

## Health Plan of San Mateo Policy & Procedure Manual

<b>Procedure:</b> CP.021		<b>Title:</b> Delegation Oversight Activities and Responsibilities	<b>Original Effective Date:</b>  05/26/2022
<b>Revision:</b>  0	<b>Last Reviewed /Revised:</b>  05/26/2022	<b>Dept:</b> Compliance	<b>Page</b> 1 of 5

<b>Approval By:</b> Compliance Committee		<b>Date:</b> 07/29/2022
<b>Annual Review Date:</b> 07/01/2023		
<b>Authored by:</b> Director of Compliance		
<b>Pursuant To:</b> <input checked="" type="checkbox"/> DHCS Contract Provision Exhibit A, Attachment 4, Provisions 6, 8, 10, 12 and 13; Exhibit A, Attachment 5, Provision 5; Exhibit A, Attachment 6, Provision 13; Exhibit A, Attachment 14, Provision 3; Exhibit E, Attachment 2, Provision 27(B) <input type="checkbox"/> Health and Safety (H&S) Code <input checked="" type="checkbox"/> CFR 42 CFR 422.503(b)(4)(vi); 42 CFR 422.504(i); 42 CFR 423.504(b)(4)(vi); 42 CFR 423.505(i); 42 CFR 438.608 <input checked="" type="checkbox"/> APL / DPL APL 17-004		<input type="checkbox"/> W & I Code <input type="checkbox"/> California Title # <input type="checkbox"/> Organization Need <input checked="" type="checkbox"/> Other Medicare Managed Care Guide Chapter 21; Medicare Prescription Drug Benefit Manual Chapter 9; NCQA Standard "Notifying NCQA of Reportable Events"
<b>Departments Impacted:</b> All		

### Policy:

The purpose of this policy and procedure is to outline the oversight activities and responsibilities for subcontractors delegated administrative and health care functions on behalf of HPSM.

The oversight activities responsibilities contained in this document occur across all lines of business for entities that have been delegated responsibility for administrative and health care services for all HPSM lines of business.

### Scope

This procedure applies to (check all that apply):

<input checked="" type="checkbox"/> All LOBs/Entire Organization	<input type="checkbox"/> CCS	<input type="checkbox"/> Medi-Cal Expansion
<input type="checkbox"/> ACE	<input type="checkbox"/> HealthWorx	<input type="checkbox"/> Medi-Cal Adults
<input type="checkbox"/> CA-CMC / MMP / DSNP	<input type="checkbox"/> Medi-Cal	<input type="checkbox"/> Other (specify)

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### Responsibility and Authority

- The Chief Compliance Officer is responsible for implementing a Compliance Program to ensure that HPSM services are provided in accordance with all applicable federal, state, and county laws and regulations.
- The Director of Compliance is the Chair of the Delegation Oversight Committee.
- The Delegation Oversight Committee is a sub-committee of the Compliance Committee and is responsible for reviewing and monitoring overall delegate performance and providing guidance to the Compliance Committee.
- Business owners, that is individuals with activities under their purview delegated to a delegate, are responsible for day-to-day oversight of delegated activities, relationship management and for reporting issues of non-compliance regarding delegate performance to the Compliance Department in accordance with CP.003 Reporting Compliance Concerns.

### Definitions

**Account Manager** is the HPSM business owner responsible for day-to-day oversight of subcontractors delegated responsibilities of the business owner's operational area.

**Auditing** is a formal review of compliance with a particular set of internal (e.g., policies and procedures) or external (e.g., laws and regulations) standards used as base measures, and are performed by someone with no vested interest in the outcomes or FDR being reviewed.

**Delegate** is any entity that HPSM enters into a contract with and is authorized to perform functions which HPSM is obligated to perform pursuant to contractual obligations, regulations and accreditation standards.

**Monitoring** includes surveillance activities conducted during the normal course of operations and which may not necessarily be independent of the business area being monitored (e.g., self-reviews, peer reviews, etc.). Monitoring activities may occur to ensure corrective actions are being implemented and maintained effectively or when no specific problems have been identified to confirm ongoing compliance.

**Subcontractor** any entity that HPSM contracts with to perform services for or on behalf of HPSM.

**First Tier Entity** is any party that enters into a written arrangement with HPSM to provide administrative services or health care services to an HPSM member.

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**Downstream Entity** is any party that enters into a written arrangement, acceptable to CMS, with persons or entities involved with an HPSM Medicare line of business below the level of the arrangement between HPSM and a first-tier entity. These written arrangements continue down to the level of the ultimate provider of both health and administrative services.

**Related Entity** would be any entity related to HPSM by common ownership or control and (1) performs some of HPSM's management functions under contract or delegation; (2) furnishes services to Medicare beneficiaries under an oral or written agreement; or (3) leases property or sells materials to HPSM at a cost of more than \$2,500 during a contract period.

**Procedure**

- 1.0 General Oversight Requirements
  - 1.1 HPSM maintains ultimate responsibility for fulfilling the terms and conditions as set forth in the contracts with CMS, DHCS, license with DMHC and NCOA Accreditation standards, including all statutory, legal, and regulatory requirements.
  - 1.2 HPSM will conduct pre-delegation assessments of all subcontractors prior to delegation of any administrative or health care activities.
  - 1.3 Account Managers will maintain primary responsibility regarding relationship management, including day-to-day interactions with subcontractors.
  - 1.4 HPSM will maintain a committee including Account Managers, other Business Owners and Compliance Department staff to perform oversight of the delegation oversight system.
    - 1.4.1 This includes relevant policies and procedures, performance reports, and other relevant data to ensure the delegation oversight system is functioning in line with regulatory guidelines.
  - 1.5 Account Managers and the Compliance Department have a shared responsibility for monitoring and auditing of delegated functions.
- 2.0 Subcontractor Screening Process
  - 2.1 All Account Managers, at the point of initiating contracting must engage the Compliance Department on the potential for delegation of administrative or health care activities to a subcontractor.
  - 2.2 The Compliance Department will evaluate all subcontractors prior to contracting to determine the application of FDR, delegate, or ASA screening policies CP.014, CP.023, CP.029, and CP.030.

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- 3.0 Pre-Delegation Review
  - 3.1 Pre-delegation review will be completed prior to the initiation of delegated services and the signing of a contract per CP.023.
- 4.0 Monitoring and Oversight
  - 4.1 Monitoring and oversight of Medi-Cal delegates and FDRs will occur pursuant to CP.028, CP.029, and CP.030.
- 5.0 Imposition of Administrative or Financial Sanctions
  - 5.1 HPSM may impose financial or administrative sanctions on a subcontractor for non-compliance with subcontract or other State, Federal, or NCQA Accreditation requirements, upon discovery of non-compliance.
    - 5.1.1 All subcontracts must include language providing for imposition of such sanctions
  - 5.2 HPSM Account Managers are responsible for imposing any necessary Corrective Action Plans (CAP) when their subcontractor is non-compliant with the obligations of their delegation agreement.
    - 5.2.1 CAPs must be discussed with the Compliance Department before they're issued.
    - 5.2.2 CAPs must be disclosed to regulatory agencies as required by contract, memorandum, or policy letter.
  - 5.3 HPSM Account Managers and the Compliance Department will collaboratively monitor the CAP for completion by the subcontractor.
- 6.0 Mandatory Reporting
  - 6.1 HPSM will report to the appropriate regulatory agency, any significant instances of non-compliance, imposition of corrective actions, or financial sanctions pertaining to their obligations pursuant to contractual obligations or regulations.
    - 6.1.1 For DHCS, the report will be made to the assigned contract manager within 3 business days of discovery or imposition of a financial sanction.
    - 6.1.2 For CMS, see CP.009 for the disclosure process.
    - 6.1.3 For NCQA, see "Notifying NCQA of Reportable Events" per the current year's standards. Reports must be made within 30 calendar days of any reportable event.

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6.1.3.1 Account Managers should consult the NCQA Program Manager when a CAP is considered (prior to issuance) for a delegate.

6.2 HPSM business owners are responsible for reporting non-compliance to the Compliance Department immediately upon discovery to ensure timely reporting to appropriate regulators.

**Related Documentation**

- CP.000 Compliance Program
- CP.003 Reporting Compliance Concerns
- CP.004 Compliance Hotline
- CP.005 Non-Intimidation and Non-Retaliation
- CP.009 Notification Process for Compliance Issues
- CP.014 Administrative Services Agreement
- CP.016 Investigating and Reporting Fraud, Waste, Abuse and Neglect
- CP.019 Document Retention
- CP.022 Delegation oversight Subcommittee and Charter
- CP.023 Pre-Delegation Review
- CP.029 Oversight Responsibilities for Medicare Delegates (FDR)
- CP.030 Oversight Responsibilities for Medi-Cal Delegates

**Attachments**

- None

<b>Log of Revisions</b>	
<b>Revision Number</b>	<b>Revision Date</b>
0	05/26/2022