

## POLICY AND PROCEDURE

<b>DEPARTMENT:</b> Medical Management	<b>DOCUMENT NAME:</b> Oversight of Delegated Utilization Management (UM)
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<b>APPROVED DATE:</b> Sept 2011	<b>RETIRED:</b>
<b>EFFECTIVE DATE:</b> Jan 2012, Feb 2015	<b>REVIEWED DATE:</b> 10/12, 10/13, 4/14; 11/14, 12/15, 10/16, 10/17, 10/18, <u>10/19</u>
<b>Product Type:</b> Medicaid	<b>REFERENCE NUMBER:</b> LA.UM.15

### SCOPE:

Louisiana Healthcare Connections (Plan) Operations, Utilization Management, Compliance and Quality Improvement Departments

### PURPOSE:

To provide appropriate structure and mechanisms for monitoring the utilization of services members receive when the authority to perform Utilization Management (UM) activities is delegated to another entity. In addition, to encourage a collaborative oversight process that allows for the sharing of results and development of action plans in order to maximize the efficiencies of the relationship.

### POLICY:

The Plan may delegate the responsibilities for UM activities to participating provider entities such as independent practice associations (IPA), hospitals, medical groups, or to qualified subcontracted vendors. This is applicable for all health plan benefits, including, but not limited to ~~specialized behavioral health services~~, high-dollar complex imaging, and therapy authorizations.

The Plan will evaluate the delegated entity's capacity to perform the delegated activities prior to a delegation agreement. The Plan may determine that an agency has the capability to perform UM duties in compliance with the Plan's minimum standards outlined in the UM Program Description and in accordance with NCQA and/or other accrediting requirements. In this circumstance, the Plan may delegate to the agency the authority to perform this function. When the Plan elects to delegate UM functions, a document will be signed by both parties, such as a contract, agreement, letter, or other written record. This document will clearly define performance expectations and reporting responsibilities for both the Plan and the delegated entity.

The Plan retains ultimate accountability for delegated services and, as such will monitor the performance of the delegated entity through the approval of the delegate's UM program, or portions of the program that are delegated. The delegated entity's performance will be monitored through routine reporting and monthly or quarterly oversight meetings to determine whether the delegated activities are being carried out according to NCQA, Plan standards, and/or other accrediting requirements. The Plan also retains the right to reclaim the responsibility for performance of this function or take corrective action should standards not be maintained.

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If the delegate chooses to sub-delegate a portion of the UM activity, the Plan retains ultimate responsibility for the function. Prior written approval must be received from the Plan prior to sub-delegating any activity. The delegate will oversee the work performed by the sub-delegate, as outlined in the original delegation agreement. Failure on the part of the delegate to oversee any sub-delegated activity may result in termination of the delegation agreement with the Plan.

### PROCEDURE:

#### I. Pre-Delegation Review

- A. Prior to delegation, the Plan UM, Quality Improvement (QI), and/or Compliance designee(s) is/are responsible for conducting an evaluation that consists of a written review of the entity's UM program, associated policies and procedures, staffing capabilities, and performance record. For national delegate contracts, the Centene Corporate Compliance or QI designee will conduct the pre-delegation review on behalf of the Plan or in collaboration with the Plan designee(s) as available.
- B. The entity's applicable UM Program and/or policies and procedures will be reviewed against Plan, NCQA, and/or other regulatory standards, such as State requirements and 42 CFR 438.
- C. A site visit is preferred, but the pre-delegation review may be accomplished through an exchange of documents or through pre-delegation meetings.
- D. The pre-delegation review must be completed prior to the activation of the delegation agreement.
- E. Summary of the pre-delegation review, including the delegates UM Program Description, should be presented at the next regularly scheduled Quality Assurance and Performance Improvement Committee (QAPIC) for review and comment.

#### II. Written Delegation Agreement

- A. A mutually agreed upon written document, signed by both parties, serves as the delegation contract. The agreement shall include, but is not limited to, the following elements:
  1. Responsibilities of the Plan and the delegate-
  2. Specific UM activities being delegated which may include any or all of the following:
    - Adoption of criteria
    - Monitoring of quality and timeliness of decisions
    - Precertification by service
    - Concurrent Review

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- Case Management
  - Retrospective Review by service
  - Approval and Denials
  - Member and Provider Appeals
  - Communication with Members
3. Frequency of and type of reporting-
  4. The process by which the Plan evaluates the delegate's performance, which includes reporting at least quarterly.
  5. Explicit statement of consequences and corrective action process if the delegate fails to meet the terms of the agreement, up to and including revocation of the delegation agreement.
- B.** If the delegation arrangement includes the use of protected health information (PHI), the delegation agreement shall also include the following provisions:
1. A list of the allowed uses of PHI-
  2. A description of the delegate safeguards to protect the information from appropriate use or further disclosure.
  3. A stipulation that the delegate will ensure that sub-delegates have similar safeguards.
  4. A stipulation that the delegate will provide individuals/members with access to their PHI.
  5. A stipulation that the delegate will inform the Plan if inappropriate uses of the information occur.
  6. A stipulation that the delegate will ensure that PHI is returned, destroyed, or protected if the delegation agreement ends.

The above provisions may be completed in the form of a Business Associate Agreement signed by the delegated entity.

### III. Reporting and Ongoing Monitoring

- A.** Delegate reporting is required quarterly. Reporting may include, but is not limited to raw data, summary analysis of data, committee minutes, or specialized reports designed exclusively to describe the findings of the UM activities. Reporting must include, at a minimum, the following items:
- Number of UM cases handled by type (precertification, concurrent, or retrospective) and by service (inpatient or outpatient)
  - Number of denials made
  - Number of cases appealed

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- B. Plan will provide member experience data, such as CAHPS survey results, grievance and appeals data, and clinical performance data, e.g., relevant HEDIS measures, at the request of vendors.
- C. Delegate oversight meetings are required monthly or quarterly and may take place in the form of joint meetings or teleconferences. During the meetings, the quarterly reports should be reviewed and analyzed for outliers and/or inconsistencies. Meeting minutes must show evidence of substantive evaluation.
- D. Documentation of the routine oversight meetings and evaluation of interim reporting should be presented at the next regularly scheduled QAPIC and Medical Management (MMC) committee meetings.

### IV. Annual Evaluation

- A. The Corporate audit team or local designee will conduct an annual evaluation and documentation review to include the UM Program, applicable policies and procedures, applicable file reviews and review of meetings minutes for compliance with Plan, NCQA, and/or other accrediting requirements. Noncompliant findings prompt issuance and monitoring of Quality Improvement Plans or Corrective Action Plans for the vendor. Centene performs formal audits of national delegated vendors annually.
- B. The Corporate file review will include, as applicable to the delegated activities, an audit of the following;
  - Authorizations (only review if NOT delegated for denials/appeals) - Minimum of 50 files (at least 5 files per Entity per Product)
  - Medical Necessity Denials - Minimum of 50 files (at least 5 files per Entity per Product)
  - Administrative Denials - Minimum of 50 files (at least 5 files per Entity per Product)
  - Appeals - Minimum of 50 files (at least 5 files per Entity per Product)
- C. The annual evaluation must include review and approval of the delegate's UM Program or the delegated portions of the program. If portions of the UM process are delegated, the Plan must approve policies and procedures that the delegate uses to perform the selected activities.
- D. An onsite annual evaluation is preferred, but may be conducted through telephone consultation, documentation review or committee meetings.
- E. The annual evaluation should be presented at the next regularly scheduled QAPIC and MMC for review and comment. The delegate's UM Program should be submitted for review and approval by the committee.

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### V. Deficiencies and Corrective Action

- A. The Plan will monitor the delegate on an ongoing basis to identify opportunities for improvement.
- B. For delegation agreements that have been in effect for more than twelve (12) months, the Plan will work collaboratively with the delegate to identify and follow up on at least one opportunity for improvement annually, if applicable. Sources for identifying areas for improvement may include, but are not limited to pre-delegation evaluation, annual evaluation or ongoing reports.
- C. A Corrective Action Plan (CAP) shall be developed, as warranted, to improve performance. The plan may work in coordination with the Corporate Audit team in the resolution of a specific Quality Improvement Plan (QIP) or CAP. Each CAP shall include, but not be limited to, the following:
  - Expected, measurable results indicating completion of the CAP
  - Detailed action plan to complete activities required by the CAP
  - Due date for completion of CAP
- D. Reports regarding ongoing Corrective Action Plans, if any, will be presented to the Plan QAPIC and MMC at least quarterly.
- E. When deficiencies are severe or unable to be resolved, the Plan will withdraw the opportunity for or revoke the delegation arrangement.

#### REFERENCES:

Current NCQA Health Plan Standards and Guidelines

#### ATTACHMENTS:

#### DEFINITIONS:

UM Delegation: The formal process by which a Plan gives another entity the authority to perform UM functions on its behalf.

UM functions that can be delegated include:

- adoption or development of utilization decision criteria
- precertification, concurrent review and retrospective review for services
- both clinical and benefit decisions
- approvals and denials
- communications with members regarding decisions and appeal rights
- resolution of appeals other than the final internal level

UM functions that cannot be delegated include:

- new technology reviews

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- final level of member appeals

### REVISION LOG

REVISION	DATE
No revisions	10/13
Removed reference to CareCentrix. Added that Centene performs annual audits. Updated NCQA date.	4/14
LA Procurement 2015 Policy Update	11/14
Behavioral Health Carve-in update and department change. Updated NCQA date reference	12/15
Updated NCQA language around providing vendors with member experience and clinical performance data, upon request of vendor.	10/16
Added High Dollar Complex Imaging and Therapy Authorizations under Policy Section Removed references to URAC and JCAHO. Replaced with "other accrediting requirements." Removed Health Plan auditor participation in annual evaluation from Section IV.A.	10/17
Minor grammatical changes Removal of MCO Provider Agreement, Section 5.3 and CC.Comp 21.04 Annual Vendor Audits from References Section	10/18
<u>Minor grammatical changes</u> <u>Removal of "specialized behavioral health services" from Policy Section</u>	<u>10/19</u>

## POLICY AND PROCEDURE APPROVAL

The electronic approval retained in RSA Archer GRC, Centene's P&P management software, is considered equivalent to a physical signature.

VP Medical Management: —~~Electronic~~ Signature on File\_\_\_\_\_

Sr. VP of Medical Affairs: —~~Electronic~~ Signature on File\_\_\_\_\_