
18. DELEGATION AND OVERSIGHT

- A. Delegation Oversight
 - 1. Delegated Activities
-

APPLIES TO:

- A. This policy applies to all IEHP Covered Delegates.

POLICY:

- A. IEHP evaluates and audits contracted Delegates in accordance with current applicable National Committee for Quality Assurance (NCQA) accreditation standards and Department of Managed Health Care (DMHC) regulatory requirements, and IEHP standards, modified on an as needed basis.
- B. Delegates agree to be accountable for all responsibilities delegated by IEHP and oversight of any sub-delegated activities, including periodic reporting, as specified in the Delegation Agreement

DEFINITION:

- A. Delegate- A medical group, health plan, , individual or entity contracted with IEHP to provide administrative services or health care services for an eligible IEHP Covered Member.

PROCEDURES:

- A. IEHP performs an initial, monthly, and annual audits in the following delegated activities:
 - 1. Quality Management and Improvement;
 - 2. Utilization Management;
 - 3. Credentialing and Re-credentialing;
 - 4. Care Management; and
 - 5. Claims Process and Payment.
- B. IEHP performs initial, monthly annual and as needed audits of the following regulatory requirements:
 - 1. Compliance (Fraud, Waste, and Abuse Program);
 - 2. Health Insurance Portability and Accountability Act (HIPAA) Privacy and Security; and
 - 3. Financial Viability.
- C. Each of the above activities describes the elements being evaluated, the frequency of the reporting requirements, and the period of time being evaluated.
 - 1. For each activity, IEHP has identified the documented reporting requirements and delegated activities.

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- D. IEHP provides each Delegate with the results of audit and monitoring activities and deficiencies in their delegated activities within 30 calendar days of the scheduled audit date.
- E. Delegates identified to be deficient in a delegated activity are required to submit a Corrective Action Plan (CAP). See Policy 18A3, “Delegation Oversight – Corrective Action Plan Requirements.
- F. Failure to submit documentation by the required due dates or failure to participate in a scheduled audit may result in an automatic failure of the audit.
- G. Delegates can appeal the results of any oversight activity, specialized study, audit and any required CAPs or sanctions to IEHP within 30 calendar days of receiving their results. Delegates must cite reasons for their appeal, including disputed items or deficiencies.

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Regulatory/ Accreditation Agencies:	<input type="checkbox"/> DHCS	<input type="checkbox"/> CMS
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- A. Delegation Oversight
 - 2. Delegation Oversight Audit
-

APPLIES TO:

- A. This policy applies to all IEHP Covered Delegates.

POLICY:

- A. IEHP delegates certain Utilization Management (UM), Care Management (CM), Credentialing/Re-credentialing (CR) activities and activities for Quality Management and Improvement (QI), Compliance and Fraud, Waste and Abuse (FWA) Program, and HIPAA Privacy & Security Program to contracted Delegates that meet IEHP delegation requirements and comply with the most current , Department of Managed Health Care (DMHC), , and IEHP Standards.
- B. IEHP does not delegate Quality Management and Improvement (QI), QI Health Equity Transformation Program, Preventive Health, Medical Records, Compliance, or Member Experience to any non-NCQA accredited entities; however, IEHP does require contracted Delegates to perform specific activities related to these areas.
- C. IEHP Delegation Oversight Audits are conducted by IEHP functional departments (Provider Services, Compliance, Credentialing, Quality Management, UM, and CM) to ensure that Delegates' are complying with IEHP requirements and maintain their ability to perform delegated functions in QI, UM, Credentialing/Re-credentialing, Compliance and Fraud, Waste and Abuse (FWA) Programs, HIPAA Privacy & Security Program, CM, Claims, and related activities on an annual basis.
- D. IEHP may waive elements of the annual audit for NCQA accredited or certified entities.

DEFINITION:

- A. Delegate - A medical group, health plan, individual or entity contracted with IEHP to provide administrative services or health care services for an eligible IEHP Covered Member.

PROCEDURES:

- A. IEHP Delegation Oversight Audit is used as part of the pre-contractual audit for Delegates applying for participation with IEHP.
- B. To coordinate and schedule audits, IEHP must provide written notice to the Delegate's staff at least 30 calendar days in advance of the scheduled audit. The Delegate receives audit preparation instructions, See "Attachment/Delegation Oversight Audit Preparation Instructions – IEHP Covered and Delegation Oversight Audit Preparation Instructions – IEHP Covered (NCQA Certified)" found on the IEHP website,¹ regarding the types of documents

¹ <https://www.iehp.org/en/providers/provider-resources?target=forms>

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to be available at the time of the audit and standard forms to be completed and returned to IEHP prior to the audit.²

- F. In preparation for the audit the Plan should:
1. Familiarize themselves with DMHC, and IEHP specific standards; and
 2. Conduct self-audits to ensure they meet current standards.
- G. At the time of the audit, the Delegate must have:
1. All requested documents ready; and
 2. Have appropriate staff available for each functional area that is being audited.
- H. IEHP may use the IEHP Credentialing Delegation Oversight Audit (DOA) Tool, Compliance and FWA DOA Audit Tool, Privacy DOA Audit Tool, and the QM/UM/CM DOA Audit Tool which is based upon current NCQA (when applicable) DMHC, and IEHP standards or other resources as deemed necessary to sufficiently document information from the examined policies and procedures, committee minutes, and files and other documents to NCQA standards, as well as to support the conclusions reached.
- I. The Delegate receives an exit interview with the IEHP auditors at the completion of each session of Delegation Oversight Audit. This interview identifies areas found to be deficient giving the Delegate an opportunity to provide additional information to clear the deficiency within two (2) business days. Items still found deficient will be highlighted for opportunities for improvement that need to be addressed through the Corrective Action Plan (CAP) process.
- J. Within 30 calendar days of the audit, the Delegate receives written notification of the results. The written notification includes a cover letter and completed audit tools noting any deficiencies found during the audit. The cover letter notes the timeframes for corrective action, and any other pertinent information.
- K. Scoring categories for each of the Delegation Oversight Audit are as follows:
1. Full Compliance 90-100%
 2. Non-compliance <90%
- L. Failure to submit required documentation by the due dates or failure to participate in scheduled audit dates may result in automatic failure of an audit.
- M. All Delegates that score 90% or greater pass that section of the audit. A CAP is required for all scores below 90%. However, a CAP may be issued at the discretion of IEHP regardless of the score, even if the score is at 90% or above. Failure to meet the minimum threshold for any must-pass elements for Credentialing, will result in a CAP response to be submitted to IEHP within thirty 30 calendar days after the receipt of the Delegation Audit Results and must meet IEHP approval. All CAPs submitted to IEHP must meet the Corrective Action Plan

² Title 42 Code of Federal Regulations (CFR) § 438.230

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requirements. See Policy 18A3, “Delegation Oversight - Corrective Action Plan Requirements.”

- N. Focused audits may be performed as indicated whenever a quality issue is identified or upon discretion of the Delegation Oversight Committee, Chief Compliance Officer, Executive Compliance Committee, or the IEHP Chief Medical and Chief Quality Officers. Focused audits may occur between annual audits in the following circumstances:
1. Deficiencies noted as a result of the annual audit, as applicable;
 2. Review of documents submitted to IEHP indicates potentially significant changes to the Delegate program; and
 3. Any other circumstance or quality issue identified that in the judgment of IEHP, requires a focused audit.
- O. If the Delegate is unable to meet the requirements at the second focused re-audit, IEHP may do one (1) of the following:
1. Immediately freeze the Delegate to new Member enrollment, as applicable;
 2. Send a 30 day breach of contract notice with specific cure requirements;
 3. Rescind delegated status of Delegate, as applicable;
 4. Terminate the IEHP contract with the Delegate; or
 5. Not renew the contract.
- P. Delegates who wish to appeal the results of the Delegation Oversight Audit must do so in writing within 30 calendar days of receiving their results to the Provider Delegation Manager. Delegates must cite reasons for their appeal, including disputed items or deficiencies.
- Q. Delegates who consistently fail to meet IEHP standards, as confirmed through annual and/or focused audits or other oversight activities, are subject to actions up to and including rescission of delegated functions, non-renewal of the IEHP contract or termination of the Delegates participation in the IEHP network.
- R. IEHP reserves the right to revoke delegated responsibilities and take other necessary action up to and including termination of contract from those Delegates that fail to meet IEHP requirements.

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3. Corrective Action Plan Requirements

APPLIES TO:

- A. This policy applies to all IEHP Covered Delegates and Providers.

POLICY:

- A. IEHP maintains the responsibility of ensuring that Delegates continue to be in compliance with all applicable State and Federal laws, National Committee for Quality Assurance (NCQA) accreditation, contractual and reporting requirements.¹
- B. IEHP's Delegation Oversight (DO) department is responsible for the oversight, monitoring and tracking of all assessments and Corrective Action Plans (CAPs).
- C. The CAP process is the first level of action taken by IEHP to remediate identified performance deficiencies identified through the auditing and monitoring of Delegates.
- D. Delegates who fail to achieve established threshold requirements for any delegated function for (2) consecutive months will be issued a Corrective Action Plan (CAP) or Immediate Corrective Action Plan (ICAP).
- E. IEHP may issue a CAP for a decline in performance or identified risk in any given month. CAPs are required to remediate deficiencies identified during monthly monitoring and auditing activities, focused and/or clinical audits, and the annual Delegation Oversight Audits (DOA).

DEFINITION:

- A. Delegate is a medical group, health plan, individual or entity contracted with IEHP to provide administrative services or health care services for an eligible IEHP Covered Member.
- B. Corrective Action Plan (CAP) - A written statement identifying the deficiency, root cause and description of the detailed plan of action that is developed to achieve targeted outcomes to correct the deficiency, and the operational results of that action which ensure the deficient practices are not repeated. For deficiencies that required long term corrective action or a period of longer than thirty (30) calendar days to remedy or operationalize, the Delegate must demonstrate it has taken remedial action and is making progress toward achieving acceptable level of compliance. The CAP must include the date when full compliance is expected to be achieved.

¹ Title 42 Code of Federal Regulations (CFR) §438.230

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PROCEDURES:

Delegation Oversight Audit CAP

- A. IEHP monitors Delegate compliance with requirements set forth by IEHP Department of Managed Health Care (DMHC) and National Committee for Quality Assurance (NCQA) through its annual DOA. The DOA includes oversight for QM, UM, Credentialing, Compliance, HIPAA, and Care Management. See Policy 18A2, “Delegation Oversight – Audit.” Scoring categories for each section of the DOA are as follows:
1. Full Compliance 90-100%
 2. Non-compliance <90%
- B. All Delegates with scores less than 100% may be required to submit a CAP to remedy any deficiencies noted on the audit tool.
1. The Delegates must submit a complete and comprehensive CAP to IEHP that adequately addresses all deficiencies for each section.
 2. A CAP is considered complete only if all deficiencies from each section are present and submitted together. These sections are as follows:
 - a. QM;
 - b. UM;
 - c. Medi-Cal Addendum;
 - d. Compliance;
 - e. HIPAA Security;
 - f. Credentialing & Recredentialing; and
 - g. Care Management.
 3. The Delegates are responsible for coordination of its CAP response with each of its internal departments responsible for addressing audit deficiencies.
 4. IEHP does not accept CAPs for DOA and deficiencies when received in individual sections. These are returned to the Delegates and considered delinquent until a complete and all-inclusive CAP is received.
 5. Each section of the CAP response must be clearly identified with supporting documentation attached and clearly labeled.
 6. The CAP must be submitted to IEHP within 30 calendar days of written notification by IEHP of the audit results. Information shall include:
 - a. The DOA score received for each section;

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- b. A list of the deficiencies identified by IEHP;
 - c. Root cause analysis for the deficiency;
 - d. How the deficiency is corrected along with supporting documentation, including policies and procedures, training agenda, material and sign-in sheets when applicable;
 - e. Completion dates for each of the corrective actions;
 - f. Identification of the person responsible for completing the corrective action; and
 - g. Follow-up or monitoring plan to ensure that the corrective action plan is successful.
7. Upon receipt of the initial CAP, IEHP reviews the CAP and either approves or denies the CAP in writing within 30 calendar days of receipt.
 8. If a Plan submits a CAP that is in full compliance (above 90%) with no specific identified risk and all prior deficiencies addressed, then the audit is considered complete and will be accepted.
 9. If the CAP is denied:
 - a. IEHP will communicate all remaining deficiencies to the Delegates, with a written request for a second CAP.
 - b. Delegates requiring a second CAP may be frozen to new Member assignment until a CAP is received and approved.
 - c. The Delegates are required to resubmit a second CAP within 15 calendar days to IEHP.
 10. Upon receipt of the second CAP by IEHP:
 - a. If the second CAP is approved, the CAP process is closed. If applicable, the Delegates are then re-opened to new Member assignment.
 - b. If the second CAP is denied, the Delegates may be placed in a contract cure process that gives the Delegates 30 calendar days to adequately correct the deficiencies.

CAP Timeline

— Upon receipt of the initial CAP, IEHP reviews the CAP and either approves or denies the CAP in writing within seven (7) calendar days of receipt.

A. If the CAP is denied:

1. -IEHP will communicate all remaining deficiencies to the Delegate, with a written request for additional documentation.
2. The Delegate is required to submit additional documentation within ~~fifteen (15)~~ calendar days to IEHP.

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—IEHP reviews and either approves or denies the CAP in writing within seven (7) calendar days of receipt.

3. If the additional documentation is approved, the CAP is accepted.

ICAP Timeline

—Upon receipt of the initial ICAP, IEHP reviews the ICAP and either approves or denies in writing within ~~seven-two (72)~~ hours of receipt.

A. If the ICAP is denied:

1. -IEHP will communicate all remaining deficiencies to the Delegate, with a written request for additional documentation.

—The Delegate is required to submit additional documentation within ~~seven-two (72)~~ hours of receipt to IEHP.

2. If the additional documentation is approved, the ICAP is accepted.

B. IEHP monitors for subsequent Delegate deficiencies through review of grievances, assessment of reports, and results of activities related to each area addressed by the ICAP.

C. If the Delegate fails to demonstrate sustained improvement depending on the nature of the findings and the severity of the deficiencies, IEHP may elect to take any of the following actions:

1. Conduct a validation audit;

2. Placement on concurrent review;

3. Increased monitoring and reporting;

4. Delegate is frozen to new Member enrollment;

5. Financial Sanction;

6. Request for cure under contract compliance;

7. De-delegation of specified functions;

8. Contract non-renewal; or

9. Contract termination.

Appeal of CAPs and ICAPs

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C.A. Delegates wishing to appeal the results of the initial DOA must do so in writing to IEHP's Director of Delegation Oversight or designee within 30 calendar days of receiving their results. Delegates must cite reasons for their appeal, including disputed items or deficiencies.

D.B. After receiving a written appeal, the Director of Delegation Oversight or designee responds to the appealing Delegates in writing, noting the status of the appeal. Once an appeal is received, all additional documentation submitted by the Delegates is reviewed and, if appropriate, scores may be adjusted. If necessary, a re-assessment audit is performed for areas with scores being appealed.

Failure to submit a CAP

A. Failure to submit CAPs may result in one of the following activities, depending on the nature of the audit or study and the seriousness of the deficiency:

1. Delegates are frozen to new Member assignment;
2. Financial Sanction;
3. Request for cure under contract compliance;
4. Requirement to subcontract out the deficient activities within Management Services Organization (MSO) or Delegates;
5. De-delegation of specified functions;
6. Contract non-renewal; or
7. Contract termination.
8. Upon receipt of the Corrective Action Plan, IEHPs will review for compliance and:
 - a. May elect to keep the CAP open while the Delegates performance is monitored for sustained improvements; or
 - b. Complete a validation audit following the implementation of the audit (as needed).

Failure to Implement Corrective Action Plan

A. Failure to demonstrate CAP implementation and sustained improvement as outlined in the Corrective Action Plan may result in further action including:

1. Delegates are frozen to new Member assignment;
2. Financial sanction;
3. Request for cure under contract compliance;
4. Requirement to subcontract out the deficient activities within Management Services Organization (MSO) or Delegates;
5. De-delegation of specified functions;

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6. Contract non-renewal; or

7. Contract termination.

Other Oversight Activities or Focused and/or Clinical Audits

A. Other QM monitoring activities that could result in CAPs include but are not limited to:

1. Monthly, Quarterly, Semi-Annual and Annual report submissions;
2. UM, CM and Claims focused file audits;
3. Grievance and Appeal audits;
4. Compliance audits;
5. HIPAA Security audits;
6. 24 hour access studies;
7. Language competency audits;
8. Clinical audits (including asthma, diabetes, etc.);
9. Specific quality studies;
10. Focused audits;
11. Pharmacy audits;
12. Audits determined necessary by the Delegation Oversight Committee;
13. Follow up audits; and/or
14. Universe and Log Data Quality and Validation Audits.

B. IEHP reviews results of each audit or study and identifies deficiencies as noted in IEHP policies and procedures.

C. IEHP may issue a CAP for a decline in performance or identified risk in any given month.

1. Delegated Entities are evaluated and monitored for performance on an ongoing basis through the various sources, to include but not limited to:
 - a. Pre-Delegation Audits
 - b. Annual Audits
 - c. Focused Audits
 - d. Clinical Audits
 - e. Delegate Reporting

D. Within 30 calendar days of the audit or study, the Delegates receive written notification of the results including any required CAPs or sanctions. The written notification includes a cover

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letter and a completed audit tool (when applicable) noting any deficiencies found during the audit. Identified deficiencies will include requests for standard CAP and/or Immediate CAP (ICAP). The cover letter defines the timeframes for corrective action, and any other pertinent information.

1. The Delegates must submit a complete and comprehensive CAP response to IEHP that adequately addresses all deficiencies for each section within the CAP/ICAP.
2. The Delegates are responsible for coordination of their CAP response with each of its internal departments responsible for addressing audit deficiencies.
3. IEHP does not accept CAPs for multiple deficiencies when received in individual sections. These are returned to the Delegates and considered delinquent until a complete and all-inclusive CAP is received.
4. Each section of the CAP response must be clearly identified with supporting documentation attached and clearly labeled.
5. The ICAP form must be submitted to IEHP within 72 hours of the issuance of the written notification. The standard CAP form must be submitted within 30 calendar days of written notification by IEHP of the audit results.
 - a. The Audit or Study score received for each section;
 - b. A listing of the deficiencies as identified by IEHP;
 - c. CAPs must identify the root cause analysis for the deficiency;
 - d. CAPs must specifically state how the deficiency is corrected along with supporting documentation, including policies and procedures, training agenda, training materials, and sign in sheets when applicable;
 - e. Completion dates for each of the corrective actions;
 - f. Identification, date, and signature of the person responsible for completing the corrective action; and
 - g. Follow-up or monitoring plan to ensure that the corrective action plan is successful.
6. If the CAP is incomplete:
 - a. IEHP will communicate all remaining deficiencies to the Delegates with a written request for an updated CAP including requests for additional documentation and/ or any other documents as part of the CAP response.
 - b. For standard CAP findings, the Delegates are required to resubmit an updated CAP response within 15 calendar days to IEHP.
7. If the CAP is considered complete:
 - a. IEHP sends notification to the Delegate of the accepted CAP.

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- b. An accepted CAP may remain open to allow monitoring for sustained improvement.
- E. Delegates can appeal the results of any oversight activity, specialized study, audit and any required CAPs or sanctions to IEHP within 30 calendar days of receiving their results. Delegates must cite reasons for their appeal, including disputed items or deficiencies.
- F. After receiving a written appeal, IEHP's Director of Delegation Oversight or Delegation Oversight Manager responds to the appealing Delegates in writing, noting the status of the appeal. Once an appeal is received, all additional documentation submitted by the Delegates is reviewed and, if appropriate, scores may be adjusted. If necessary, a re-assessment audit is performed for areas with scores being appealed.

~~Failure to submit a CAP~~

- ~~A. Failure to submit CAPs may result in one of the following activities, depending on the nature of the audit or study and the seriousness of the deficiency:~~
 - ~~1. Delegates are frozen to new Member assignment;~~
 - ~~2.1. Financial Sanction;~~
 - ~~3.1. Request for cure under contract compliance;~~
 - ~~4.1. Requirement to subcontract out the deficient activities within Management Services Organization (MSO) or Delegates;~~
 - ~~5.1. De-delegation of specified functions;~~
 - ~~6.1. Contract non-renewal; or~~
 - ~~7.1. Contract termination;~~
 - ~~8.1. Upon receipt of the Corrective Action Plan, IEHPs will review for compliance and:~~
 - ~~a. May elect to keep the CAP open while the Delegates performance is monitored for sustained improvements; or~~
 - ~~b.a. Complete a validation audit following the implementation of the audit (as needed).~~

~~Failure to Implement Corrective Action Plan~~

- ~~A. Failure to demonstrate CAP implementation and sustained improvement as outlined in the Corrective Action Plan may result in further action including:~~
 - ~~1. Delegates are frozen to new Member assignment;~~
 - ~~2.1. Financial sanction;~~
 - ~~3.1. Request for cure under contract compliance;~~

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~~4.1. Requirement to subcontract out the deficient activities within Management Services Organization (MSO) or Delegates;~~

~~5.1. Delegation of specified functions;~~

~~6.1. Contract non-renewal; or~~

~~7.1. Contract termination.~~

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