

NHP/NHIC-Delegation and Oversight Policy and Procedure

Abstract/Purpose:

The Delegation and Oversight Policy and Procedure is designed to define the process and criteria by which NHP/NHIC delegates or sub-delegates the managed care responsibilities of Credentialing/Recredentialing, Customer Services, Quality Improvement and Utilization Management.

I. **POLICY:**

Network Health Plan/Network Health Insurance Corporation (NHP/NHIC) reserves the right to delegate or sub-delegate to an entity the authority to perform functions on its behalf. The delegated or sub-delegated entity must meet NHP/NHIC, State, Federal and National Committee for Quality Assurance (NCQA) standards.

If the potential delegated entity is an NCQA-certified or NCQA-accredited entity, there is no need to pre-assess the entity's ability to meet NCQA standards unless the entity serves NHIC Medicare members. NHP/NHIC must evaluate the entity for compatibility of its managed care network functions with NHP/NHIC's program. This evaluation can be completed through document assessment and may not require a site visit.

OBJECTIVE/Mission Integration:

The Delegation and Oversight Policy and Procedure is designed to define the process and criteria by which NHP/NHIC delegates or sub-delegates the managed care responsibilities of Credentialing/Recredentialing, Customer Services, Quality Improvement and Utilization Management.

The process is designed to ensure that our members receive competent and excellent service and our partners honor their commitment and accountabilities to the plan.

II. **PROCEDURE:**

NHP/NHIC may delegate or sub-delegate specified activities to the following entities:

- Ambulatory Care Facilities
- Hospitals
- Independent Practice Associations (IPAs)
- Medical Groups
- Mental Health Managed Benefits Organization
- Physician-Hospital Organizations (PHOs)
- Credentials Verification Organizations
- Pharmacy Benefit Management Organizations

All delegation requests must be reviewed and approved by the Quality Management Committee (QMC). Whenever an entity is being considered for a delegated activity the review and oversight function will be coordinated by the appropriate departments' management staff with direction from the Director of Quality Improvement. The QMC may appoint a signatory for individual agreements.

NHP/NHIC strives to pursue delegation in a timely manner. Failure to meet the time constraints as outlined below by either NHP/NHIC or the potential delegated entity may be indication for terminating the delegation process.

The QMC must be notified if the delegation process exceeds 180 days.

A. Credentialing/Recredentialing

NHP/NHIC may delegate any Credentialing/Recredentialing activities, including by not limited to:

- Acceptance of Applications
- Verification of Primary Information
- Other Investigation Information
- Practice Site Visits
- Credentialing Decisions
- Practitioner and Provider Input

1. Initial Screening of Delegation Proposal

If a decision to pursue delegation is made by the QMC, the Credentialing Coordinator will request current documents from the entity, including but not limited to:

- Practitioner/Provider Credentialing and Recredentialing Applications
- Credentialing and Recredentialing Policies and Procedures including documentation of primary sources used to verify information
- Bylaws, Rules and Regulations, if applicable to the credentialing/recredentialing process
- List of Credentials Committee members to include members' titles and specialties, and the chairperson of the Committee

Within approximately 2 weeks of receipt of all of the above requested documents, the Credentialing Coordinator will review the documents to assess compliance with NHP/NHIC, State, Federal and NCQA credentialing/recredentialing standards. If the documents comply, an on-site visit to the entity will be scheduled by the Credentialing Department within 30 days of review of the requested documents.

If the documents are not in compliance with all NHP/NHIC, State, Federal and NCQA credentialing/recredentialing standards, the Credentialing Coordinator will send the assessment results, outlining the deficiencies, and a proposed corrective action plan to the entity. The entity will be given 60 days to respond to the corrective action plan. If a response is not received within 60 days, the Credentialing/Recredentialing functions may

not be delegated. When a response is received, the QMC will evaluate it and make a decision on whether or not to further pursue delegation.

2. On-Site Visit

An on-site visit may be conducted for any potential delegated entity as identified by the QMC to ensure that the entity is implementing their Credentialing and Recredentialing Program as described in the documents sent to NHP/NHIC.

On-site visits will be directed by the Manager of Medical Staff Services. At a minimum, the following information will be reviewed at the on-site visit:

- A minimum of 10 Credentialing files of practitioners and as indicated for providers appointed in the past year
- A minimum of 10 Recredentialing files of practitioners and as indicated for providers re-appointed in the past year
- Minutes from the last three Credentials Committee meetings
- Minutes from the last three meetings of the governing committees with a report on credentialing activity

File audit results are recorded on a Credentialing/ Recredentialing File Review Worksheet and summarized.

3. Scoring the Review

The reviewer(s) will record the entity's document assessment and on-site visit results on a Credentialing Delegation Audit Tool. Each NHP/NHIC, State, Federal and NCQA standard will be reviewed and a determination will be made for each standard on whether the entity is:

- Fully compliant, i.e. meets or exceeds NHP/NHIC, State, Federal and NCQA standards, no corrective action plan is required; or
- Partially or non-compliant, i.e. does not meet NHP/NHIC, State, Federal and NCQA standards, corrective action plan is required

If the entity is fully compliant with all NHP/NHIC, State, Federal and NCQA standards, the results of the audit, along with the reviewer(s) recommendation, will be forwarded to the QMC for final delegation decision.

If any NHP/NHIC, State, Federal or NCQA standard is determined as partial or non-compliant, NHP/NHIC will forward the audit results with a proposed corrective action plan to the potential delegated entity. Any actions already agreed upon by the entity as a result of the document review will be included in the corrective action plan. The entity will be given 30 days to respond to the corrective action plan. If a response is not received within 30 days, the Credentialing/Rec credentialing functions may not be delegated. When a response is received, the audit results, the entity's response to the corrective action plan, and the reviewer(s) recommendation will be forwarded to the QMC for a delegation decision.

4. Initial Decision

The results, analysis and recommendations from the reviewers are presented to the QMC for evaluation and determination. The QMC will issue one of the following decisions regarding delegation of Credentialing/Recredentialing functions:

- Delegation of all credentialing/recredentialing activities as proposed; no corrective action plan required.
- Delegation with implementation of corrective action plan. The delegated entity agrees to:
 - implement the agreed upon corrective action plan within the timeframe(s) specified in the corrective action plan
 - undergo reassessment of delegated entity's Credentialing and Recredentialing program within 180 days of the delegation decision, or other mutually agreed upon timeframe. At that time, NHP/NHIC will conduct another on-site visit. The results of the follow-up on-site assessment will be presented to the QMC for review. If the delegated entity is still deficient, NHP/NHIC may terminate the Delegation Agreement
 - be a partial delegate. NHP/NHIC retains specific credentialing/recredentialing activities.
- Delegation denied.

NHP/NHIC will notify the delegated entity in writing within 10 days of the QMC decision. Organizations who are rejected may reapply for delegated Credentialing/Recredentialing in one year or as appropriate.

5. Delegation Agreement

NHP/NHIC will send the approved delegated entity a Delegation Agreement which includes details of the terms of the delegated activities, the reporting requirements of the delegate, and the term of the agreement. At a minimum, the Delegation Agreement must clearly delineate which entity, NHP/NHIC or the delegated entity, performs each of the activities, including but not limited to:

- Accepts application along with reapplication and attestation
- Collects all data elements from NHP/NHIC, State, Federal and NCQA-approved sources
- Conducts site visit and medical record keeping review
- Makes decision on initial credentialing
- Collects and evaluates performance information for recredentialing
- Makes decision on recredentialing

If the delegation arrangement includes the use of protected health information (PHI), the Delegation Agreement must include a:

- Business Associate Agreement
- list of allowed uses of PHI
- description of delegate safeguards to protect PHI from inappropriate use or disclosure;

- stipulation that the delegate:
 - ensures that sub-delegates have similar safeguards
 - provides individuals with access to their PHI
 - informs the organization if inappropriate uses of information occur
 - ensures PHI is returned, destroyed or protected if the Delegation Agreement ends

The Delegation Agreement must identify how NHP/NHIC will evaluate the delegated entity's performance and also specify the remedies available to NHP/NHIC, including revocation of the delegation, if the delegated entity does not fulfill its obligations. The delegated entity will return the signed Delegation Agreement within 30 days. NHP/NHIC will send a copy of the Delegation Agreement signed by both parties to the delegated entity.

Along with the Delegation Agreement, the delegated entity must submit a list of all practitioners/providers as applicable who meet Credentialing/Recredentialing standards for participation in NHP/NHIC. Information on each practitioner must include, but is not limited to:

- Complete Name
- Title
- Specialty

Because NHP/NHIC is ultimately accountable for Credentialing/Recredentialing its practitioners, NHP/NHIC retains the right to approve, suspend or terminate individual practitioners/providers in situations where NHP/NHIC has delegated decision-making.

6. Reporting Requirements

The Delegation Agreement will specify the content and frequency of reports the delegated entity must submit to NHP/NHIC. Reports must be supplied to NHP/NHIC at least twice a year, reviewed by the Credentials Committee and reported to the QMC.

7. Concurrent Monitoring

The delegated entity must monitor and inform NHP/NHIC immediately, or as determined in the Delegation Agreement, of all practitioner/provider sanctions by the state licensing agency, Medicare and/or Medicaid. NHP/NHIC reserves the right to terminate any practitioner/provider who is sanctioned by the State, Medicare, or Medicaid. NHP/NHIC also reserves the right to terminate any practitioner/provider that the NHP/NHIC Peer Review Committee determines and documents as providing substandard care to NHP/NHIC members.

8. Annual On-Site Visit

If the delegated entity is an NCQA-certified or NCQA-accredited organization, NHP/NHIC is not required to conduct an on site annual evaluation of the delegated entity's Credentialing/Recredentialing program. However, NHP/NHIC reserves the right

to conduct an evaluation at any time upon reasonable notice. NHP/NHIC is required to annually verify continued NCQA certification or accreditation.

The Credentialing Coordinator will schedule an on-site visit with the delegated entity 12 months from the entity's previous visit if required. The scheduled date is to be confirmed by letter to the delegated entity along with a request that the following documents be forwarded to NHP/NHIC prior to the on-site visit:

- List of practitioners/providers who fall within the scope of delegation to include:
 - Complete Name
 - Title
 - Specialty
 - Credential date
 - Recredential date
- Current Credentialing and Recredentialing Policies and Procedures
- Current Bylaws, Rules and Regulations, if applicable to the credentialing/recredentialing process
- Current list of Credentials Committee members to include titles and specialties of members and designation of chairperson of the Committee

NHP/NHIC will randomly select the files to review from the list provided by the delegated entity and inform the delegated entity of the selected files prior to an on-site visit so that files are available at the time of the visit. During the on-site visit, NHP/NHIC will review 5% or 50 practitioner files, whichever is less. However, never less than 10 credentialing files and 10 recredentialing files will be reviewed. NHP/NHIC will also review current practitioner/provider credentialing and recredentialing application(s) on-site.

9. Continuation Decision

Results of the document assessment and on-site review will be scored and reported on a Credentialing Delegation Audit Tool. If any standard is determined as partial or non-compliant, NHP/NHIC will forward the audit results with a proposed corrective action plan to the delegated entity. The delegated entity will be given 30 days, or as determined in the Delegation Agreement, to respond to the corrective action plan. If a response is not received within the allotted time period, NHP/NHIC may terminate the Delegation Agreement. If a response is received, the audit results and the entity's response to the corrective action plan will be presented to the QMC for evaluation and determination.

The QMC will issue one of the following decisions regarding the continued delegation of Credentialing/Recredentialing.

- Continue delegation of all credentialing/ recredentialing activities as outlined in the Delegation Agreement; no corrective action plan required.
- Continue delegation with implementation of corrective action plan. The delegated entity agrees to:

- implement the agreed upon corrective action plan within the timeframe(s) specified in the corrective action plan.
- undergo reassessment of delegated entity's Credentialing and Recredentialing program within 180 days of the QMC's decision or other mutually agreed upon timeframe. At that time NHP/NHIC will conduct another on-site visit. The results of the follow-up on-site assessment will be presented to the QMC for review. If the delegated entity is still deficient, NHP/NHIC may terminate the Delegation Agreement.
- Do not continue delegation.

NHP/NHIC will notify delegated entity in writing within 10 days of the QMC decision. Organizations who are rejected may reapply for delegated Credentialing/Recredentialing in one year.

B. Customer Services

NHP/NHIC may delegate any of the following Customer Services activities:

- communication with members regarding appeal rights
- complaint and Level I appeal handling and resolution

NHP/NHIC will not delegate authority for the following:

- Members rights and responsibilities
- Preparation of materials for members
- Second level appeal resolution
- Member confidentiality policies and procedures

1. Initial Screening of Delegation Proposal

If a decision to pursue delegation is made by the QMC, the Manager of Customer Services will request the following current documents from the entity:

- Quality of service standards and performance reports
- Copies of Member Satisfaction surveys and results
- Copy of delegate's complaint process

Within 14 days of receipt of all of the above requested documents, the NHP/NHIC Manager of Customer Services will review the documents to assess compliance with all NHP/NHIC, State, Federal and NCQA Customer Services Standards. If the documents comply, an on-site visit to the entity will be scheduled by the Customer Services Department within 30 days of review of the requested documents.

If the documents are not in compliance with all NHP/NHIC, State, Federal and NCQA Customer Services Standards, the Customer Services Manager will send the assessment results, outlining the deficiencies, and a proposed corrective action plan to the entity. The entity will be given 60 days to respond to the corrective action plan. If a response is not received within 60 days, the Customer Services functions may not be

delegated. When a response is received, the QMC will evaluate it and make a decision on whether or not to further pursue delegation.

2. On-Site Visit

An on-site visit may be conducted for any potential delegated entity as identified by the QMC to ensure that the entity is implementing their Customer Service Program as described in the documents sent to NHP/NHIC.

On-site visits will be directed by the Customer Services Manager. At a minimum, the following information will be reviewed at the on-site visit:

- Minutes from the last three governing committee minutes addressing quality and service issues
- Minutes from the last two Customer Services Committee and/or Quality Management Committee meetings
- All service related Quality Improvement Studies from the past two years
- Data collection tools with statistics for quality of service indicators
- Ten Complaint and Level Appeals/Grievance files
- Customer Service Policies and Procedures
- Last two member satisfaction survey results

3. Scoring the Review

The reviewer(s) will record the entity's document assessment and on-site visit results on the Customer Services Delegation Audit Tool. Each NHP/NHIC, State, Federal and NCQA standard will be reviewed and a determination will be made for each standard on whether the entity is:

- Fully compliant, i.e. meets or exceeds NHP/NHIC, State, Federal and NCQA standards, no corrective action plan is required; or
- Partially or non-compliant, i.e. a corrective action plan is required

If the entity is fully compliant with all NHP/NHIC, State, Federal and NCQA standards, the results of the audit, along with the reviewer (s) recommendation, will be forwarded to the QMC for final delegation decision.

If any NHP/NHIC, State, Federal or NCQA standard is determined as partial or non-compliant, NHP/NHIC will forward the audit results with a proposed corrective action plan to the potential delegated entity. Any actions already agreed upon by the entity as a result of the document review will be included in the corrective action plan. The entity will be given 30 days to respond to the corrective action plan. If a response is not received within 30 days, the Customer Service functions may not be delegated. When a response is received, the audit results, the entity's response to the corrective action plan, and the reviewer (s) recommendation will be forwarded to the QMC for a delegation decision.

4. Initial Decision

The results, analysis and recommendations from the reviewers are presented to the QMC for evaluation and determination. The QMC will issue one of the following decisions regarding delegation of Customer Service functions:

- Delegation of all Customer Service activities as proposed; no corrective action plan required.
- Delegation with implementation of corrective action plan. The delegated entity agrees to:
 - implement the agreed upon corrective action plan within the timeframe(s) specified in the corrective action plan
 - undergo reassessment of delegated entity's Customer Service program within 180 days of the delegation decision or other mutually agreed upon timeframe. At that time, NHP/NHIC will conduct another on-site visit. The results of the follow-up on-site assessment will be presented to the QMC for review. If the delegated entity is still deficient, NHP/NHIC may terminate the Delegation Agreement
 - be a partial delegate. NHP/NHIC retains specific Customer Services activities.
 - Delegation denied.

NHP/NHIC will notify the delegated entity in writing within 10 days of the QMC decision. Organizations who are rejected may reapply for delegated Customer Services in one year.

5. Delegation Agreement

NHP/NHIC will send the approved delegated entity a Delegation Agreement which includes details of the terms of the delegated activities, the reporting requirements of the delegate, and the term of the agreement.

If the delegation arrangement includes the use of protected health information (PHI), the Delegation Agreement must include a:

- Business Associate Agreement
- list of allowed uses of PHI
- description of delegate safeguards to protect PHI from inappropriate use or disclosure; stipulation that the delegate:
 - ensures that sub-delegates have similar safeguards
 - provides individuals with access to their PHI
 - informs the organization if inappropriate uses of information occur
 - ensures PHI is returned, destroyed or protected if the Delegation Agreement ends.

The Delegation Agreement must identify how NHP/NHIC will evaluate the delegated entity's performance and also specify the remedies available to NHP/NHIC, including revocation of the delegation, if the delegated entity does not fulfill its obligations. The delegated entity will return the signed Delegation Agreement within 30 days. NHP/NHIC

will send a copy of the Delegation Agreement signed by both parties to the delegated entity.

6. Reporting Requirements

The Delegation Agreement will specify the content and frequency of reports the delegated entity must submit to NHP/NHIC. Reports must be supplied to NHP/NHIC at least twice a year and be reported to the QMC.

7. Concurrent Monitoring

NHP/NHIC will monitor Customer Services activities by Committee review of quarterly complaints and results of service monitoring activity.

8. Annual On-Site Visit

If the delegated entity is an NCQA-certified or NCQA-accredited organization, NHP/NHIC is not required to conduct an annual on site evaluation of the delegated entity's Customer Service program. NHP/NHIC is required to annually verify continued NCQA certification or accreditation.

The Customer Services Department will schedule an on-site visit with the delegated entity 12 months from the entity's previous visit if required. The scheduled date is to be confirmed by letter to the delegated entity along with a request that the following documents be forwarded to NHP/NHIC prior to the on-site visit:

- Summaries of previous year's Customer Service performance reports, satisfaction survey results, and complaint reports
- Most recent service related Quality Improvement studies
- Level I appeals information

In addition, the following will be reviewed during the on-site visit:

- Data collection tool used for performance reporting with statistics
- Minutes from the last three governing committee minutes addressing quality and service issues
- Minutes from the last three Quality Improvement Committee meetings
- Ten complaint files
- Any new or revised Customer Service Policies and Procedures
- Satisfaction Survey results and sampling methodology

9. Continuation Decision

Results of the document assessment and on-site review will be scored, and reported on a Customer Service Delegation Audit Tool. If any standard is determined as partial or non-compliant, NHP/NHIC will forward the audit results with a proposed corrective action plan to the delegated entity. The delegated entity will be given 30 days, or as determined in the Delegation Agreement, to respond to the corrective action plan. If a response is

not received within the allotted time period, NHP/NHIC may terminate the Delegation Agreement. If a response is received, the audit results and the entity's response to the corrective action plan will be presented to the QMC for evaluation and determination.

The QMC will issue one of the following decisions regarding the continued delegation of Customer Services.

- Continue delegation of all Customer Services activities as outlined in the Delegation Agreement; no corrective action plan required.
- Continue delegation with implementation of corrective action plan. The delegated entity agrees to:
 - implement the agreed upon corrective action plan within the timeframe(s) specified in the corrective action plan.
 - undergo reassessment of delegated entity's Customer Services program within 180 days of the QMC decision or other mutually agreed upon timeframe. At that time, NHP/NHIC will conduct another on-site visit. The results of the follow-up on-site assessment will be presented to the QMC for review. If the delegated entity is still deficient, NHP/NHIC may terminate the Delegation Agreement.
- Do not continue delegation. NHP/NHIC will notify the delegated entity in writing within 10 days of the QMC decision. Organizations who are rejected may reapply for delegated Customer Services in one year.

C. Quality Improvement

NHP/NHIC may delegate any of the following Quality Improvement activities:

- Program Management
- Health Services Contracting
- Customer Satisfaction
- Health Management Systems
- Clinical Practice Guidelines
- Quality Improvement Studies

1. Initial Screening of Delegation Proposal

If a decision to pursue a delegation is made by the QMC, the Supervisor of Quality Improvement will request the following current documents from the entity:

- Annual Quality Improvement Evaluation
- Quality of Care and Service Monitors
- Quality Improvement Program Description
- Clinical Quality Improvement Study Summaries
- Service related Quality Improvement Study Summaries
- Quality Improvement Work Plan for the current year.

Within 14 days of receipt of all of the above requested documents, the NHP/NHIC Supervisor of Quality Improvement will review the documents to assess compliance with

all NHP/NHIC, State, Federal and NCQA Quality Improvement Standards. If the documents comply, an on-site visit to the entity will be scheduled by the Quality Improvement Department within 30 days of review of the requested documents.

If the documents are not in compliance with all NHP/NHIC, State, Federal and NCQA Quality Improvement Standards, the Supervisor of Quality Improvement will send the assessment results, outlining the deficiencies, and a proposed corrective action plan to the entity. The entity will be given 60 days to respond to the corrective action plan. If a response is not received within 60 days, the Quality Improvement Program functions may not be delegated. When a response is received, the QMC will evaluate it and make a decision on whether or not to further pursue delegation.

2. On-Site Visit

An on-site visit may be conducted for any potential delegated entity as identified by the QMC to ensure that the entity is implementing their Quality Improvement Program as described in the documents sent to NHP/NHIC.

On-site visits will be directed by the Supervisor of Quality Improvement. At a minimum, the following information will be reviewed at the on-site visit:

- Minutes from the last governing committees meetings addressing quality issues
- Minutes from the last three Quality Improvement Committee meetings
- All service and clinical related Quality Improvement Studies from the past two years
- Customer Satisfaction survey results, if conducted
- Quality Improvement policies and procedures
- Complaint and Grievance logs

3. Scoring the Review

The reviewer(s) will record the entity's document assessment and on-site visit results on the Quality Improvement Delegation Audit Tool. Each NHP/NHIC, State, Federal and NCQA standard will be reviewed and a determination will be made for each standard on whether the entity is:

- Fully compliant, i.e. meets or exceeds NHP/NHIC, State, Federal and NCQA standards, no corrective action plan is required; or
- Partially or non-compliant, i.e. a corrective action plan is required

If the entity is fully compliant with all NHP/NHIC, State, Federal and NCQA standards, the results of the audit, along with the reviewer(s) recommendation, will be forwarded to the QMC for final delegation decision.

If any NHP/NHIC, State, Federal or NCQA standard compliance is determined as partial or non-compliant, NHP/NHIC will forward the audit results with a proposed corrective action plan to the potential delegated entity. Any actions already agreed upon by the entity as a result of the document review will be included in the corrective action plan.

The entity will be given 30 days to respond to the corrective action plan. If a response is not received within 30 days, the Quality Improvement functions may not be delegated. When a response is received, the audit results, the entity's response to the corrective action plan, and the reviewer (s) recommendation will be forwarded to the QMC for a delegation decision.

4. Initial Decision

The results, analysis and recommendations from the reviewers are presented to the QMC for evaluation and determination. The QMC will issue one of the following decisions regarding delegation of Quality Improvement functions:

- Delegation of all Quality Improvement activities as proposed; no corrective action plan required.
- Delegation with implementation of corrective action plan. The delegated entity agrees to:
 - implement the agreed upon corrective action plan within the timeframe(s) specified in the corrective action plan
 - undergo reassessment of delegated entity's Quality Improvement program within 180 days of the delegation decision or other mutually agreed upon time frame. At that time, NHP/NHIC will conduct another on-site visit. The results of the follow-up on-site assessment will be presented to the QMC for review. If the delegated entity is still deficient, NHP/NHIC may terminate the Delegation Agreement.
 - be a partial delegate. NHP/NHIC retains specific Quality Improvement activities
- Delegation denied.

NHP/NHIC will notify the delegated entity in writing within 10 days of the QMC decision. Organizations who are rejected may reapply for delegated Quality Improvement in one year.

5. Delegation Agreement

NHP/NHIC will send the approved delegated entity a Delegation Agreement, which includes details of the terms of the delegated activities, the reporting requirements of the delegate, and the term of the agreement.

If the delegation arrangement includes the use of protected health information (PHI), the Delegation Agreement must include a:

- Business Associate Agreement
- list of allowed uses of PHI
- description of delegate safeguards to protect PHI from inappropriate use or disclosure; stipulation that the delegate:
 - ensures that sub-delegates have similar safeguards,
 - provides individuals with access to their PHI,

- informs the organization if inappropriate uses of information occur,
- ensures PHI is returned, destroyed or protected if the delegation agreement ends.

The Delegation Agreement must identify how NHP/NHIC will evaluate the delegated entity's performance and also specify the remedies available to NHP/NHIC, including revocation of the delegation, if the delegated entity does not fulfill its obligations. The delegated entity will return the signed Delegation Agreement within 30 days. NHP/NHIC will send a copy of the Delegation Agreement signed by both parties to the delegated entity.

6. Reporting Requirements

The Delegation Agreement will specify the content and frequency of reports the delegated entity must submit to NHP/NHIC. Reports must be supplied to NHP/NHIC at least twice a year and will be reported to the QMC.

7. Concurrent Monitoring

NHP/NHIC will monitor Quality Improvement activities by Committee review of quarterly quality monitoring reports.

8. Annual On-Site Visit

If the delegated entity is an NCQA-certified or NCQA –accredited organization, NHP/NHIC is not required to conduct an annual on site evaluation of the delegated entity's Quality Improvement program. NHP/NHIC is required to annually verify continued NCQA certification or accreditation.

The Supervisor of Quality Improvement will schedule an on-site visit with the delegated entity 12 months from the entity's previous visit if required. The scheduled date is to be confirmed by letter to the delegated entity along with a request that the following documents be forwarded to NHP/NHIC prior to the on-site visit:

- Any new or revised Policies and Procedures
- Summaries of previous year's customer service performance reports, satisfaction survey results, and grievance reports
- Quality Improvement Program Description
- Clinical Quality Improvement Studies
- Minutes of last 3 Quality Improvement meetings
- Current Quality Improvement Work Plan
- Current Quality Improvement Program Evaluation

In addition, the following will be reviewed during the on-site visit:

- Data collection tool used for performance reporting with statistics
- Minutes from the last governing committee's meeting addressing quality issues

- Minutes from the last three Quality Improvement Committee meetings
- Satisfaction survey results and sampling methodology

9. Continuation Decision

Results of the document assessment and on-site review will be scored and reported on a Quality Improvement Delegation Audit Tool. If any standard is determined as partial or non-compliant, NHP/NHIC will forward the audit results with a proposed corrective action plan to the delegated entity. The delegated entity will be given 30 days, or as determined in the Delegation Agreement, to respond to the corrective action plan. If a response is not received within the allotted time period, NHP/NHIC may terminate the Delegation Agreement. If a response is received, the audit results and the entity's response to the corrective action plan will be presented to the QMC for evaluation and determination.

The QMC will issue one of the following decisions regarding the continued delegation of Quality Improvement activities.

- Continue delegation of all Quality Improvement activities as outlined in the Delegation Agreement; i.e. no corrective action plan required.
- Continue delegation with the implementation of corrective action plan. The delegated entity agrees to:
 - implement the agreed upon corrective action plan within the timeframe(s) specified in the corrective action plan.
 - undergo reassessment of delegated entity's Quality Improvement program within 180 days of the QMC decision or other mutually agreed upon timeframe. At that time, NHP/NHIC will conduct another on-site visit. The results of the follow-up on-site assessment will be presented to the QMC for review. If the delegated entity is still deficient, NHP/NHIC may terminate the Delegation Agreement.
- Do not continue delegation.

NHP/NHIC will notify the delegated entity in writing within 10 days of the QMC's decision. Organizations who are rejected may reapply for delegated Quality Improvement in one year.

Note: NHP/NHIC will continue to include all members in the annual Member Satisfaction Survey. Satisfaction Survey conducted by delegated entity will be in addition to NHP/NHIC annual survey.

D. Utilization Management

NHP/NHIC may delegate any of the following Utilization Management Activities:

- Pre-certification, concurrent review and retrospective review for all services

- Clinical decisions and benefit decisions
- Professional Review
- Communication of Denials
- Beneficiary Surveys
- Practitioner and Provider Surveys

NHP/NHIC may not delegate authority for the following activities:

- evaluation of new technology, or
- evaluation of new uses for existing technology or treatments (including pharmaceuticals) .

1. Initial Screening of Delegation Proposal

If a decision to pursue delegation is made by the QMC, the Supervisor of Care Management will request the following current documents from the entity:

- Utilization Management Program Description
- Utilization Management Program Evaluation
- Utilization Management Work-plan
- Utilization Management Policies and Procedures

Within 14 days of receipt of all the above requested documents, the NHP/NHIC Supervisor of Care Management will review the documents to assess compliance with all NHP/NHIC, State, Federal and NCQA Utilization Management Standards.

If the documents comply, an on-site visit to the entity will be scheduled by the Utilization Management Department within 30 days of review of the requested documents. If the documents are not in compliance with all NHP/NHIC, State, Federal and NCQA Utilization Management Standards, the Supervisor of Care Management will send the assessment results, outlining the deficiencies, and a proposed corrective action plan to the entity. The entity will be given 60 days to respond to the corrective action plan. If a response is not received within 60 days, the Utilization Management Program functions may not be delegated. When a response is received, the QMC will evaluate it and make a decision on whether or not to further pursue delegation.

2. On-Site Visit

An on-site visit may be conducted for any potential delegated entity as identified by the QMC to ensure that the entity is implementing their Utilization Management Program as described in the documents sent to NHP/NHIC.

On-site visits will be directed by the Supervisor of Care Management. At a minimum, the following information will be reviewed at the on-site visit:

- Utilization Management Program Description
- Utilization Management Policies and Procedures
- Utilization Management Program Evaluation
- Utilization Management Work Plan

- Utilization Management Committee minutes from the last three meetings
- Minutes from the last meeting of the governing committees with a report on Utilization Management activity
- Ten denial files, if applicable
- Ten appeal files, if applicable
- Practitioner/Provider Satisfaction Survey, if applicable

3. Scoring the Review

The reviewer(s) will record the entity's document assessment and on-site visit results on the Utilization Management Audit Tool. Each NHP/NHIC, State, Federal and NCQA standard will be reviewed and a determination will be made for each standard on whether the entity is:

- Fully complaint, i.e. meets or exceeds NHP/NHIC, State, Federal and NCQA standards; or
- Partially or non-complaint, i.e. a corrective action plan is required.

If the entity is fully compliant with all NHP/NHIC, State, Federal and NCQA standards, the results of the audit, along with the reviewer(s) recommendation, will be forwarded to the QMC for a delegation decision.

If any NHP/NHIC, State, Federal or NCQA standard is determined as partial or non-compliant, NHP/NHIC will forward the audit results with a proposed corrective action plan to the potential delegated entity. Any actions already agreed upon by the entity as a result of the document review will be included in the corrective action plan. The entity will be given 30 days to respond to the corrective action plan. If a response is not received within 30 days, the Utilization Management functions may not be delegated. When a response is received, the audit results, the entity's response to the corrective action plan, and the reviewer(s) recommendation will be forwarded to the QMC for a delegation decision.

4. Initial Decision

The results, analysis and recommendations from the reviewers are presented to the QMC for evaluation and determination. The QMC will issue one of the following decisions regarding delegation of Utilization Management functions:

- Delegation of all Utilization Management activities as proposed; no corrective action plan required.
- Delegation with implementation of corrective action plan. The delegate agrees to:
 - implement the agreed upon corrective action plan within the timeframe(s) specified in the corrective action plan
 - undergo reassessment of delegated entity's Utilization Management program within 180 days of the delegation decision or other mutually agreed upon timeframe. At that time, NHP/NHIC will conduct another on-site visit. The results of the follow-up on-site assessment will be

presented to the QMC for review. If the delegated entity is still deficient, NHP/NHIC may terminate the Delegation Agreement.

- be a partial delegate. NHP/NHIC retains specific utilization management activities.
- Delegation denied

NHP/NHIC will notify the delegated entity in writing within 10 days of the QMC decision. Organizations who are rejected may reapply for delegated Utilization Management in one year.

5. Delegation Agreement

NHP/NHIC will send the approved delegated entity a Delegation Agreement which includes details of the terms of the delegated activities, the reporting requirements of the delegate, and the term of the agreement.

If the delegation arrangement includes the use of protected health information (PHI), the Delegation Agreement must include a:

- Business Associate Agreement
- list of allowed uses of PHI
- description of delegate safeguards to protect PHI from inappropriate use or disclosure; stipulation that the delegate:
 - ensures that sub-delegates have similar safeguards,
 - provides individuals with access to their PHI,
 - informs the organization if inappropriate uses of information occur,
 - ensures PHI is returned, destroyed or protected if the delegation agreement ends.

The Delegation Agreement must identify how NHP/NHIC will evaluate the delegated entity's performance and also specify the remedies available to NHP/NHIC, including revocation of the delegation, if the delegated entity does not fulfill its obligations. The delegated entity will return the signed Delegation Agreement within 30 days. NHP/NHIC will send a copy of the Delegation Agreement signed by both parties to the delegated entity.

6. Reporting Requirements

The Delegation Agreement will specify the content and frequency of reports the delegated entity must submit to NHP/NHIC. Reports must be supplied to NHP/NHIC at least twice a year and will be reported to the QMC.

7. Concurrent Monitoring

NHP/NHIC will monitor Utilization Management activities by Committee review of quarterly quality monitoring reports.

8. Annual On-site Visit

If the delegated entity is an NCQA-certified or NCQA-accredited organization, NHP/NHIC is not required to conduct an annual evaluation of the delegated entity's Utilization Management program. NHP/NHIC is required to annually verify continued NCQA certification or accreditation.

The Supervisor of Care Management will schedule an on-site visit with the delegated entity 12 months from the entity's previous visit if required. The scheduled date to be confirmed by letter to the delegated entity along with a request that the following documents be forwarded to NHP/NHIC prior to the on-site visit:

- Utilization Management Evaluation
- Utilization Management Work-plan
- Utilization Management Program Description
- Utilization Management-specific Quality Improvement Studies

In addition, the following will be reviewed during the on-site visit:

- New or revised Utilization Management Policies and Procedures
- Minutes from the last three Utilization Management Committee Meetings
- Satisfaction survey results and sampling methodology
- Ten denial files, if applicable
- Ten appeal files, if applicable

9. Continuation Decision

Results of the document assessment and on-site review will be scored, and reported on a Utilization Management Delegation Audit Tool. If any standard is determined as partial or non-compliant, NHP/NHIC will forward the audit results with a proposed corrective action plan to the delegated entity. The delegated entity will be given 30 days, or as determined in the Delegation Agreement, to respond to the corrective action plan. If a response is not received within the allotted time period, NHP/NHIC may terminate the Delegation Agreement. If a response is received, the audit results and the entity's response to the corrective action plan will be presented to the QMC for evaluation and determination.

The QMC will issue one of the following decisions regarding the continued delegation of the Utilization Management activities:

- Continue delegation of all Utilization Management activities as outlined in the Delegation Agreement; i.e. no corrective action plan required.
- Continue delegation with implementation of corrective action plan. The delegated entity agrees to:
 - implement the agreed upon corrective action plan within the timeframe(s) specified in the corrective action plan
 - undergo reassessment of delegated entity's Utilization Management program within 180 days of the QMC decision or other mutually agreed upon timeframe. At that time, NHP/NHIC will conduct another site visit. The results

of the follow-up on-site assessment will be presented to the QMC for review. If the delegated entity is still deficient, NHP/NHIC may terminate the Delegation Agreement.

- Do not continue delegation.

NHP/NHIC will notify the delegated entity in writing within 10 days of the QMC decision. Organizations who are rejected may reapply for delegated Utilization Management in one year.