

## **2018-124 AUDIT SCOPE AND OBJECTIVES**

### **Department of Health Care Services— Oversight of the Gold Coast Health Plan**

The audit by the California State Auditor will provide independently developed and verified information related to the oversight of the Gold Coast Health Plan (Gold Coast) by the Department of Health Care Services (Health Care Services). The audit's scope will include, but not be limited to, the following activities:

1. Review and evaluate the laws, rules, and regulations significant to the audit objectives.
2. Assess the roles and responsibilities of any relevant state agencies, including Health Care Services, in overseeing Gold Coast's responsibilities relating to its contracted pharmacy benefits manager.
3. Analyze Gold Coast's request-for-proposal process that led to it awarding a contract in 2016 to OptumRX to manage prescription drug benefits for its members, including the following:
  - (a) To the extent possible, whether determine Gold Coast executed its contract with OptumRx with the best interests of its contracted pharmacies and member beneficiaries in mind.
  - (b) Determine whether Gold Coast presented the most accurate and relevant information for the commissioners of the Ventura County Medi-Cal Managed Care Commission to consider when voting on the contract.
4. Determine whether Gold Coast has sufficient oversight procedures in place to ensure its subcontractor for managing prescription drug benefits complies with laws and regulations relevant to reimbursements to pharmacies.
5. Evaluate whether Gold Coast's policies, practices, and processes for establishing reimbursement rates for contracted pharmacies through its subcontractor are reasonable and appropriate. To the extent they are not reasonable or appropriate, determine what responsibilities, if any, fall on Gold Coast, Health Care Services, or other state agencies to address the issue.
6. Assess, to the extent possible, how Gold Coast and OptumRx's reimbursements to contracted pharmacies compare to reimbursements by similarly situated Medi-Cal Managed Care organizations and their pharmacy benefits managers for similar drugs.
7. Review and assess any other issues that are significant to the audit.