

STATE OF CALIFORNIA
HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF MANAGED HEALTH CARE

TO: DRUVI JAYATILAKA

Matter No.: 11-506

FILED

JUL 13 2012

DEPARTMENT OF MANAGED HEALTH CARE
By: *Janice B. Rodriguez*
Filing Clerk

ORDER

**The Director of the
Department of Managed Health Care**

The Director of the Department of Managed Health Care (the "Director") after investigation, effective this date does hereby ORDER:

PART A

CEASE AND DESIST

1. **DRUVI JAYATILAKA** is hereby ordered to immediately cease and desist from violating Health and Safety Code section 1367.01, subdivision (e), by personally engaging in and/or allowing, authorizing, enabling, permitting, and/or not preventing unlicensed or otherwise unqualified individuals from engaging in the practice of "medical review" or any other utilization management function involving a modification or denial for requested medical services, in whole or in part, based on medical necessity.

2. This Order shall remain in effect until further order from the Director or an order of the court to the contrary.

PART B

I.

3. The Director of the Department of Managed Health Care ("Department") is vested with the responsibility to administer and enforce the Knox-Keene Health Care Service Plan Act of 1975, as amended ("Knox-Keene Act"), codified at Health and Safety Code section 1340, et seq.

4. Accountable Health Care IPA, A Professional Medical Corporation (“Accountable” or the “RBO”), is now, and has been since September 21, 1993, a Professional Corporation within the meaning of Part 4 of Division 3 of Title 1 of the California Corporations Code. At all times relevant to this Cease and Desist Order, Accountable has been operating as a “risk-bearing organization” within the meaning of Health and Safety Code section 1375.4, subdivision (g), and is a “capitated provider” within the meaning of California Code of Regulations, title 28, section 1300.71, subdivision (a)(1)(B). Accountable is subject to the Knox-Keene Act and California Code of Regulations, title 28, promulgated pursuant to the Knox-Keene Act.

5. The Director has and may exercise all powers necessary or convenient for the administration and enforcement of, among other laws, the Knox-Keene Act. (Health & Saf. Code, § 1341.)

6. The Director may adopt, amend, and rescind any rules, forms, and orders that are necessary to carry out the provisions of the Knox-Keene Act. (Health & Saf. Code, § 1344.)

7. The Director may issue an order directing a plan or any representative thereof or any other person to cease and desist from engaging in any act or practice in violation of the provisions of the Knox-Keene Act, any rule adopted pursuant to the Knox-Keene Act, or any order issued by the Director pursuant to the Knox-Keene Act. (Health & Saf. Code, § 1391.)

8. Health and Safety Code section 1367.01, subdivision (e), provides that no individual other than a licensed physician or a licensed health care professional who is competent to evaluate the specific clinical issues involved in the health care services requested by the provider may deny or modify requests for authorization of health care services for an enrollee for reasons of medical necessity. All health care service plans and any entities with which they contract must comply with this provision pursuant to Health and Safety Code section 1367.01, subdivision (a).

II.

9. Accountable is a risk-bearing organization providing basic health care services on a capitated basis to enrollees of the Contracted Plans and maintains risk arrangements with those Contracted Plans. Dr. George Jayatilaka is the Chief Executive Officer and Medical Director of Accountable.

10. Druvi Jayatilaka is not and, at all times relevant to this Cease and Desist Order, was not a licensed physician or a licensed health care professional who is competent to evaluate specific clinical issues involved in health care services requested by providers. Druvi Jayatilaka is the son of Dr. George Jayatilaka and is and, at all times relevant to this Cease and Desist Order, was Vice President of Accountable.

11. Accountable provides health care services in the greater Los Angeles area to approximately 148,835 enrollees of the Contracted Plans pursuant to its respective contracts with those Contracted Plans.

12. Under its contracts with the Contracted Plans, Accountable is delegated to conduct, among other things, utilization review and utilization management functions which prospectively, retrospectively, and concurrently reviews, approves, modifies, delays, or denies, based in whole or in part on medical necessity, requests by providers prior to, retrospectively, or concurrent with the provision of health care services to enrollees of the Contracted Plans.

13. Between December 24, 2008, and the present, Druvi Jayatilaka on many occasions was personally responsible for modifying or denying an authorization of health care services for an enrollee for reasons of medical necessity

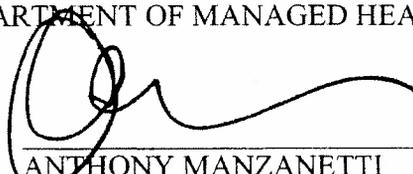
14. Druvi Jayatilaka may have been personally responsible for modifying or denying an authorization of health care services for an enrollee for reasons of medical necessity on many more occasions that are as of now concealed because Accountable's method of notating review by a medical reviewer does not always include the name of the medical reviewer, making it impossible to confirm, at this time, whether an authorized individual licensed to practice medicine in the State of California made the decision to modify or deny an authorization.

III.

15. Druvi Jayatilaka has on many occasions modified and/or denied requests for authorization of health care services for an enrollee for reasons of medical necessity in violation of Health and Safety Code section 1367.01, subdivision (e)

DEPARTMENT OF MANAGED HEALTH CARE

Dated: July 13, 2012



ANTHONY MANZANETTI
Deputy Director | Chief Counsel
Office of Enforcement

