

Flexibilities for Hospitals in Light of Los Angeles Fires

1. State Executive Order (EO) Flexibilities (EO N-17-25)

Notwithstanding Welfare & Institutions Code sections 14132.100, 14132.101, 14132.107, 14170, and 14087.325(e)(2), the deadlines for providers to submit, and for the Department of Health Care Services (DHCS) to review, a cost report, change in scope of service request, or reconciliation request are each extended 90 days beyond the date on which such would otherwise be due for providers impacted by this emergency in Los Angeles or Ventura Counties (see page 3, No. 8).

2. Audit-Related Administrative Flexibilities Offered by DHCS

- a. Statute waiver signed by the provider allows for the continuation of audit or reconciliation test work beyond statutory deadlines for engagement completion by DHCS in the event a provider is unable to meet DHCS' expectations (e.g., submission of required documentation, answers to audit questions) due to the Southern California wildfires.
- b. Work with the DHCS Third-Party Liability and Recovery Division in the event a provider (most commonly federally qualified health centers (FQHCs)) experiences cash flow issues as a result of the Southern California wildfires and seeks to obtain an advance of expected forthcoming settlement payments to support continued operations.
- c. Providing flexibilities that are neither bound nor governed by statutory authority to providers that are experiencing challenges with responding to audit, reconciliation, change of scope of service, etc. requirements due to the Southern California wildfires. For example, a provider has been working with DHCS in good faith regarding an audit engagement and ultimately has challenges completing certain tasks due to the wildfires. In this case, the Audits and Investigations unit will document the circumstances in its audit working papers and provider files to explain the situation, as well as document the flexibilities provided and impact to the audit engagement.
- d. Leverage FQHC State Plan 05-006 in the event a provider seeks supplemental payments due to extraordinary circumstances. Request to be vetted and approved by DHCS.
- e. Delay the performance of audit engagements and on-site reviews as needed for Specialty Mental Health Services, Drug Med-Cal (DMC), DMC Organized Delivery System, Substance Use Block Grant, post-service post-payment behavioral health reviews, and impacted managed care plans.
- f. Allow impacted counties to delay monitoring reviews of network providers or allow providers extension to provide required documents.

For audit-related questions, contact DHCS Audits and Investigations at (916) 440-7550 or (800) 822-6222.