DMHC Survey Preparation Guide

Prepare for and Respond to

DMHC Health Plan Surveys

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2025 Edition

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1. Understanding DMHC and Its Authority

The California Department of Managed Health Care (DMHC) regulates health care service plans licensed under the Knox-Keene Health Care Service Plan Act of 1975. DMHC has broad authority to conduct surveys, investigations, and enforcement actions to protect health plan enrollees.

DMHC Regulatory Authority

- License and regulate health care service plans in California
- Conduct routine and non-routine medical surveys
- Investigate consumer complaints and quality issues
- Impose corrective actions, fines, and penalties
- Suspend or revoke health plan licenses
- Issue regulations and guidance for plan compliance

Applicable Regulations

- Knox-Keene Act (Health & Safety Code, Division 2, Chapter 2.2)
- Title 28, California Code of Regulations
- DMHC guidance letters and FAQs
- Independent Medical Review (IMR) standards
- Financial solvency requirements (Tangible Net Equity)

2. Types of DMHC Surveys

Routine Medical Surveys

DMHC conducts routine medical surveys every three years (or more frequently for plans with identified issues). These comprehensive reviews examine all aspects of plan operations.

- Scheduled with advance notice (typically 30-60 days)
- Comprehensive review of operations, quality, and compliance
- On-site component with document review and staff interviews
- Results in Preliminary and Final Reports with required corrective actions

Non-Routine Surveys

- Triggered by consumer complaints, quality concerns, or regulatory issues
- May be conducted with limited or no advance notice
- Focused on specific identified areas of concern
- Can result in immediate enforcement actions if serious violations found

Financial Surveys

- Annual financial examination requirements
- Tangible Net Equity (TNE) compliance monitoring
- Claims payment practices and timeliness
- Provider dispute resolution compliance

Follow-Up Surveys

- Verify implementation of corrective actions from prior surveys
- May be desk-based or on-site
- Validate sustainability of corrective measures
- Can result in additional enforcement if issues persist

3. Survey Preparation Framework

12-Month Preparation Timeline

Begin preparation well in advance of your expected survey cycle:

- Months 12-9: Conduct internal mock survey and gap analysis
- Months 9-6: Implement corrective actions and update policies
- Months 6-3: Staff training, document organization, practice interviews
- Months 3-1: Final readiness review and leadership briefing
- Final month: Logistics preparation and team assignments

Internal Assessment

- Review prior survey findings and verify sustained corrections
- Conduct mock survey using DMHC survey tools and criteria
- Assess all operational areas against current regulatory requirements
- Identify gaps and develop remediation plans with timelines
- Track regulatory changes since last survey cycle

Leadership Engagement

- Brief executive team on survey timeline and expectations
- Assign survey coordinator with authority and resources
- Establish cross-functional preparation team
- Regular progress reporting to leadership

4. Key Survey Focus Areas

Quality Management

- Quality Improvement (QI) program structure and effectiveness
- Credentialing and peer review processes
- Performance measurement and reporting
- Clinical practice guidelines and utilization review
- Patient safety and adverse event reporting

Access and Availability

- Appointment availability surveys and results
- Provider network adequacy by specialty and geography
- After-hours access and triage protocols
- Translation and interpretation services
- Accessibility for persons with disabilities

Utilization Management

- UM program description and annual evaluation
- Decision-making criteria and processes
- Timeliness of UM decisions (per Knox-Keene requirements)
- Peer-to-peer review and appeal processes
- Inter-rater reliability testing

Grievances and Appeals

- Grievance system compliance with Knox-Keene requirements
- 30-day resolution standard for standard grievances
- 72-hour resolution for urgent grievances
- Proper classification and tracking
- Trending and quality improvement from grievance data

Continuity of Care

- Transition policies for new enrollees
- Care coordination between providers
- Discharge planning and follow-up
- Referral management processes
- Standing referral and direct access provisions

5. Document Readiness

Core Documents to Prepare

- Organizational chart with compliance and quality reporting lines
- Committee meeting minutes (QI, UM, Credentialing, Peer Review)
- Policies and procedures (current, approved, accessible)
- Provider directories and network adequacy reports
- Grievance and appeal logs with resolution documentation
- UM decision logs with clinical rationale
- Annual QI program evaluation and work plan
- Credentialing files (sample for review)
- Member materials (EOC, handbooks, notices)

Document Organization Tips

- Create a survey binder or electronic repository organized by survey area
- Index all documents with dates, version numbers, and approval status
- Ensure policies reference current regulations and are signed/dated
- Prepare sample case files (grievances, appeals, UM cases, credentialing)
- Have demographic data and enrollment statistics readily available

6. Staff Preparation and Training

Key Personnel to Prepare

- Medical Director and CMO
- Quality Improvement Director/Manager
- Utilization Management Director/Manager
- Grievance and Appeals Coordinator
- Credentialing Manager
- Member Services leadership
- Compliance Officer
- Provider Relations leadership

Interview Preparation

- Review likely survey questions for each operational area
- Practice clear, concise answers supported by documentation
- Know where to find supporting evidence quickly
- Understand what NOT to say (speculation, promises, complaints)
- Designate backup personnel for each subject area

Key Principle: Answer only what is asked. Provide clear, factual responses supported by documentation. Do not volunteer information or speculate about areas not directly questioned.

7. During the Survey

Survey Day Logistics

- Designate a comfortable, private workspace for surveyors
- Assign a survey coordinator as single point of contact
- Provide refreshments and necessary equipment (copier, internet)
- Have all requested documents accessible and organized
- Brief staff on professional conduct and availability

Best Practices During Survey

- Be responsive, professional, and cooperative
- Provide requested documents promptly (same day if possible)
- Take notes on all surveyor requests and observations
- Clarify questions before responding if unsure what is being asked
- Track all documents provided to surveyors
- Conduct daily debriefs with leadership team

What to Avoid

- Do not argue with surveyors about findings
- Do not provide documents not specifically requested
- Do not make commitments or promises about future changes
- Do not blame other departments or individuals
- Do not guess - say "I will get that information" if unsure

8. Post-Survey Response

Preliminary Report Review

- Review preliminary findings within DMHC-specified timeframe
- Identify factual errors for correction (provide supporting evidence)
- Distinguish between findings you accept and those you dispute
- Begin corrective action planning for accepted findings

Corrective Action Plan Development

- Address each deficiency with specific, measurable actions
- Include responsible parties, timelines, and milestones
- Demonstrate root cause analysis for systemic issues
- Include monitoring and sustainment plans
- Submit within DMHC-required timeframe (typically 45 days)

Ongoing Compliance

- Implement corrective actions per approved timeline
- Document evidence of implementation and effectiveness
- Report progress to DMHC as required
- Prepare for potential follow-up survey
- Integrate lessons learned into ongoing operations

9. Common Deficiencies and How to Avoid Them

Most Frequent DMHC Findings

- Timely access to care not meeting regulatory standards
- UM decision timeliness failures (especially urgent requests)
- Incomplete grievance resolution documentation
- Credentialing file deficiencies (missing primary source verification)
- Inadequate linguistic services and cultural competency
- Provider directory inaccuracies
- Missing or outdated policies and procedures
- Insufficient QI program evaluation and follow-through

Prevention Strategies

- Implement real-time monitoring dashboards for key metrics
- Conduct quarterly internal audits of high-risk areas
- Maintain up-to-date policies with regular review cycles
- Train staff on documentation standards and expectations
- Track regulatory changes and update operations promptly

10. Building Survey-Ready Operations

The best survey preparation is maintaining compliant operations year-round. Organizations that treat regulatory compliance as an ongoing priority rather than a periodic event consistently achieve better survey outcomes.

- Embed compliance monitoring into daily operations
- Maintain "survey-ready" documentation at all times
- Conduct regular internal mock surveys and gap assessments
- Foster a culture of quality and accountability
- Invest in compliance technology and reporting tools
- Engage leadership in ongoing compliance oversight

Ready to prepare for your next DMHC survey? Contact Ginete Healthcare Consulting Group:
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