



ALCOHOL, DRUG & MENTAL HEALTH SERVICES  
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**DATE:** June 20, 2017

**TO:** All ACBHCS SUD Subcontracted Providers

**FROM:** ACBHCS Quality Management Department

**RE:** DHCS State FY 16-17 County Monitoring Report deficiency finding and resultant Monitoring & Auditing of Subcontracted SUD Programs

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ACBHCS has received the DHCS' May 1, 2017 State Fiscal Year (SFY) 2016–2017 – County Monitoring Report with Audit results.

One compliance deficiency finding was that ACBHCS (Contractor) did not complete three or more Audits of SUD Providers (Subcontractors) for the FY as listed below:

**State County Contract Exhibit A, Attachment I, Part V, Section 4, B, 1 (b)**  
*Contractor shall conduct, at least annually\*, a utilization review of DMC providers to assure covered services are being appropriately rendered.*

Utilization Review means “the review for program compliance and medical necessity after service was rendered and paid”.

**Finding: The County did not provide \*three (3) completed DMC monitoring tools for FY 2015-16 based on the size of the County.**

The State County Contract defines “monitoring” of SUD programs as inclusive of Auditing SUD Treatment Records. See below:

**State County Contract Exhibit A, Attachment I, Part IV, Section 3, BA 1 (e)**  
*Contractor shall conduct ... monitoring reviews of services and subcontracted services for programmatic and fiscal requirements. Contractor shall submit copy of their monitoring and audit reports to DHCS within two weeks of issuance. Reports should be sent by secure, encrypted e-mail.*

The ACBHCS Corrective Action Plan for this monitoring, utilization review & auditing deficiency of subcontracted providers will be addressed as outlined below:

1.) Effective July 1, 2017:



- a. ACBHCS (Contractor) shall ensure that one or more trainings (per FY) on the requirements of Title 22 regulations and DMC requirements are made available to all ACBHCS SUD Subcontractors. It is recommended that all subcontractor agencies have a representative responsible for the oversight of the delivery of treatment services (and documentation) attend at least one training annually.
- b. ACBHCS shall conduct, at a minimum, three (3) SUD Subcontracted Provider Audits every Fiscal Year.
- c. On average, two or more randomly selected charts will be reviewed from each program (an agency may have multiple programs such as: Perinatal, IOP, etc.), with a minimum of four charts being reviewed from an agency.
- d. The claims review period will be a three month time period which precedes the date of the Audit records request by three to nine months.
- e. Any claims disallowances, resulting from Audit deficiencies shall be:
  - i. Recouped by BHCS from the sub-contracting SUD agency (after conclusion of the appeal process and per the ACBHCS' Community Based (SUD) Organization Master Contract, Exhibit B, Section II.D.1.), and
  - ii. Reimbursed to DHCS by ACBHCS
- f. Once provider appeals are addressed, the Audit Report will be finalized. Within two weeks of issuance of the finalized SUD Audit Report (including the monitoring tool with utilization review and claims disallowances) a copy will be forwarded to DHCS as required via secure email.

ACBHCS may begin the FY audits as early as the month of July, 2017. Within approximately 90 - 120 days of requesting SUD Treatment Records, the findings report for each agency will be issued. Appeal and Recoupment instructions will be provided. Once appeals are addressed, the reports will be finalized and forwarded to DHCS within two weeks.

Thank you in advance for your participation in ACBHCS Corrective Plan of Action to address this ACHBCS SUD Deficiency finding by DHCS.

If you have any questions about upcoming SUD Monitoring and Auditing, please contact the ACBHCS QA Technical Assistant Contact for SUD services Sharon Loveseth, LAADAC at: [Sharon.Loveseth@ACgov.org](mailto:Sharon.Loveseth@ACgov.org)