Terms and Enforcement:                             <ul style="list-style-type: none"> <li>Variability in contract language and performance standards due to lack of centralized templates or review.</li> </ul> </li> <li>Limited Use of Technology for Vendor Oversight:                             <ul style="list-style-type: none"> <li>Absence of tools for tracking SLAs, risk assessments, renewal timelines, and issue resolution.</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>Increased Regulatory and Contractual Risk:                             <ul style="list-style-type: none"> <li>Inability to verify vendor compliance with contractual, regulatory, or data security requirements (e.g., HIPAA, CMS rules).</li> </ul> </li> <li>Delays in Service Delivery and Implementation:                             <ul style="list-style-type: none"> <li>Slow contracting and onboarding timelines may disrupt operations or delay critical initiatives.</li> </ul> </li> <li>Financial Waste and Value Leakage:                             <ul style="list-style-type: none"> <li>Without active oversight, vendors may underperform or charge for services that do not meet expectations.</li> </ul> </li> <li>Reputational Damage from Vendor Failures:                             <ul style="list-style-type: none"> <li>Third-party errors can impact member experience, care delivery, or public trust.</li> </ul> </li> <li>Inefficient Use of Internal Resources:                             <ul style="list-style-type: none"> <li>Employees may duplicate efforts or escalate avoidable vendor issues due to lack of centralized coordination.</li> </ul> </li> </ul> |

## Key Takeaways/Metrics

- L.A. Care lacks a centralized, cross-functional approach to third-party vendor oversight.
- Contracting processes are complex and fragmented, causing delays and inconsistent enforcement of vendor requirements.
- There is no clear owner accountable for ensuring vendors comply with contractual obligations.

| Risk Mitigation Efforts in Process  | Due Date   | Status |
|---|--|--------|
| Leadership review of the contracting process assessment. Evaluation of recommendations to understand what will be implemented | Q2/2025  |        |
| Procurement Council   | 12/2025  |        |
| Risk Mitigations Efforts Completed  | Benefits   | Status |
| End to End process currently being assessed with 3rd party consultant   | <ul style="list-style-type: none"> <li>Identification of process improvements.</li> </ul>  |        |
| Vendor Risk Management Committee (VRMC) Charter was approved at September Risk Committee                                      | <ul style="list-style-type: none"> <li>Improved Line of Sight to vendor performance and potential risks to L.A. Care</li> </ul>                                |        |
| Risk Management Process formalized – Vendor Risk Management Policy approval by Vendor Risk Management Committee in January    | <ul style="list-style-type: none"> <li>Improved due diligence, onboarding and performance monitoring.</li> <li>Clarifies roles and responsibilities</li> </ul> |        |



Mitigation in Place



Validating



Not Started



In Progress



Behind Schedule

## BOARD REPORT EXECUTIVE SUMMARY

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**Report Title:**

*Claims Integrity*

**Date:**

*05/08/2025*

**Prepared By:**

*Erik Chase, Sr. Director, Enterprise Shared Services-Claims Integrity*

---

### **1. Purpose of the Report**

*Demonstrating consistent adherence to compliance standards while highlighting areas of operational efficiency along with any gaps that signal opportunities for improvement.*

---

### **2. Background / Context**

*Providing transparent, data-driven insights into how Claims Integrity is performing against the following regulatory compliance standards.*

- Claims Processing Metrics
  - Claims Timeliness Compliance Metrics
  - PDR Timeliness Compliance Metrics
- 

### **3. Key Considerations / Analysis**

*Ensuring compliance with the following compliance standards.*

- 95% of claims processed within 30 calendar days

- 99% of claims processed within 90 calendar days
  - 95% of PDRs acknowledged within 15 working days
  - 95% of PDRs dispositioned within 45 working days
- 

#### **4. Recommended Action / Decision Requested**

*Informing the Board/C&Q Committee of the department's adherence to the above compliance standards.*

##### **Board Action Needed:**

X For Information Only

☐ For Discussion

☐ For Approval / Decision (specify below)

##### **Proposed Motion (if applicable):**

N/A

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#### **5. Next Steps / Timeline**

N/A

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##### **Attachments / Supporting Materials:**

*List any documents included with this summary.*



# SUMMARY: Claims Integrity

**Presenter:** Erik Chase, Sr. Director, Claims Integrity – Enterprise Shared Services

**Key Takeaway:** Demonstrating consistent adherence to compliance standards while highlighting areas of operational efficiency along with any gaps that signal opportunities for improvement.

**Key Objective:** Providing transparent, data-driven insights into how Claims Integrity is performing against regulatory compliance standards.

**Risk Statement:** Failure to consistently achieve compliance metrics may result in penalties and increased audit scrutiny.

**Risk Rating** (*inherent or residual impact and likelihood*):

- **Inherent | Residual impact:** Low
- **Likelihood of occurrence:** Low

Is this in response to regulatory corrective action: **N**

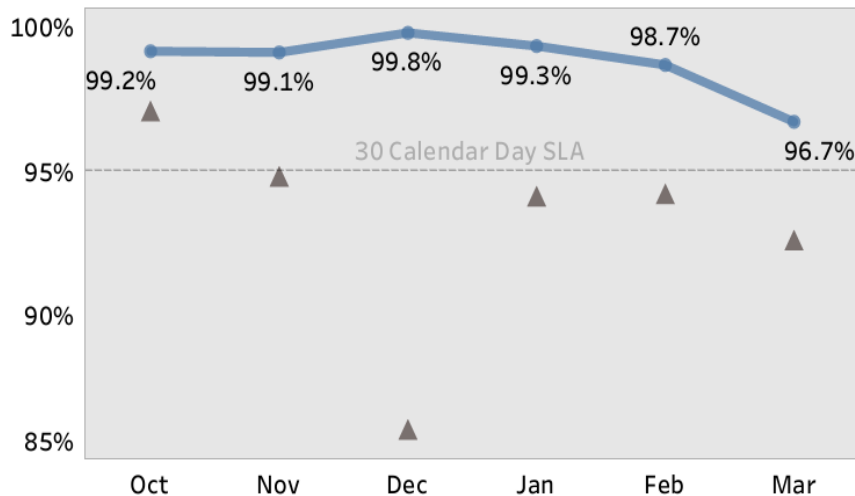
Is this in response to compliance or internal audit corrective action plan: **N**

**Supporting Details:**

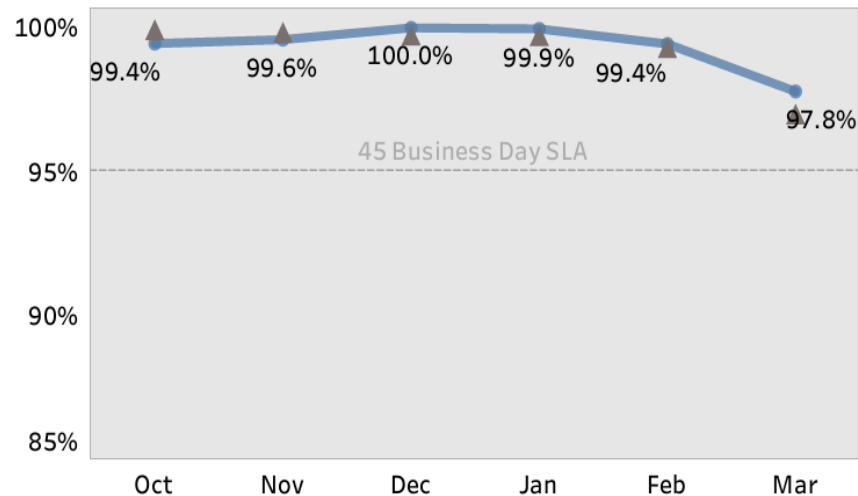
- Claims Processing Metrics
- Claims Timeliness Compliance Metrics
- PDR Timeliness Compliance Metrics

# Claims Integrity

% Processed within 30 Calendar Days **Oct-2024 to Mar-2025**

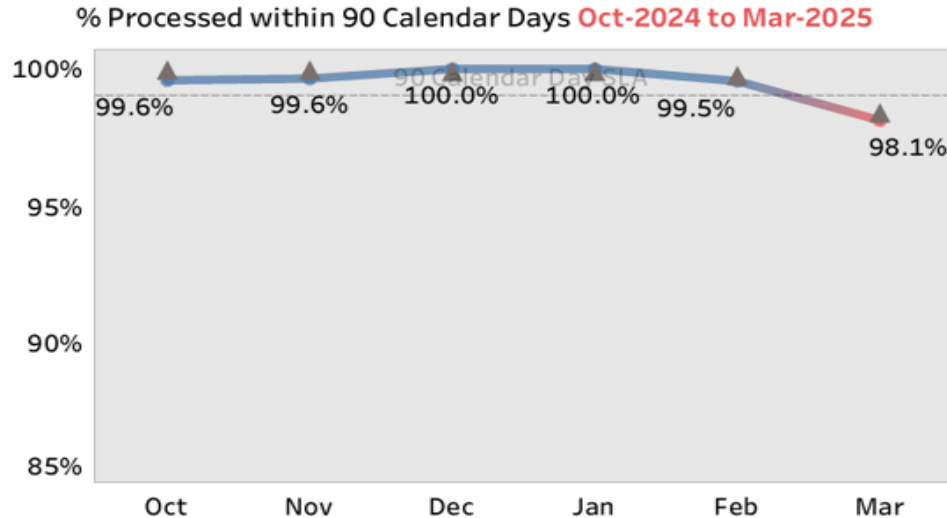


% Processed within 45 Business Days **Oct-2024 to Mar-2025**



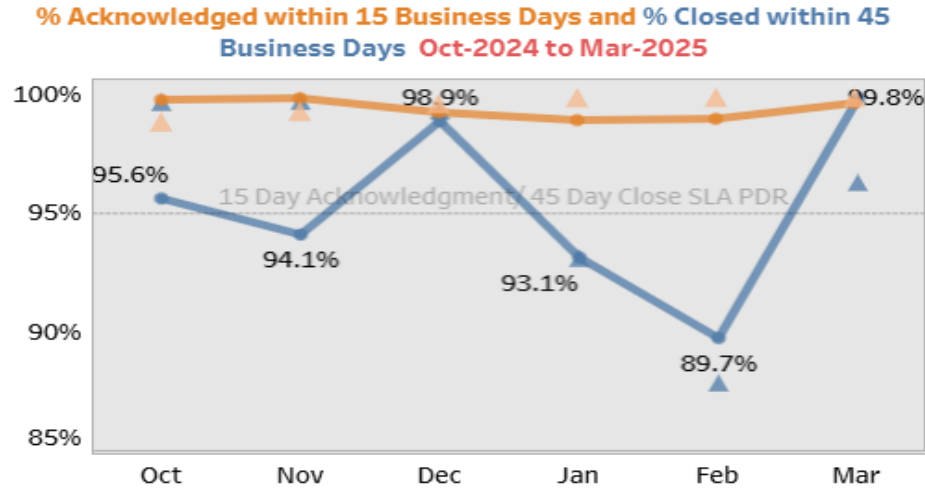
- Plan required to process 95% of clean claims within 30 calendars days
- Interest begins to accrue the first calendar day after the 45th working day

# Claims Integrity



- Plan required to process 99% of clean claims within 90 calendar days.
- *NOTE: Beginning January 01, 2026, Plan is required to process all claims within 30 calendar days.*
- Compliance Impact:
  - L.A. Care/Edefics Opportunity – Issue identified July 26, 2024, after an Edefics upgrade took place. The issue identified that claims were incorrectly rejecting before entering into the core system. Issue was resolved in February of 2025 and 72,690 claims were ingested into the core adjudication system over the last week of February and first week of March of 2025.

# Claims Integrity (PDR)



- Plan required to acknowledge 95% of PDRs received within 15 working days.
- Plan required to process (disposition) 95% of PDRs received within 45 working days.
- Compliance Impact:
  - Volume of SIU cases received.
  - Experienced delays in submitting the documentation (medical records, case notes, etc.) to Advize Healthcare
  - Misalignment on the TAT for PDR as compared to the TAT in the original agreement (SOW).

# Claims Integrity (Payment Integrity)

- **FY2025 SIU led recoveries**
  - 1QFY2025
    - SIU Leads - \$0.8M
    - SNF – reopened Payment Integrity monitoring, led to ~\$962K in overpayment identifications.
  - 2QFY2025
    - SIU Leads - \$1.0M
    - Acupuncture – configured acupuncture billing restrictions in QNXT to mitigate payment of incorrectly billed claims.
    - Hospice – configured ~15 hospice providers to deny payments for known false claim submissions.
- **Coordination of Benefits (Internalization)**
  - Team created to identify COB opportunities on claims for MCLA members
    - Recoveries YTD - \$398K
    - Overpayments In Process - \$304K
    - Team evaluating the addition of “commercial-to-commercial” claims into the internal process.
  - Leveraging DHCS Health Insurance System Database (HISDB)
    - Load the eligibility updates prior to receiving the updates from vendor.
    - Conservatively for FY 2025, we are estimating the following savings through March 2025
      - \$17.9M (straight line savings)
      - \$5.9M (vendor savings)
      - \$23.8M (total savings)

# Questions?



## BOARD REPORT EXECUTIVE SUMMARY

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**Report Title:**

*CMO Report*

**Date:**

*5/15/25*

**Prepared By:**

*Sameer Amin, Chief Medical Officer, Health Services*

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### 1. Purpose of the Report

*Chief Medical Officer Reporting*

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### 2. Background / Context

*Provide a high-level summary of relevant history, current status, and any context needed to understand the issue. Avoid jargon. Keep it brief (3–4 bullet points max).*

- **Utilization Management:** L.A Care successfully transitioned the program utilized to process authorization requests from Syntranet to QNXT on March 7th, 2025. Since the implementation, continued efforts to further enhance and streamline the system are occurring. The UM department has continued operational excellence from July 2024 through February of this year, with all compliance measures for timeliness of decisions and notifications consistently exceeding 95% across all lines of business.
- **NCQA Accreditation:** L.A. Care is NCQA Accredited for Medicaid, Medicare, and Exchange product lines. Accreditation is effective from 5/31/2024 through 10/24/2026. We are now taking the PASC-SEIU commercial product line through the First Survey Accreditation process, with plans to achieve accreditation by 2026.
- **Provider Quality Review:** Our performance for March 25 is 100%, and for FY 2024/2025, it is 99.9% for the timely processing of Potential Quality of Care Issues (PQIs) from when the team receives a case to closure within six months.
- **Quality Performance:** Overall, LACC is projected to continue performing at the 3.0 Star Rating level for MY2024 HEDIS domain performance is projected to increase from a 2.28 Star rating in MY2023 to a 2.56 Star rating in MY2024 (exceeding MY 2024 goal of 2.53). HEDIS measure improvements range from 3% to 11%, with an average

of 6%. After a strong MY 2024 performance year in which every HEDIS measure performed higher over 2023, every HEDIS measure for MY2025 continues performing significantly better YTD vs. last year.

---

### 3. Key Considerations / Analysis

*Summarize the most important data, findings, or considerations. Highlight risks, community impact, financial implications, or alignment with strategic goals (3–4 bullets max).*

- **Utilization Management:** We are continuing to work improve the new UM platform. Our current performance continues to be compliant, though reporting is not complete from April 2025. We are anticipating some transient decrease in performance during the implementation period.
  - **NCQA Accreditation:** We will be seeking NCQA accreditation for PASC-SEIU by 2026.
  - **Provider Quality Review:** Our PQI compliance has continued to be consistently superb throughout the first quarter of 2025.
  - **Quality Performance:** Quality measures for our Commercial, MCLA, and D-SNP line of business continue to improve.
- 

### 4. Recommended Action / Decision Requested

#### Board Action Needed:

☒ For Information Only

☐ For Discussion

☐ For Approval / Decision (specify below)

---

### 5. Next Steps / Timeline

*List next steps, timelines, or what happens if the Board acts or does not act.*

- Continued monitoring of compliance and quality performance. Anticipate another report in 1 month.
- 

### Attachments / Supporting Materials:

*Written CMO Report*



CMO Report: May 2025

# Health Services Division Update

Medical Management  
Community Health  
Pharmacy  
Quality Improvement

Sameer Amin, MD  
Chief Medical Officer

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## Medical Management

### Enhanced Care Management (ECM)

#### Enrollment

L.A. Care is working toward enrolling 30,000 members in ECM—representing 1% of our total Medi-Cal membership—in alignment with Department of Health Care Services (DHCS) requirements. In Calendar Year 2024, more than 28,000 members were enrolled in ECM.

As a result of targeted initiatives to improve awareness, streamline processes, and promote enrollment through the ECM incentive program, we have seen a significant increase in enrollment—a 74% increase between February 2024 and March 2025.

#### Contracting and Network

L.A. Care's ECM network now includes 89 contracted providers and 18 justice-involved providers. Interest in joining the network has increased, with over 75 current Letters of Interest. While further growth is expected in 2025, new contracts later this year will focus on addressing priority areas.

The L.A. Care ECM Clinical Team is currently conducting its third round of provider audits to ensure oversight of ECM requirements and address any clinical or operational gaps in provider programs. Insights from these audits have informed our monthly Provider Technical Assistance webinars, which now regularly draw over 600 participants. Our most recent session—"Building Better Care Plans"—had over 700 participants.

### Care Management for Dual Eligible Special Needs Plans (D-SNP)

#### Case Volumes

As of April 2025, a total of 1,271 members were assigned, representing approximately 4.83% of the entire D-SNP membership.

### Care Management for MCLA Members

- In March 2025, the L.A. Care CM team generated 621 MCLA CM cases and initiated outreach to offer care management support to members. Overall, 1,748 MCLA CM cases remained active, with members either engaged in the program or in ongoing outreach efforts.
- For Transitional Care Services (TCS), the L.A. Care team maintained a steady volume of high-risk TCS cases throughout the month. A total of 4,398 high-risk TCS cases were open in April, including 1,705 newly created cases.

## Utilization Management

### Timeliness of UM Decisions and Notifications

The UM department has continued operational excellence from July 2024 through February of this year, with all quantitative compliance measures for timeliness of decisions and notifications consistently exceeding 95% across multiple lines of business, including MCLA, LACC, PASC, and D-SNP. The department's success in these areas highlights its strong adherence to regulatory requirements and its effectiveness in delivering timely care decisions to members.

### Operational System Transition

L.A Care successfully transitioned the program utilized to process authorization requests from Syntranet to QNXT on March 7th, 2025. Since the implementation, continued efforts to further enhance and streamline the system are occurring. A multi-disciplinary approach to system optimization is used, ensuring to account for all areas affected, such as the non-clinical intake team, nurse, and medical director reviewers.

### Provider Portal Launch

With the new portal, providers are now able to submit authorization requests, view eligibility, assess if the request required prior authorization, and further, if the request is to be sent to a delegate. Once the request is submitted, providers are then able to check status, attach further clinical information, send notes to the UM team, and download letters. UM, IT, and contracting teams are working together to train and get our contracted providers online and ready to use this new tool. Currently 164 providers, 800 individual users, have logged in and worked within the portal in some fashion. Over 490 authorizations have been successfully requested on the portal. Use of the provider portal will decrease the administrative burden of manually entering data from requests faxed into the L.A. Care UM department.

## Managed Long Term Services and Supports (MLTSS)

### CalAIM & Community Supports (CS)

Referrals to Respite Care have seen an 84% increase, averaging 59 per month since October 2024, compared to an average of 32 per month in the previous fiscal year. Three additional PCHS/Respite providers were onboarded in the month of April 2025, increasing PCHS provider network to seven contracted providers. Referrals to Environmental Accessibility Adaptations (EAA) also continue to rise, with a current authorization rate of 79%, an increase since the last report. Currently, there are two contracted EAA providers. Additional EAA providers will be added during the next Letter of Interest (LOI) cycle review later this year.

Nursing Facility Transition and Diversion to Assisted Living Facilities (NFTD) and Community Transition Services (CTS) to home and other private community settings became effective on January 1, 2024. In its first year, 69 members were successfully placed in an Assisted Living Facility (ALF) through the NFTD program. In Q1 2025 (January – March), 69 members have already been placed in an ALF, totaling 134 members placed since the inception of the program. Referrals for NFTD continue to steadily increase, originating from hospitals, skilled nursing facilities, NFTD providers and internal teams (Utilization Management and Care Management) via Interdisciplinary Care Teams (ICTs). In 2025, the average number of NFTD referrals is 168, a remarkable 243% increase from 49 referrals in 2024, with an authorization conversion rate of 84%. However, the utilization for CTS remains low with only four members enrolled in the program. Trends and outcomes will continue to be monitored and reported. Currently, four providers are contracted, with one additional currently in the contracting process. More providers to be added during the scheduled “Letter of Interest” process later in the year.

## Community Health

### Community Supports (CS) Operations & Reporting

#### CS Provider Network

As the Community Supports programs mature, we are focusing on filling gaps and optimizing network performance across the network, with a focus on field-based service coordination for members experiencing homelessness.

#### Transitional Rent

Transitional Rent policy guidance has been released. We are on track to launch by January 1, 2026.

#### Program Sustainability

Robust Return on Investment (ROI) analysis is in progress for Community supports.

### Housing Initiatives

Housing Community Supports: Housing Navigation (HN), Tenancy Sustaining Services (TSS) and Housing Deposits (HD).

## Financial Restructure & Reconciliation

- Reconciliation process for previous preemptive monthly capitation payments is in progress and a high priority, with some delays due to legacy data systems

## Field and Street Medicine: Launch and Operations

- Capacity-building grants for new Field Medicine teams are fully executed for 8 of the 9 providers
- Measurement Period 1 of the Field Medicine Performance Incentive program concluded on December 31st, 2024. Adjudication is in progress, with initial incentive payments to providers expected in Q3.
- Contracting for non-contracted Field Medicine providers is in progress, with 5 new providers expected to join the network in the coming months
- MacArthur Park Care Collaborative Field Medicine team has been selected, site search for drop-in center is in progress

## Pharmacy

### Medication Adherence Programs

#### Comprehensive Adherence Solutions Program (CASP)

Denominators across all three adherence measures have increased by 27%-36%, aligning with a 35% rise in D-SNP membership compared to this time last year. To support the increase in volume, we are working with the L.A. Care Advanced Analytics Lab (AAL) to refine use of the predictive risk scores, establish a clear process for evaluating effectiveness, and identify opportunities to improve the model.

#### Pharmaco-Adherence Postcards

Pharmacy has designed a postcard to inform members about their pharmacy benefits, including the 100-day supply option. The postcard will be sent independently in 2025 and included in the 2026 Welcome Kit. Pharmacy is collaborating with Health Education and Medicare Product to expand postcard availability by adding it to the Health Education, Cultural & Linguistics Materials (HECLS) portal, the DSNP Member Orientation webpage, and Medicare Product's CY2026 provider tools, member orientation, and staff training content. Provider Network Management has been engaged to notify D-SNP providers of new material.

## Refill Reminders Text Campaign

In 2024, 22% of members who received a refill reminder text picked up their medications within 3 days. Pharmacy will continue its Refill Reminder text campaigns with mPulse through 2025.

## 100-Day Supply Conversion Efforts

In 2024, Pharmacy introduced a new 100-day supply text campaign for members in collaboration with mPulse to complement the ongoing 100-day supply provider mailers from Navitus. The text campaign achieved at least a 10% conversion rate per text blast, a success rate comparable to Navitus's mailers. Pharmacy will continue both campaigns through 2025 as part of a dual-pronged approach targeting members and providers.

## Medication Therapy Management (MTM) Program

CMS requires health plans to offer MTM services to Medicare members, including an annual comprehensive medication review (CMR).

- Following the 2025 CMS Final Rule, the MTM measure has been moved to display due to significant changes in the program eligibility criteria. Under the new criteria, the qualification rate has increased by 85%. Rapid DSNP membership growth has further expanded the MTM-eligible population.
- In light of the L.A. wildfires earlier this year, MTM outreach was paused in Q1 for affected members and resumed at the end of the quarter.
- L.A. Care Pharmacy, in collaboration with Navitus Clinical Engagement Center (MTM vendor), has achieved a 27% completion rate of eligible members as of 4/23/25. We continue to actively monitor completion rates.

## Additional Pharmacy Programs

### PA Accel

PA Accel is an automated prior authorization program which operates at the point of sale by utilizing the member's medical and pharmacy data. Medications requiring prior authorization may be approved seamlessly at the pharmacy if criteria are met. PA Accel went live for D-SNP on 5/13/24 and went live for LACC/PASC on 4/1/25. In the month of January and February, 1,929 transactions were approved through PA Accel. This comprised 65% of all transactions specific to PA Accel drugs.

### Participating Provider Group (PPG) Reports

In continued partnership with PPGs, Pharmacy recently launched biweekly automated reports through L.A. Care's Provider Portal. These reports highlight key Star measures and provide timely, actionable data to help providers close gaps and improve quality outcomes.

## Consumer Assessment of Healthcare Providers & Systems (CAHPS)

Member experience remains central to all Pharmacy interventions; two new initiatives have been launched with a primary focus on improving transparency and education for both members and providers.

- Refill Roadmap: A visual guide to help members better understand and navigate the medication refill process, improving access to necessary medications.
- Provider Tip Sheets: Resources for providers to better navigate the formulary and prior authorization process, reducing barriers and improving the member's overall experience with the health plan.

## Quality Improvement

### Accreditation

#### National Committee for Quality Assurance (NCQA): Health Plan Accreditation

L.A. Care is NCQA Accredited for Medicaid, Medicare, and Exchange product lines. Accreditation is effective from 5/31/2024 through 10/24/2026.

L.A. Care is taking the PASC-SEIU commercial product line through the First Survey Accreditation process, with plans to achieve accreditation by 2026.

#### 2026 NCQA Health Plan Accreditation Survey:

- Surveyed Product Lines:
  - Medicaid
  - Medicare
  - Exchange
  - PASC-SEIU
- Look back period: 06/02/24 to 06/01/26
- Important Dates:
  - Evidence Submission to NCQA: 06/09/26
  - File Review Survey: 07/27/26-07/28/26

#### Next Steps

- Implementation of NEW Credentialing (CR) information integrity and Utilization Management (UM) information integrity standards



- Quality Improvement (QI) has collaborated with accountable leads and delegates to ensure a successful implementation of these new standards by 06/01/25.
- Delegates must sign an attestation acknowledging that these elements will be fully implemented by 06/01/25.
- Collection of Year 1 Survey Evidence Timeline:
  - Year 1 Look-back period: 06/02/24 to 06/01/25
  - QI Accreditation and NCQA consultant will complete the review of evidence to ensure compliance with NCQA by 05/06/25.
  - Any potential GAPs identified will be remediated by 05/23/25.
  - NCQA Accreditation Business Review Meeting: Scheduled for 06/03/25.
    - NCQA Consultants will present the status of L.A. Care's year 1 evidence at the Business Review Meeting.
  - PASC-SEIU First Survey Evidence:
    - Although the First Survey evidence for the Commercial (PASC-SEIU) product line has a look-back period of 01/01/26-06/01/26, L.A. Care will have the consultant review for any GAPs to ensure we are prepared for the NCQA survey submission in 2026.

#### NCQA Health Equity Accreditation (HEA)

- HEA Year 1 Attestations and Matrices have been issued to all HEA business units on 3/15/2025 to confirm responsibility for HE activities
- Year 1 HEA Evidence and signed attestations were due 5/15/2025
  - HEA evidence is based on the 2024 HE Standard
  - PASC evidence has also been requested
    - PASC evidence should abide by the 6-month look back period, as PASC is a new LOB.

#### Delegation

- Blue Shield Promise: Memo Created to request formal agreement for HEA activities. Pending approval from QI, Compliance, and PNM. Once approved, QI will submit and then resume the monthly HEA activity discussion at the end of April.
- Teladoc: Notice of Noncompliance issued to Teladoc; once Legal and Compliance have reviewed, QI will meet with Compliance to provide the next steps.
- HEA Delegation Tool: Cultural & Linguistic Services (C&L) has reviewed the tool and provided feedback. QI is creating a presentation to the Delegation Oversight and Audit teams to request review and provide reporting prior to 12/2025.

## Health Education, Cultural & Linguistic Services (HECLS)

### Member Wellness Program

The L.A. Cares program series will soon be accessible through the member wellness portal via a dedicated icon/tile for convenient access. These tiles will provide an additional means for members to engage with the L.A. Cares programs for Asthma, COPD, Diabetes, Chronic Kidney Disease, and High-Risk Pregnancy. The tiles are set to go live in mid-April and will offer educational materials, videos, helpful links, and more.

In collaboration with the Health Services Training team, a series of tailored training sessions are being introduced to enhance My Health in Motion wellness platform engagement across L.A. Care departments. These sessions will be tailored to address the unique training needs of each team and will include guidance on best practices, exploring new features, integrating programs, and developing strategies to enhance member engagement through the platform.

### Maternal Health Programs

- Health Education continues to collaborate with WIC to finalize an MOU and outline L.A. Care's approach to providing lactation counseling, therapeutic formula, and breast pumps for Medi-Cal members.
- L.A. Care teams continue to address Doula contracting and claims-related challenges actively. The current contracted network includes 39 Doulas.
- The Health Education team will join the baby shower for African American families, titled "Mama Magic- Honoring Black Motherhood," in collaboration with community organizations. This event is part of the Black Maternal Health Week, celebrated from April 11 -17, 2025. The baby shower will take place at Los Angeles General Medical Center on April 11, 2025.

### Cultural & Linguistic Services

The Cultural and Linguistic Services unit is spearheading implementation of the newly issued DHCS APL 25-005 standards for determining threshold languages, nondiscrimination requirements, language assistance services, and alternative formats. The effective date for the APL is set for August 11, 2025.

## QI Initiatives

### Interventions

- The Quality Improvement team is working on new colorectal cancer screening initiatives.

- L.A. Care has hired three new Quality and Population Health Coordinators to conduct member outreach. They will help support PPGs (Participating Physician Groups) by providing outreach services on-site as well.
- The Well-Child Visits in the First 30 Months of Life (W30) text messaging campaigns launched 2/26 to 19,195 Managed Care L.A. Care (MCLA) and LACC members ages 0-30 months
- The Clinical Initiatives Team and Quality Performance Management (QPM) continue to work closely together to close the CIS-10 care gap for the LACC Quality Transformation Initiative (QTI) MY 2024 and MY 2025. Under the new QTI, there is a new 180-day window after the 2nd birthday to receive all 10 vaccines.
- Pediatric Flu Vaccine Member Incentive letter and robocalls were launched on March 14th to 10,500 members in the MCLA and LACC lines of business.
- Text campaigns to encourage Breast, Cervical, and Colon Cancer screenings deployed on the following dates:
  - Breast Cancer Screening (D-SNP, LACC, MCLA): March 11, 2025
  - Cervical Cancer Screening (LACC, MCLA): March 19, 2025
  - Colorectal Cancer Screening (D-SNP, LACC): March 6, 2025

### Regulatory Updates

- The 2024 Quality Improvement and Health Equity Program Annual Report and Evaluation addressing QI activities, comprehensive assessment, and evaluations was submitted to DHCS on 3/25/25.

## Provider Quality Review (PQR)

### Processing Timeliness

Our performance for March 25 is 100%, and for FY 2024/2025, it is 99.9% for the timely processing of Potential Quality of Care Issues (PQIs) from when the team receives a case to closure within six months.

### PQR Engagement with PPGs to Improve Care

Through joint data review and analysis, PQR continues to share PQI findings and trended data for selected PPGs, enabling a deeper understanding of their improvement needs. Collaborative efforts will help develop comprehensive PPG engagement, enhance communication, and address specific needs to improve care.

### PQR System Platform (Kaizen)

Kaizen Phase II development launched on January 27, 2025, with a go-live date scheduled for early August 2025. All Sprint development is currently on track.

## Stars and Commercial Quality Performance

- Overall, the LACC contract is projected to continue performing at the 3.0 Star Rating level for MY2024 with the overall summary indicator improving by .865 point.
- HEDIS domain performance is projected to increase from a 2.28 Star rating in MY2023 to a 2.56 Star rating in MY2024 (exceeding MY 2024 goal of 2.53). After a strong MY 2024 performance year in which every HEDIS measure performed higher over 2023, each and every HEDIS measure continues performing significantly better YTD vs. last year. However, strong headwinds from expected and very steep new CMS cut points, which are impacting plans across the country, will negatively impact Star ratings.
- March 2025 refresh for MY2024 includes the following updates:
  - HEDIS measure improvements range from 3% to 11%, with average of 6%
  - Kidney Health Evaluation for Patients with Diabetes is projected to improve from 67% (3 Star) to 69% (4 Star)
- Pharmacy is projected to maintain 3.54 Star rating in MY2024.
- Both HEDIS and Pharmacy domains have demonstrated continued and significant year-over-year measure improvements.
- Operations domain performance is projected to maintain a 3.08 Stars rating in MY2024. Overall, Operations performance has been trending down over prior months.

## Regulatory CAHPS Survey, 2025 Season

- MAPD DSNP STARs Survey Rated Questions Scores Improvement
  - To improve our member experience STAR rating, lowest scoring composite rated questions response data are being analyzed
  - Analysis being completed to help identify issues found in Off-Season Mock Survey responses.

## Population Health Management (PHM)

### CalAIM and Health Equity Initiatives

- Leading collaborative work with local health departments and MCPs on CalAIM goals, particularly reducing maternal and infant mortality disparities among Black and Native American populations.
- Developing standardized member resources and reporting to track progress.
- Participating in Community Health Assessments and Improvement Plans (e.g., Pasadena collaboration).
- Procuring BluePath Health to support collaborative strategy and project management.

- MCPs committed to funding 50% of CHA/CHIP initiatives for 3 years, with IPP funds supporting contributions.

## Pregnant Individuals Care Model

- High-risk maternal population prioritized for TCS with culturally responsive care coordination.
- Comprehensive support includes follow-up appointments, medication reconciliation, and referrals to supportive services (e.g., Doula, WIC, lactation).
- Fully operational maternal TCS team (9 members) actively enhancing workflows.
- Awaiting DHCS updates on paused KPIs (key performance indicators); informatics team participating in Medi-Cal Connect platform testing.

## Annual Cognitive Health Assessment (ACHA) APL 22-025

- DHCS is providing reports on Dementia Care Aware training completion; L.A. Care has notified all providers of new APL 22-025 requirements.
- Processes are in place to review training completion and paid claims; monitoring resumed with only one provider-paid claim to date.
- Corporate Compliance is conducting quarterly delegate monitoring for ACHA training.
- PHM prepared a member and provider newsletter article for 2025.

## Child Health and Disability Prevention (CHDP) Program Transition

- PHM successfully led the 2024 enterprise CHDP Transition without member or provider complaints and continues to coordinate with Anthem and BSP on ongoing operations and issue resolution.
- Quarterly CHDP Transition meetings are held, with the most recent on 2/4/25.
- Provider trainings (vision care, fluoride varnish, audiometric and anthropometric screening) are available through external learning and targeted for broader release in Q2 2025.
- L.A. Care participates in statewide MCP FSR collaborative workgroups to unify CHDP provider training content.

## Population Health Informatics

### Health Information Ecosystem (HIEc)

- Health Information Exchange (HIE) Amendments: The Hospital Services Agreement (HSA) is now finalized to encourage hospital participation in Health Information Exchanges (HIEs), ensuring compliance with CMS 9115-F standards for Admission,

Discharge, and Transfer (ADT) notifications. This includes mandatory engagement with the California Health and Human Services (CalHHS) Data Exchange Framework (DXF), as well as provisions for one-time HIE funding opportunities for hospitals. Similarly, Skilled Nursing Facility (SNF) contracts are being updated to enforce participation in the CalHHS DXF and HIEs, enhancing the efficiency of information exchange. The HSA amendments have now been sent to hospitals for signature.

- Incentive Programs: The fourth round of the One-Time HIE Adoption Incentive for Hospitals and SNFs has been launched and extended through December 2025. The goal is to onboard 21 hospitals and 60 SNFs.
- Strengthening HIE Participation Measures in VIIP: Efforts are underway to enhance HIE participation requirements in the VIIP program for PPGs, ensuring that at least 50% of the provider network managed by each PPG is participating as a baseline to qualify for meaningful credits.
- Increasing HIE Adoption Among Primary Care Providers: Planning is underway to expand and strengthen LANES adoption among primary care providers (PCPs), with a focus on small and solo practice groups.

## Incentives

- The MY 2023 Plan Partner Auto-Assignment results were completed and shared with the Plan Partners in March. Promise earned 67% vs Anthem's 33%. These new auto-assignment percentages were applied starting in April 2025.
- MY 2026 planning is already in the works in response to the new Medicaid Final Rule. The goal is to have incentive contracts outlining changes set up by Q3/Q4. We have been discussing the coming changes with the Plan Partners and PPGs.
- Provider Opportunity Report (POR)/Gap in Care (GIC) reports are prepared monthly for all provider types. Plans for report enhancements are underway, alongside efforts to use the Cozeva platform more effectively.
- The Q3 2024 encounter reports were distributed in March. We are adding a new encounter metric to the VIIP, "percent of accepted encounters," which will be added to quarterly reporting in 2025.

## Facility Site Review (FSR)

- FSR is working with DHCS for an extended extension for sites impacted by wildfires.
- The FSR team is working with the LA County Collaborative on a combined mobile unit and condensed street medicine tool. The tool has been sent to DHCS for approval.
- The FSR team is working with the LA County Collaborative to develop CHDP Legacy Training for Anthropometric, Audiometric, Vision, and Fluoride services.

## BOARD REPORT EXECUTIVE SUMMARY

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**Report Title:** *Chief Health Equity Officer Report: Health Equity QIHEC Report Out and Health Equity Dashboard and Next Steps*

**Date:** 05/15/2025

**Prepared By:** *Alexander Li, MD and Melina Mata, Clinical Data Analyst III, Health Equity*

---

### 1. Purpose of the Report

The purpose of our presentation is to provide a report out of the April 15, 2025 QIHEC committee report and updates and plan for the Health Equity dashboard and next steps.

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### 2. Background / Context

- QIHEC Committee- The QIHEC Committee met on April 15, 2025. Dr. Li will provide the C&Q Committee an overview of what health equity and QI items were reviewed and approved.
- Prior Authorizations (Health Equity/Disparities) Analysis – We conducted a health equity/disparities analysis on our internal L.A. Care utilization management (UM) team managed prior authorizations (PA) for CY2024. We presented and discussed our findings at the L.A. Care UM Committee meeting on March 20, 2025. In presenting and discussing this analyses at the C&Q, it will be aligned with CMS requirement/intention (§ 422.137) for health plans to share its disparities findings.
- HEDIS Health Equity Dashboard – Initial phase of dashboard is complete with all 5 lines of business. We now have 15 HEDIS measures, and 9 categories e.g. race/ethnicity, language, etc., with stratified rates for MY2023. We are now working toward including additional measurement years as well as presenting the dashboard to other teams in real time.
- Grievances Health Equity Analysis/Dashboard – Thus far, we have grouped grievances into key domains e.g. access to care, discrimination, service concern

etc. We plan to conduct the analyses based on providers, geography, race/ethnicity groups etc. We believe that by examining the data further, we will be able to better understand some additional root causes of our members' grievances. (*Dashboard is in development*).

---

### 3. Key Considerations / Findings

- UM Prior Authorizations
    - The health equity analysis compared denial rates for our 65+ population for internal UM PAs received in CY2024. A denial rate comparison was conducted for dually eligible members to non-dually eligible members. A race/ethnicity analysis was conducted for dually eligible members.
- 

### 4. Recommended Action / Decision Requested

**Board Action Needed:**

- ☐ For Information Only
- ☒ For Discussion
- ☐ For Approval / Decision (specify below)

**Proposed Motion:**

N/A

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### 5. Next Steps / Timeline

- We received great feedback from our internal teams, QIHEC and UM Committees. We intend to further enhance our dashboard, present the findings on a regular basis and will work towards making the data actionable.
- 

### Attachments / Supporting Materials:

- *Quality Improvement and Health Equity Committee Summary Report for Compliance and Quality Committee*
- *20250515\_Compliance and Quality Health Equity Dashboards.pptx*



# Quality Improvement and Health Equity Committee (QIHEC) *Summary Report for Compliance and Quality Committee*



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**ELEVATING  
HEALTHCARE**  
IN LOS ANGELES COUNTY  
— SINCE 1997 —

Alexander Li, MD  
May 15, 2025

# April 15, 2025 QIHEC Overview

- **L.A. Care**
  - HE/QI Initiative at Community Resource Centers
  - Maternal Health Program
  - D-SNP Care Management Program
- **Anthem's**
  - HE/QI Program
- **Clinical Resources for Providers.**
  - Diversity, Equity, Inclusion and Health Equity Training Policy Update
  - Clinical Practice Guidelines and Preventive Health Guidelines
  - 2024 Provider Satisfaction Survey

# L.A Care's Community HE/QI Initiative at Community Resource Centers

- L.A. Care contracted with Quality Health Partners to provide clinical services at the Community Resource Centers.
- Clinical services offered address HEDIS care gaps: Well Child Visits, Topical Fluoride Application, Lead Screening. Social Drivers of Health Screening are also occurring.
- Members receive an incentive of a \$50 Target gift card upon completion of their appointment when they check-out of the event.
- **Goal: Host 8 or more events in 2025.**



# L.A. Care Maternal Health Program

- Focus are on:
  - Overall maternal health and wellness.
  - High risk pregnancies and Black pregnant women\*.
    - Black women are three times more likely to die from pregnancy-related cause of death than White woman.
      - Prenatal care for MY 2023: Medi-Cal 91.11%, and B/AA MCLA 65.54%.
    - ~80% of maternal death are preventable.
- Current Initiatives:
  - Promote doula benefits and utilizations.
  - Outreach with trimester specific education materials.
  - Transition of care outreach for birthing women after discharge from hospital.
  - Text message campaigns for postpartum women.

# L.A. Care D-SNP Care Management Program

- L.A. Care's Care Management team focuses on high risk and medically/socially complex individuals.
  - Stratification is based on health risk assessments and Optum's risk stratification tool.
    - 2025 Goals:
      - Strengthen and incorporate role of caregivers and support needs.
      - Optimize health plan benefits and health care and social service resources.
- 2024-25 Hypertension Management Program.
  - Focus on our African American members (1,223 met program criteria), but only 55 members participated.
    - Encouraged use of home blood pressure monitoring system, lifestyle changes and medication adherence.
- 2025-27 Hypertension Management Program
  - Area of focus: Strengthen internal and community partnerships to encourage member and provider participation.

# Anthem Blue Cross Health Equity/QI Program Updates

- Used Anthem and publicly available health data to identify areas with health disparities.
  - E.g. shared disparate rates of postpartum care among Black/African American and American Indian/Alaska Native birthing persons
- Provided an analysis of social risks and social needs by counties served in Los Angeles County and identified areas with the highest rate of housing instability and substance use disorder
- Proposed interventions and targets to increase utilization of interpretation services; use of doulas; encourage medication adherence for chronic conditions (asthma, COPD, hypertension and diabetes); utilization of housing navigation services and use of substance use services.

# Diversity, Equity and Inclusion (DEI) and Health Equity Training Policy Update

- Implementing the DEI and Health Equity Training
  - No change with the current plan to launch.
- L.A. Care piloted training launched 4/23/25 (over 180 registrants) that had over 100+ participants.
- Updated and approved the Health Equity Policy and Procedure HEQ-001

**Advancing DEI in Los Angeles County**

**LA Care HEALTH PLAN**  
For All of L.A.

## Diversity, Equity, and Inclusion

### What is health equity?

**Inequity** refers to unfair, avoidable Differences arising from poor governance, corruption or cultural exclusion

**Inequality** refers to the uneven distribution of health or health resources as a result of genetic or other factors or the lack of resources

**Disparity** refers to a difference, not specifically the result of unfairness or injustice

**Equality**

**Equity**

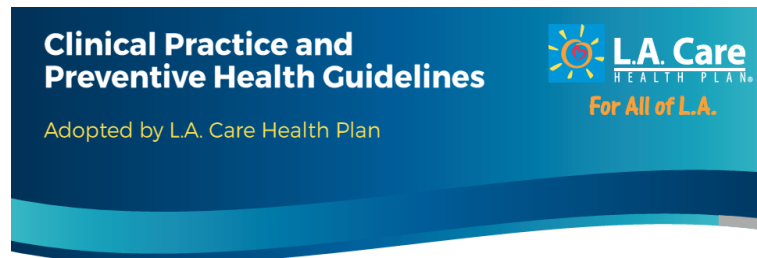
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# Clinical Practice and Preventive Health Guideline Updates

- Review and adopt evidence-based Clinical Practice Guidelines
- Four guidelines will be updated on L.A. Care's website:
  - General guidelines on coding and reporting
  - Chronic Obstructive Lung Disease
  - Preventive Health Guidelines (0-18 years)
  - Adult immunization schedule

**Clinical Practice and Preventive Health brochures was approved with recommendations to simplify the content, language.**



L.A. Care Health Plan systematically reviews and adopts evidence-based Clinical Practice and Preventive Health Guidelines promulgated from peer-reviewed sources and from organizations like the National Guideline Clearinghouse™ and U.S. Preventive Services Task Force™. Guidelines for diseases and health conditions identified as most salient to L.A. Care members for the provision of preventive, acute or chronic medical and behavioral health services are regularly reviewed by L.A. Care's Joint Performance Improvement Collaborative Committee and Physician Quality Committee to help improve the delivery of health care services to members. The most current list of Clinical Practice and Preventive Health Guidelines adopted by L.A. Care is available for download from the link below.

For hard copies, please contact L.A. Care's QI. Department at [quality@lacare.org](mailto:quality@lacare.org) or access it directly. 



# 2024 Annual Provider Satisfaction Survey Results

- The Provider Satisfaction Survey is an annual study designed to assess the level of satisfaction among L.A. Care providers for all lines of business.
- Key Findings Include:
  - Small decline in specialist satisfaction and fewer provider completions.
  - Direct Network Satisfaction improved by 3.1%, but with fewer provider completions.
  - Primary care provider satisfaction improved by 7.9%, but with fewer provider completions.

**Annual Provider Satisfaction Survey Results was approved.**

**Questions?**

# APPENDIX Topics covered at April 15, 2025 QIHEC Meeting

- Anthem Blue Cross Health Equity Updates (Informational and Oversight)
- Health Equity P&P Review (Approved)
- 2025 Clinical Practice and Preventive Health Guidelines Updates (Approved)
- 2024 Annual Provider Satisfaction Survey Results (Reviewed and Approved)
- Maternal Health Program (Informational)
- L.A. Care Community Resource Initiative (Informational)
- Health Information Ecosystem (HIE) Reports (Informational)
- 2025 Cardiovascular Disease Management Program and Evaluation (Reviewed and Approved)
- 2025 D-SNP Care Management Program (Reviewed and Approved)
- 2024 Cardiovascular Disease Management Program and Evaluation (Reviewed and Approved)
- 2024-25 Health Information Exchange efforts (Informational)

# Health Equity Dashboard and Next Steps



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Melina Mata

*Clinical Data Analyst III*

*Health Equity*



**L.A. Care**  
*Medicare Plus*  
(HMO D-SNP)

# UM Prior Authorization Health Equity Dashboard

*(Dashboard under development)*

# Overview

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## Objectives

- Conduct a health equity analysis of prior authorizations process.
- Align with CMS health equity requirement.
- Provide insight into potential disparities in UM prior authorizations.



## Data Date Range

- CY 2024

# Status

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## Completed

- Internal L.A. Care UM prior authorization analysis.
- Presented findings at L.A. Care UM Committee meeting on March 20<sup>th</sup>, 2025.



## In progress

- Preparing analysis summary to publicly post on L.A. Cares external website per CMS requirement.



## Next Steps

- Add PPGs to future analyses.

# Comparison Groups

Evaluated Prior Authorization denials by the below groups.

## Line of Business:

- DSNP
- MCLA  
*(Including CCI for now)*
- LACC

## Race/Ethnicity:

- American Indian or Alaska Native
- Asian
- Black or African American
- Hispanic or Latino (Of any race)
- Native Hawaiian or Other Pacific Islander
- White

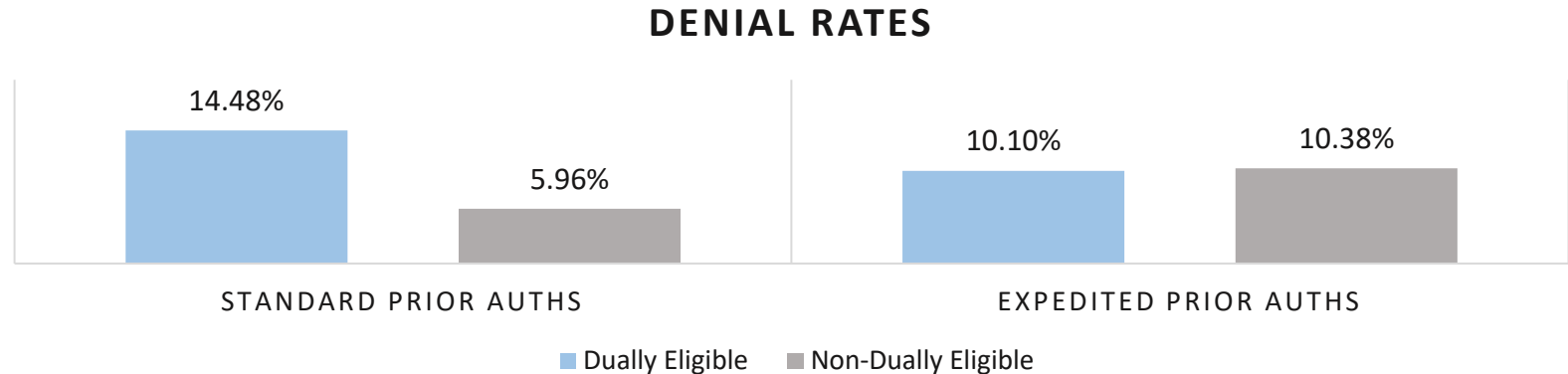
## Data Specifications:

- Members dually eligible for Medicare and Medicaid
- CY 2024
- Internal data only
- 65+ Only
- Approved/Denied



# Prior Authorizations Overview

| LOB                       | STANDARD DENIAL RATE | EXPEDITED DENIAL RATE |
|---------------------------|----------------------|-----------------------|
| Dually Eligible           | 14.48%               | 10.10%                |
| Non-Dually Eligible       | 5.96%                | 10.38%                |
| STATISTICALLY SIGNIFICANT | YES                  | NO                    |



\* This content will be summarized and included in the UM analysis summary that will be posted to L.A. Cares external website

# Determination Times Overview

## Average times for determination

| LOB                 | STANDARD  | EXPEDITED |
|---------------------|-----------|-----------|
| Dually Eligible     | 3.95 days | 2.27 days |
| Non-Dually Eligible | 3.42 days | 0.92 days |

## Median times for determination

| LOB                 | STANDARD | EXPEDITED                |
|---------------------|----------|--------------------------|
| Dually Eligible     | 2 days   | 1 day                    |
| Non-Dually Eligible | 1 day    | <i>Same day response</i> |

# Race/Ethnicity Overview

## Dually Eligible Member Prior Authorizations

| RACE/ETHNICITY                      | STANDARD | EXPEDITED |
|-------------------------------------|----------|-----------|
| American Indian or Alaska Native    | -        | -         |
| Asian                               | 16.07%   | 8.16%     |
| Black or African American           | 14.16%   | 9.78%     |
| Hispanic or Latino                  | 14.34%   | 8.47%     |
| Native Hawaiian or Pacific Islander | -        | -         |
| White or Caucasian                  | 15.26%   | 13.25%    |
| STATISTICALLY SIGNIFICANT           | NO       | NO        |

\* Red – Highest Denial Rate

\* Green – Lowest Denial Rate

\* This content will be summarized and included in the UM analysis summary that will be posted to L.A. Cares external website

# Dashboard Preview

## DSNP Race/Ethnicity breakdown

Data Source  
Internal

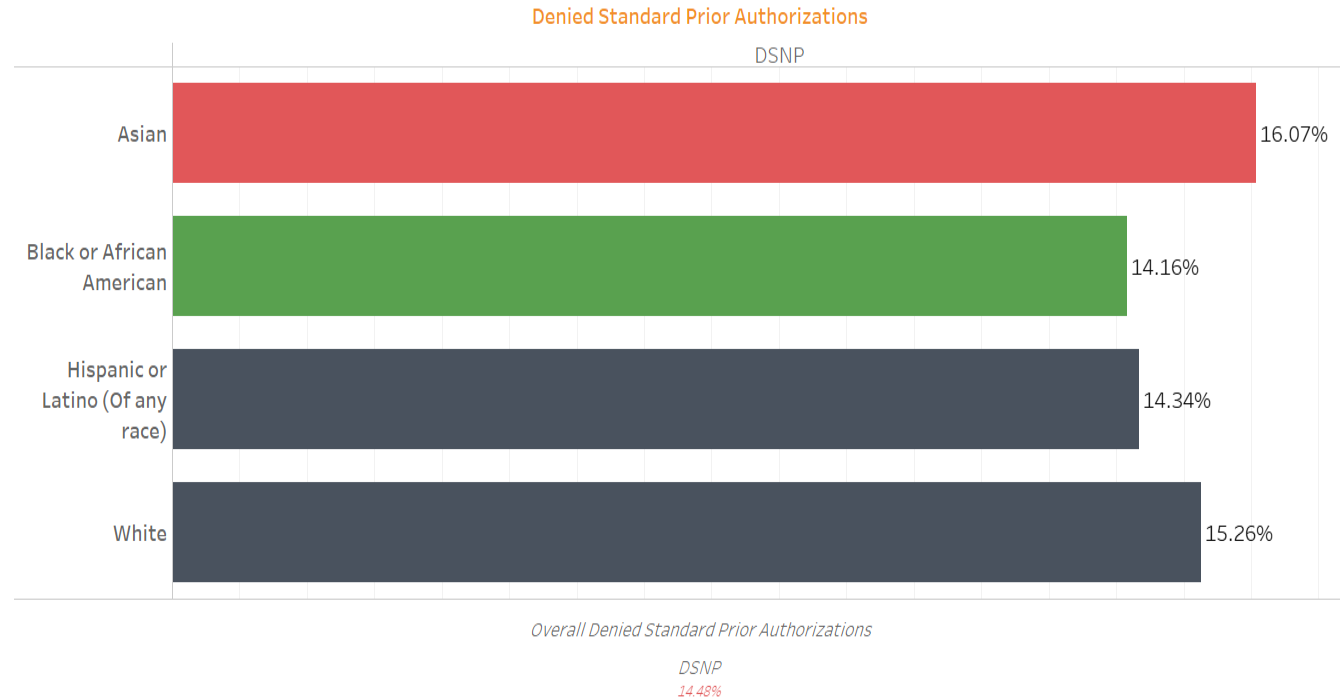
LOB  
All

Request Type  
All

Category  
OMB Race Ethnicity for Reporting

Member Age  
65+

Total Number of Requests  
30 to 111,854





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*Medicare Plus*<sup>™</sup>  
(HMO D-SNP)

# HEDIS Health Equity Dashboard

*(Dashboard in Production!)*

# Overview

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## Objectives

- Real-time access to disparity measures
- Staff/Community health disparity education and awareness
- Create focused interventions
- Respond to accreditation and report requirements



## Measurement Year(s)

- MY2023



# Status

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## Completed

- Initial phase of dashboard: 5 lines of business, 15 disparity measures, 8 categories to view rates by



## In progress

- Adding: MY2024, MY2025



## Next Steps

- Include additional measurement years
- Consider additional clinical measures

## Lines of Business

- D-SNP MCR
- LACC
- MCLA
- PASC
- All of Medi-Cal

## Category Views

- Combined Race/Ethnicity (Multiple views)
- Race Only
- Ethnicity Only
- Detailed race/ethnicity (Ethnicity Description)
- Spoken Language
- Service Planning Area (SPA)
- Sexual Orientation

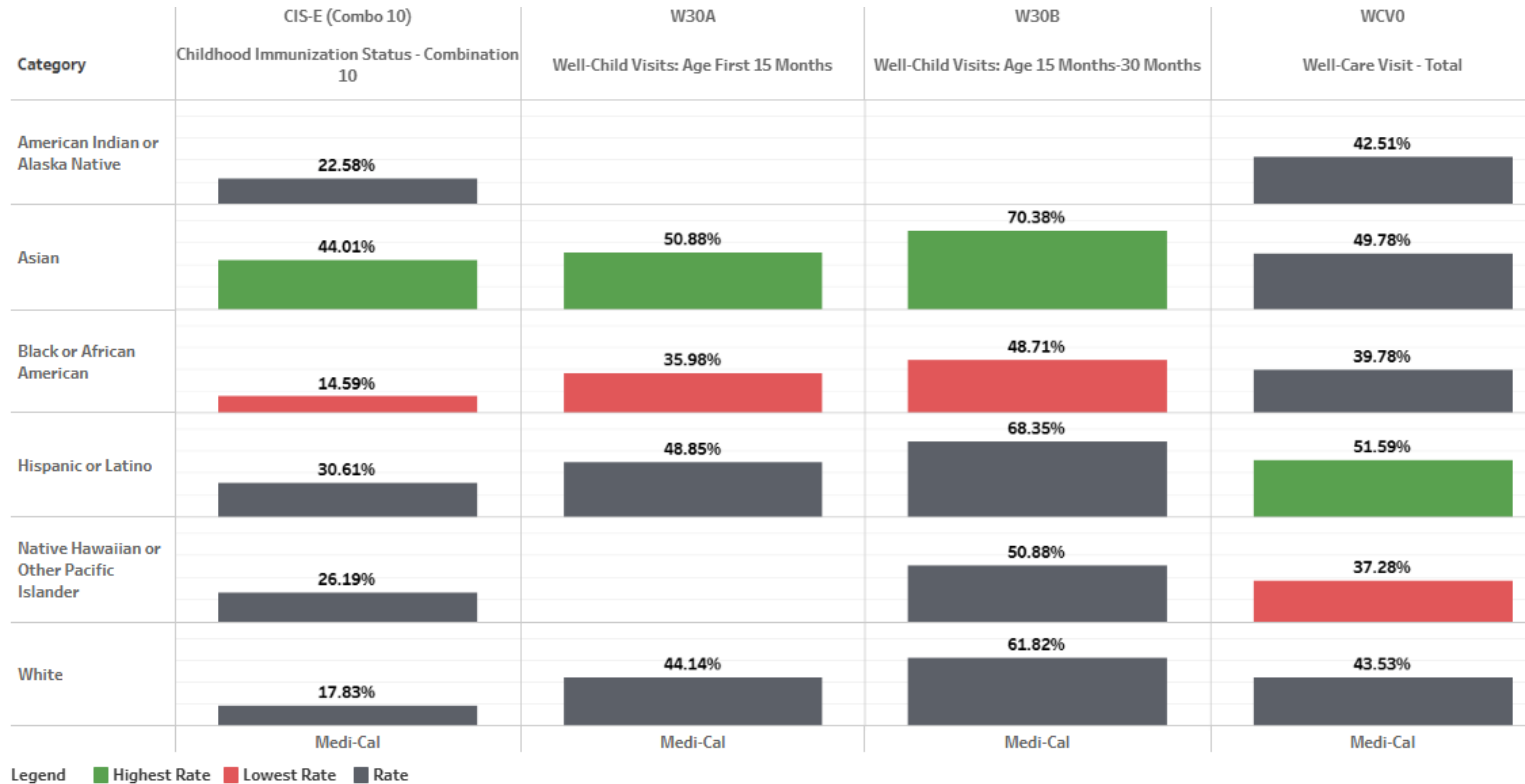


# Disparity Measures

1. Asthma Medication Ratio - Total
2. Breast Cancer Screening
3. Controlling High Blood Pressure
4. Comprehensive Diabetes Care - HbA1c Control (<8.0%)
5. Comprehensive Diabetes Care - HbA1c Poor Control (>9.0%)
6. Immunizations for Adolescents - Combination 2
7. Childhood Immunization Status - Combination 10
8. Colorectal Cancer Screening - Total
9. Depression Screening – Total
10. Depression Screening Follow-Up – Total
11. Timeliness of Prenatal Care
12. Post Partum Care
13. Well-Child Visits: Age First 15 Months
14. Well-Child Visits: Age 15 Months-30 Months
15. Well-Care Visit – Total

# Dashboard Preview

## Medi-Cal Race/Ethnicity breakdown





**L.A. Care**  
*Medicare Plus*  
(HMO D-SNP)

# Appeals & Grievances Health Equity Analysis

*(Dashboard not currently implemented)*

# Overview

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## Objectives

- Evaluate appeals and grievance data by various demographic categories to determine if any disparities exist.
- Align with health disparities work
- Develop interventions



## Data Date Range

- CY 2024

# Status

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## **Completed**

- Connected with A&G team to understand the Process Communication Tracking (PCT) code tiers.
- Creating issue groups to further analyze data by.



## **In progress**

- Identify areas for additional analysis:  
Race/ethnicity groups with the highest/lowest issues.



## **Next Steps**

- Evaluate detailed appeals and grievance data for selected areas to better understand data and identify potential root cause.
- Create dashboard to summarize high-level data.

# Areas of Analysis

- Administrative vs Clinical Issues
- Transportation Issues
- Billing Concerns
- Access to Care
- Quality of Care
- Quality of Service