



Gavin Newsom, Governor
State of California
Health and Human Services Agency
DEPARTMENT OF MANAGED HEALTH CARE
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Sacramento, CA 95814
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April 16, 2024

Via eFile

Dr. Mukesh Bhatia
President and Chief Executive Officer
Access Senior HealthCare, Inc.
5375 Whitman Road
Hidden Hills, CA 91302

FINAL REPORT OF A ROUTINE EXAMINATION OF ACCESS SENIOR HEALTHCARE, INC.

Dear Dr. Bhatia:

Enclosed is the final report (Final Report) of a routine examination for the quarter ended September 30, 2023, of the fiscal and administrative affairs of Access Senior HealthCare, Inc. (Plan). The examination was conducted by the Department of Managed Health Care (Department) pursuant to Section 1382 of the Knox-Keene Health Care Service Plan Act of 1975.¹ The Department issued a preliminary report to the Plan on February 14, 2024. The Department accepted the Plan's electronically filed response on March 29, 2024.

The Final Report includes a description of the compliance efforts included in the Plan's March 29, 2024 response, in accordance with Section 1382(c).

Section 1382(d) states, "If requested in writing by the plan, the director shall append the plan's response to the final report issued pursuant to subdivision (c). The plan may modify its response or statement at any time and provide modified copies to the department for public distribution not later than 10 days from the date of notification from the department that the final report will be made available to the public. The addendum to the response or statement shall also be made available to the public."

Please indicate within 10 days from the date of the Plan's receipt of this letter whether the Plan requests the Department to append its response. If so, please indicate which portions of the Plan's response should be appended, and electronically file copies of those portions excluding information held confidential pursuant to Section 1382(c). If the

¹ References to "Section" are to sections of the Knox-Keene Health Care Service Plan Act of 1975, as codified in California Health and Safety Code section 1340 et seq.

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Plan requests the Department to append a brief statement summarizing the Plan's response or wishes to modify any information provided to the Department in its March 29, 2024 response, please provide an addendum no later than 10 days from the date of the Plan's receipt of this letter. Please file this addendum electronically via the corrective action plan (CAP) system within the Department's eFiling web portal at <https://wpsso.dmhc.ca.gov/secure/login/>, as follows:

- From the main menu, select "eFiling."
- From the eFiling menu, select "Online Forms."
- From the Online Forms menu, select "Details" for "CAP #L24-R-506."
- Go to the "Messages" tab, then:
 - Select "Addendum to Final Report" (note this option will only be available for 10 days after the issuance of the Final Report).
 - Select the deficiency(ies) that are applicable.
 - Create a message for the Department.
 - Attach and upload all documents with the name "Addendum to Final Report."
 - Select "Send Message."

The Department finds that the Plan's compliance efforts are responsive to the deficiencies cited and the corrective actions required. Therefore, no further response is required.

Questions or problems related to the electronic transmission of any addendum should be directed to the Office of Financial Review administrative support team at 916-255-2345 or by e-mail at ofr_admin@dmhc.ca.gov.

The Department will make the Final Report available to the public in 10 days from the Plan's receipt of this letter. The Final Report will be located at the Department's web site at <http://www.dmhc.ca.gov/LicensingReporting/ViewFinancialExaminationReports.aspx>.

If there are any questions regarding the Final Report, please contact me at 213-620-2057 or by e-mail at Suhag.Patel@dmhc.ca.gov.

Sincerely,

SIGNED BY

Suhag Patel
Corporation Examiner IV, Supervisor
Office of Financial Review
Division of Financial Oversight

cc: Paul Pew, Chief Financial Officer, Access Senior HealthCare, Inc.
Pritika Dutt, CPA, Deputy Director, Office of Financial Review
Ned Gennaoui, Supervising Examiner, Division of Financial Oversight
John Atamian, Examiner, Division of Financial Oversight
Lorilee Ambrosini, Examiner, Division of Financial Oversight
Farisha Buksh, Associate Governmental Program Analyst, Office of Plan
Licensing
Chris Wordlaw, Staff Services Manager III, Office of Plan Monitoring
Chad Bartlett, Staff Services Manager II, Help Center

**STATE OF CALIFORNIA
DEPARTMENT OF MANAGED HEALTH CARE**

**OFFICE OF FINANCIAL REVIEW
DIVISION OF FINANCIAL OVERSIGHT**

FINAL REPORT OF A ROUTINE EXAMINATION

**OF
ACCESS SENIOR HEALTHCARE, INC.**

FILE NO. 933 0506

DATE OF FINAL REPORT: APRIL 16, 2024

SUPERVISING EXAMINER: NED GENNAOUI

OVERSIGHT EXAMINER: SUHAG PATEL

EXAMINER-IN-CHARGE: JOHN ATAMIAN

**FINANCIAL EXAMINERS:
SEBAS ALEX
JULIANA ASABOR
BETTY JIANG
NAVDEEP SANDHAR**

BACKGROUND INFORMATION FOR ACCESS SENIOR HEALTHCARE, INC.

Date Plan Licensed:	November 6, 2014
Organizational Structure:	<p>Access Senior HealthCare, Inc. (Plan) is a for-profit company and wholly owned by a sole shareholder. He also owns Access Medical IPA, Inc. (AMI), Access Santa Monica IPA, Inc. (ASMI), and Access Managed Care, LLC (AMCL). The Plan delegates professional medical risk to AMI and ASMI.</p> <p>The Plan entered into administrative services agreements with All Care To You, LLC (ACTY) and AMCL. ACTY provides various administrative services to the Plan, for which the Plan pays an agreed-upon percentage of capitation income. Meanwhile, AMCL provides limited executive-level services to the Plan.</p>
Type of Plan:	<p>The Plan is a full-service health care service plan. The Plan is only authorized to contract with other Knox-Keene licensed health care service plans that offer Medicare Advantage products through contracts with the Centers for Medicare and Medicaid Services.</p>
Provider Network:	<p>The Plan contracts with its affiliate provider groups and hospitals. The Plan pays contracting provider groups on a capitated basis and hospitals on a fee-for-service basis.</p>
Plan Enrollment:	<p>As of September 30, 2023, the Plan reported 2,404 enrollees contracted from other health plans.</p>
Service Area:	<p>The Plan operates in Los Angeles, Orange, Riverside, San Bernadino, and San Diego Counties.</p>
Date of Prior Final Routine Examination Report:	February 16, 2021

FINAL REPORT OF A ROUTINE EXAMINATION OF ACCESS SENIOR HEALTHCARE, INC.

This is the final report (Final Report) for the quarter ended September 30, 2023, of a routine examination of the fiscal and administrative affairs of Access Senior HealthCare, Inc. (Plan). The examination was conducted by the Department of Managed Health Care (Department) pursuant to Section 1382 of the Knox-Keene Health Care Service Plan Act of 1975.¹ The Department issued a preliminary report (Preliminary Report) to the Plan on February 14, 2024. The Department accepted the Plan's electronically filed response on March 29, 2024.

This Final Report includes a description of the compliance efforts included in the Plan's March 29, 2024 response to the Preliminary Report, in accordance with Section 1382(c). The Plan's March 29, 2024 response is noted in italics within this Final Report.

The Department examined the Plan's financial report filed with the Department for the quarter ended September 30, 2023, as well as other selected accounting records and controls related to the Plan's various fiscal and administrative transactions.

The Department's findings are presented in this Final Report as follows:

- | | |
|-----------|------------------------------------|
| Part I. | Financial Statements |
| Part II. | Calculation of Tangible Net Equity |
| Part III. | Compliance Issues |

The Department finds that the Plan's compliance efforts are responsive to the deficiencies cited and the corrective actions required. Therefore, no further response is required.

¹ References to "Section" are to sections of the Knox-Keene Health Care Service Plan Act of 1975, as codified in California Health and Safety Code section 1340 et seq. References to "Rule" are to regulations promulgated pursuant to the Knox-Keene Health Care Service Plan Act of 1975 contained within title 28 of the California Code of Regulations.

PART I. FINANCIAL STATEMENTS

The Department's examination did not result in any adjustments or reclassifications to the Plan's financial statements for the quarter ended September 30, 2023, as filed with the Department. A copy of the Plan's financial statements can be viewed by selecting "Access Senior HealthCare, Inc." on the second drop-down menu of the Department's financial statement database available at <http://wps0.dmhc.ca.gov/fe/search/#top>.

No response is required to this Part.

PART II. CALCULATION OF TANGIBLE NET EQUITY (TNE)

Net Worth as reported by the Plan as of quarter ended September 30, 2023	\$2,544,164
Less: Intangible Assets and Goodwill - Net	<u>219,493</u>
TNE	\$2,324,671
Required TNE	<u>1,175,558</u>
TNE Excess per Examination	<u>\$1,149,113</u>

The Plan was in compliance with the TNE requirements of Rule 1300.76 as of September 30, 2023.

No response is required to this Part.

PART III. COMPLIANCE ISSUES

A. RESTRICTED DEPOSIT

Rule 1300.76.1 states that each plan shall deposit with the director of the Department (Director) or at the discretion of the Director with any bank authorized to do business in this state and insured by the Federal Deposit Insurance Corporation an amount which at all times shall have a value of not less than \$300,000. Cash, investment certificates, accounts, or any combination of these shall be assigned to the Director, upon those terms as the Director may prescribe, until released by the Director.

The Department's examination disclosed that the Plan did not maintain deposits in the total amount of \$300,000 as required by Rule 1300.76.1. In addition, the Plan transferred a portion of the deposits to another bank account without securing a release from the Director, in the form of a written approval.

On February 6, 2024 prior to the issuance of the Preliminary Report, the Plan filed an amendment (eFiling number 20240684) with the Department to reflect the new deposit assignment information. The amendment is currently under review by the Department.

The Preliminary Report required the Plan to provide the policies and procedures implemented to ensure compliance with the requirements of Rule 1300.76.1 at all times, the date of their implementation, and the management position responsible for ensuring continued compliance.

The Plan responded by submitting a new policy and procedure, implemented on March 1, 2024, to ensure continued compliance with the requirements of Rules 1300.76.1. The Plan's Chief Financial Officer is the management position responsible for ensuring continued compliance.

The Department finds that the Plan's compliance effort is responsive to the deficiency cited and the corrective action required. Therefore, no further response is required.

B. MANAGEMENT CHANGES

Section 1352(c) and Rule 1300.52.2 state, in part, that a plan shall within five days file an amendment when there are changes in personnel of the Plan. Changes in personnel refer to the addition or deletion of a director, trustee, principal officer, general partner, general manager or principal management persons, or persons occupying similar positions, or a substantial and material change in the duties of any such person.

The Department's examination disclosed that the Plan did not file an amendment within five days as required by the above Section and Rule for the following changes in management:

Position Title	Reason	Effective Date	Filing Date	Days Over five Days
Chief Medical Officer	Resignation	07/01/2020	01/17/2022	560
Chief Medical Officer	Appointment	07/01/2020	01/17/2022	560

The Preliminary Report required the Plan to provide the policies and procedures implemented to ensure that changes in key personnel were filed with the Department within five days, the date of their implementation, and the management position responsible for ensuring continued compliance.

The Plan responded by submitting a new policy and procedure, implemented on March 1, 2024, to ensure that changes in key personnel are filed with the Department within five days of the effective date of the change. The Plan's Chief Financial Officer is the management position responsible for ensuring continued compliance.

The Department finds that the Plan's compliance effort is responsive to the deficiency cited and the corrective action required. Therefore, no further response is required.