
 <p>Behavioral Health Department Alameda County Health</p>	<p>Signed by:  By: _____ BA167CA0C0D444A... Karyn L. Tribble, PsyD, LCSW, Director</p>
<p>POLICY TITLE</p> <p>Audit of Clinical Records for Services Funded by Medi-Cal and Other Sources</p>	<p>Policy No: 1603-2-1</p> <p>Date of Original Approval: 6/24/2011</p> <p>Date(s) of Revision(s): 12/5/2016, 5/1/2026</p>

PURPOSE

Alameda County Behavioral Health Department (ACBHD) has the authority to conduct audits of clinical records to evaluate the level and quality of care, the necessity and appropriateness of services, under and overutilization of services, and whether Federal, State, and County regulations and requirements are being met by both County-operated and contracted providers. Audits are done both routinely and on an as-needed basis, for example, as a response to unusual occurrences (UOs), whistleblowers, complaints and grievances.

AUTHORITY¹

- California (CA) Department of Health Care Services (DHCS) Contract with ACBHD for Drug Medi-Cal-Organized Delivery System (DMC-ODS) and Specialty Mental Health Services (SMHS), Exhibit A, Attachment 5 Quality Improvement System, and Exhibit A, Attachment 13 Program Integrity²³

SCOPE

All agencies, organizations, groups, and individual practitioners providing behavioral health services administered by ACBHD, including County-Operated programs, are required to adhere to this policy.

BACKGROUND

ACBHD is required by State and Federal law to have robust quality assurance/ improvement, program integrity, and compliance programs. These initiatives are designed to detect and deter fraud, waste, and abuse and ensure that public funds are used responsibly.

¹ There may be additional authorities that may require review of clinical records, depending on the funding source of the service, i.e., the Substance Use Disorder Block Grant (SUBG), the CA Behavioral Health Services Act (BHSA), etc.

² [DHCS Mental Health Plan \(MHP\) Contract](#)

³ [DHCS Drug Medi-Cal Organized Delivery System \(DMC-ODS\) Contract](#)

POLICY

This policy establishes guidelines for auditing ACBHD members' clinical records, for services funded by Medi-Cal and other sources, by the ACBHD Quality Assurance (QA) Division including, but not limited to, frequency of audits, quantity of records to be audited, and provider response to findings.

PROCEDURE

ACBHD has developed a comprehensive and overlapping monitoring and review structure that provides multiple layers of oversight that, when taken together, meets or exceeds State and Federal mandates.⁴ The ACBHD clinical record auditing process is a vital component of this larger system, verifying that services were medically necessary and appropriately documented, thereby supporting the organization's overall quality management and program integrity goals.

I. Audits of Services Funded by Medi-Cal

- a. Any claim made to SMHS or DMC-ODS is subject to review for compliance with the standards in place on the date of service.
- b. System of Care (SOC) Audits
 - i. Frequency
 1. For SMHS funded services, ACBHD has a goal of conducting at least one (1) mental health (MH) SOC audit annually and every MH program at least once every three (3) years.
 2. For DMC-ODS funded services, ACBHD has a goal of conducting at least one (1) substance use disorder (SUD) SOC audit annually and every SUD program at least once a year.
 - ii. Due to distinct requirements and standards, SOC audits of SMHS and DMC-ODS services shall be completed separately.
 - iii. Custom compliance review tools will be developed for both DMC-ODS and SMHS to allow for accurate auditing to ACBHD standards. Where there are shared requirements, the language and scoring will be the same for both systems.
 - iv. SOC audits are designed to complement and support ACBHD's broader quality improvement, program integrity, and compliance monitoring efforts. While SOC audits typically involve smaller sample sizes, they are conducted with a high level of rigor to ensure comprehensive evaluation of key requirements related to behavioral health Medi-Cal services.
 - v. SOC audits include both quality and claims disallowances feedback.

⁴ Some examples of ACBHD's continuous quality monitoring program include, but are not limited to, ACBHD Clinical Quality Review Team (CQRT), clinical records auditing, reviews of UOs, system-level quality improvement, provider training, compliance and investigations, and utilization management.

1. Feedback is provided via compliance with Quality Review Items (QRI). QRIs are representative of County, State, and Federal requirements. Specific QRIs are described in the corresponding review tools for the audit.
 2. Non-compliance with some QRIs may result in recoupment of claims. Reasons for recoupment are described in the audit's review tool and are based on State and Federal definitions of overpayments, fraud, waste, and abuse.⁵
- vi. Each provider will receive an agency-specific report with specific feedback regarding their compliance with QRIs and disallowed claims. A copy of the findings will also be shared with the appropriate SOC, Office of Compliance Services (OCS), and Executive leads.
1. All efforts shall be made by ACBHD to provide the individualized provider report in a timely manner. This time frame may vary depending on the volume of records reviewed for the specific audit.
- vii. As part of audit finalization, a summary SOC report will be published and posted publicly. This summary report will include an overview of the records audited, identifying trends and themes found during the audit process. This report shall not include any protected health information (PHI) or identifiable program/agency information as it is a public-facing document.

II. Audits of Services Funded by Other Sources

- a. Whenever possible, ACBHD attempts to have consistent standards across services regardless of funding sources.
- b. Regardless, services funded by other sources⁶ are subject to the requirements of the funding source and applicable ACBHD standards.
- c. Frequency
 - i. For other funded services, the frequency of clinical record reviews is subject to the requirements of the funding source.

III. Provider Specific Reviews

- a. Provider specific reviews may be performed routinely or may be triggered by an event such as results of any of the following:
 - i. SOC audits
 - ii. UOs and/or death investigations
 - iii. Complaint(s) about a provider
 - iv. Consumer grievance and appeal investigations
 - v. Additional reasons as determined by ACBHD

⁵ [OIG HHS Fraud & Abuse Laws](#).

⁶ Examples include SUBG and BHSA.

- b. Design of provider specific audits depends on the reasons for the audit.
- c. The provider will receive an audit report with feedback regarding their compliance with QRIs and any disallowed claims.
- d. All efforts shall be made by ACBHD to provide audit findings in a timely manner.

IV. General Information

- a. Standard Operating Procedure (SOP)
 - i. ACBHD QA will maintain an internal clinical record auditing standard operating procedure (SOP). This SOP will help to ensure consistency of auditing, improve inter-rater reliability, and standardize clinical records auditing within ACBHD. This policy provides the overarching framework of ACBHD clinical record auditing, while the SOP defines the specific processes of clinical record audits.
- b. Record Selection
 - i. Depending on the objectives of the audit, ACBHD may use either random or purposive sampling. While purposive sampling allows for targeted review of specific concerns, random sampling is preferred whenever feasible to support generalizable findings and reduce selection bias.
 - ii. When selecting members, records, programs, and/or services, the following selection criteria may be used but will vary depending on audit parameters and structure:
 - 1. Total number of records to be audited
 - 2. Number of adult and/or child records to be audited
 - 3. Minimum/maximum number of claims per record to be audited
 - 4. Specific agencies to be included (e.g., due to CAPs, UOs, etc.)
 - 5. Audit period dates
 - 6. Type of contract: Community Based Organization (CBO), County Clinic, Mental Health Individual Providers (MHIP), Subcontracted providers
 - 7. Type of services to be audited
 - 8. Concurrent services provided
- c. Formal Appeal of Denied Claims to ACBHD
 - i. If a provider wishes to appeal any of the claims identified for recoupment, they may do so by emailing a formal appeal letter, along with supporting documentation, to QA.Audits@acgov.org, within thirty (30) calendar days of the issue date of the audit report.
 - ii. Appeals submitted beyond the (30) calendar days due date will not be reviewed and will be denied.
 - iii. ACBHD will attempt to respond to formal appeals within sixty (60) calendar days of the receipt of the appeal.

- iv. Any Corrective Action Plan (CAP) process will be paused while the appeal is being reviewed.
- d. Informal Disputes of Non-Compliant QRIs
 - i. Non-compliant QRIs that do not result in recoupment may be informally disputed as part of the approval process of the proposed CAP.
 - ii. Disputes received after the proposed CAP due date will be denied.
- e. Corrective Action Plans (CAPs)

CAPs are individualized plans to address issues of non-compliance determined by the audit. QRIs found to be deficient in the audit shall be addressed to prevent future occurrences of the same or similar issues.

 - i. If a CAP is required, the provider shall complete and return the CAP template with proposed corrections to ACBHD QA for review and approval within thirty (30) calendar days of issuance of the agency's audit report.
 - ii. Once approved by ACBHD QA, agencies/providers will have ninety (90) calendar days to fully implement the approved CAP.
 - 1. Relevant corrections shall apply across all ACBHD-related programs.
 - iii. Evidence of CAP implementation shall be retained and provided upon request.
 - iv. Each item in the CAP must be addressed to resolve the CAP.
 - v. Once the CAP has been fully implemented, ACBHD will formally notify agency leadership of CAP resolution.
- f. On-Site and Virtual Audits
 - i. ACBHD reserves the right to conduct either on-site or virtual audits, depending on what is most appropriate for the audit.
- g. Electronic Submission
 - i. All requested audit information (documentation, records, appeals, credentials, CAPs etc.) shall be submitted electronically using ACBHD's PHI-compliant file sharing platform.⁷
 - ii. Once records have been selected for review, no changes or alterations may be made to those records. Agencies shall not back out, void, submit error corrections, or perform similar actions on claims selected for audit, unless specifically instructed by ACBHD.
 - 1. Additional and separate documentation may be submitted to explain or give context to potential problems in the records.
 - iii. Except for progress notes, clinical documents must be uploaded as separate files. Clinical records shall be provided in the format type the

⁷ At the time of policy approval ACBHD's file sharing platform is Citrix ShareFile, but this is subject to change.

Electronic Health Record (EHR) exports, without modification, i.e. PDF, JPEG, etc.

- iv. Documents that necessitate collaboration (e.g., approving of proposed CAPs) shall be sent using editable file formats (e.g., .docx, .xlsx). Documents such as formal appeal letters may be sent in PDF formats.

NON-COMPLIANCE

- I. Contractors not in compliance with contract provisions, or with State or Federal law and/or regulations, shall be immediately responsible for remedy.
- II. ACBHD may, at its discretion, issue a CAP or Contract Compliance Plan (CCP), as appropriate.
- III. The cost to implement the CAP or CCP shall be borne by the Contractor.
- IV. Staff shall report incidents of non-compliance to their department manager, who shall submit those incidents of non-compliance to ACBHD Quality Management (QM).
- V. Incidents of non-compliance shall be submitted within 15 days of reasonable awareness of the non-compliance.
- VI. Failure to address identified issues may result in further action by ACBHD up to and including program termination, as specified in [ACBHD policy 1302-1-1](#), Contract Compliance and Sanctions for ACBHD-Contracted Providers.
- VII. Staff shall not face retribution for submitting incidents of non-compliance.
- VIII. Any communication that contains protected health information (PHI) or otherwise confidential information (e.g., as defined by the Health Insurance Portability and Accountability Act (HIPAA), 42 Code of Federal Regulations (CFR), Part 2, etc.) shall be sent through secure methods such as email with secure encryption.

CONTACT

ACBHD Office	Current As Of	Email
Quality Assurance	4/27/26	QAoffice@acgov.org

DISTRIBUTION

This policy will be distributed to the following:

- ACBHD Staff
- ACBHD Contract Providers
- Public

ISSUANCE AND REVISION HISTORY

Original Authors: Kyree Klimist, MFT, QA Administrator

Original Date of Approval: 6/24/2011 by Marye Thomas, Behavioral Health Director

Revision Author	Reason for Revision	Date of Approval by (Name, Title)
Brion Phipps, LCSW, Interim QA Associate Administrator	Update policy for consistency with current practice reflective of California Advancing and Innovating Medi-Cal (CalAIM) and DHCS guidance on clinical records review.	5/1/2026 by Karyn Tribble, PsyD, LCSW, Behavioral Health Director
Donna L Fone, MFT, LPCC, QA Administrator and Tony Sanders, PsyD, QA Associate Administrator	Update policy to reflect current practice	12/5/2016 by Karyn Tribble, PsyD, LCSW, Interim ACBHD Director

DEFINITIONS

Term	Definition
Audit Period	Clinical record reviews typically are limited to claims with Dates of Service (DOS) within a specific period of time. This date range is called the audit period.
Clinical Quality Review Team (CQRT)	CQRT is ACBHD’s clinical record review process. All programs and individuals that provide Medi-Cal services through ACBHD are required to conduct regular CQRT compliant reviews. Initially ACBHD QA staff train providers on clinical documentation requirements and CQRT processes. Once the provider has demonstrated competency with both, they are responsible for maintaining these processes for their services.
Drug Medi-Cal Organized Delivery System (DMC-ODS)	DMC-ODS is a substance use disorder (SUD) treatment model that replaced the traditional Drug Medi-Cal program by providing a broader range of services based on established American Society of Addiction Medicine (ASAM) criteria . DMC-ODS is provided to Medi-Cal members in California through county Behavioral Health Plans (BHPs) under a Section 1915(b) waiver.
Medi-Cal	The name of California’s Medicaid program which provides health coverage to people with low-income, the aged or disabled and those with asset levels who meet certain eligibility requirements.
Member	Anyone currently receiving ACBHD care or services, or who has received ACBHD care or services in the last 12 months. The term

	'member is also synonymous with beneficiary, consumer, patient, or client.
Outside of the Audit Period	While most of an audit is limited to the audit period, at times services and documentation completed outside of the audit period is relevant to support audit period claims and are also subject to review.
Specialty Mental Health Services (SMHS)	SMHS are a specific type of mental health care provided to Medi-Cal members in California through county BHPs under a Section 1915(b) waiver. These services address more complex mental health conditions beyond what a primary care provider offers, and they can include treatments like psychotherapy, medication management, and psychosocial rehabilitation.

APPENDICES

None