

**Health Plan of San Mateo  
Policy & Procedure Manual**

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|---------------------------|--|---|---|
| <b>Procedure:</b> CP.030  |  | <b>Title:</b> Oversight Responsibilities for Medi-Cal Delegates | <b>Original Effective Date:</b><br><br>08/01/2022 |
| <b>Revision:</b><br><br>1 | <b>Last Reviewed /Revised:</b><br><br>05/21/2024 | <b>Dept:</b> Compliance   | <b>Page</b> 1 of 6                                |

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|--|---|
| <b>Approval By:</b> Compliance Committee   | <b>Date:</b> 11/09/2024   |
| <b>Annual Review Date:</b> 08/01/2025  |   |
| <b>Authored by:</b> Government and Regulatory Affairs Manager  |   |
| <b>Pursuant To:</b><br><input checked="" type="checkbox"/> DHCS Contract Provision Exhibit A, Attachment III, Provision 1.3 – 1.3.1<br><input type="checkbox"/> Health and Safety (H&S) Code<br><input checked="" type="checkbox"/> CFR 42 CFR 438.230; 42 CFR 455.104<br><input checked="" type="checkbox"/> APL / DPL 17-004 | <input type="checkbox"/> W & I Code<br><input type="checkbox"/> California Title #<br><input type="checkbox"/> Organization Need<br><input checked="" type="checkbox"/> Other: NCQA Delegation Requirements; DMHC Full-Service TAGs: UM-008; QM-005 |
| <b>Departments Impacted:</b> All   |   |

**Policy:**

This policy specifies oversight requirements specific to delegated entities that perform functions for HPSM’s Medi-Cal.

**Scope**

This procedure applies to (check all that apply):

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

**Responsibility and Authority**

- The Chief Government Affairs and 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 Compliance Committee is responsible for reviewing and monitoring overall delegate performance.
- Business owners, that is HPSM staff with whose responsibilities and obligations are delegated to a subcontractor, 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.

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|                    |   |  |  |
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| Revision:<br><br>1 | Last Reviewed /Revised:<br><br>05/21/2024 | Dept: Compliance   | Page 2 of 6                                |

**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 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

**Procedure**

1.0 Accountability

- 1.1 HPSM maintains ultimate responsibility for the performance of subcontractors delegated functions under the Medi-Cal program.
- 1.2 Business Owners shall function as the Account Manager for subcontractors performing delegated responsibilities within the Business Owner’s operational area.

2.0 Written Agreements with Subcontractors

- 2.1 HPSM’s written agreements with subcontractors shall:
  - 2.1.1 Specify all delegated activities, obligations, and related reporting responsibilities.
  - 2.1.2 Include the subcontractor’s agreement to perform the delegated activities and reporting responsibilities.
  - 2.1.3 Provide for the revocation of the delegation of activities or obligations or specify other remedies where a regulatory agency or HPSM determines the subcontractor is not performing satisfactorily.

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| Revision:<br><br>1 | Last Reviewed /Revised:<br><br>05/21/2024 | Dept: Compliance   | Page 3 of 6                                |

- 2.2 Subcontractors must agree to comply with all applicable Medicaid laws and regulations, as well as applicable State and federal laws.
- 2.3 HPSM maintains the responsibility of ensuring that subcontractors are, and continue to be, in compliance with all applicable Medi-Cal, State and federal laws, and contractual requirements.
- 3.0 Ownership and Control Disclosures
  - 3.1 HPSM will obtain written disclosure of information on subcontractor ownership and control.
  - 3.2 The review of ownership and control disclosures applies to all subcontractors contracting with HPSM.
  - 3.3 HPSM will collect, review, and track subcontractor ownership and control disclosure information as specified in 42 CFR 455.104 and make the ownership and control disclosure information available upon request to DHCS for audit.
  - 3.4 HPSM will alert the DHCS Managed Care Operations Division (MCO) contract manager within three business days of discovery that a subcontractor is out of compliance with these requirements, and/or if a disclosure reveals any potential violation(s) of the ownership and control requirements.
- 4.0 Audit and Inspection of Subcontractor
  - 4.1 HPSM will ensure through subcontracts or written agreements that subcontractors allow DHCS, CMS, the Department of Health and Human Services (DHHS) Inspector General, the Comptroller General, Department of Justice, and the Department of Managed Health Care, or their designees, to audit, inspect, and evaluate information related to Medi-Cal enrollees.
  - 4.2 Subcontractors of HPSM will make available for purposes of audit, evaluation or inspection, its premises, physical facilities, equipment, books, records, contracts, computers, or other electronic systems related to Medi-Cal enrollees.
  - 4.3 The subcontract between HPSM and the subcontractor will specify the right to audit exists through 10 years from the final date of the contract period, or from the date of completion of any audit, whichever is later.
  - 4.4 If DHCS, CMS or the DHHS Inspector General determine there is a reasonable possibility of fraud, or similar risk, DHCS, CMS or the DHHS Inspector General may inspect, evaluate, and audit the subcontractor at any time.
  - 4.5 Upon resolution of a full investigation of fraud, DHCS reserves the right to suspend or terminate the subcontractor from participation in the Medicaid program, seek recovery of payments made to the subcontractor, or impose other sanctions provided under the State Plan or governing APLs.

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| Revision:<br><br>1 | Last Reviewed /Revised:<br><br>05/21/2024 | Dept: Compliance   | Page 4 of 6                                |

- 4.6 HPSM will implement and maintain and will contractually require subcontractors and other delegated entities to implement and maintain policies and procedures that are designed to detect and prevent fraud, waste, and abuse.
- 5.0 Imposition of Financial Sanctions and Corrective Action
  - 5.1 HPSM, through this policy and subcontracts or written agreements, may impose financial sanctions and corrective action on subcontractors upon discovery of noncompliance with the subcontract or other Medi-Cal requirements.
  - 5.2 HPSM will report any significant instances of non-compliance, imposition of corrective actions, or financial sanctions pertaining to their obligations under the contract with DHCS to HPSM's MCOD contract managers within three business days of discovery or imposition.
  - 5.3 HPSM business owners are responsible for reporting non-compliance to the Compliance Department immediately upon discovery to ensure timely reporting to DHCS.
- 6.0 Monitoring of Subcontractor Care Coordination Requirements
  - 6.1 HPSM maintains ultimate responsibility for meeting the care coordination requirements contained in the contract with DHCS and must ensure that the delegation of care coordination services results in consistent treatment of MCP beneficiaries across delegated entities.
  - 6.2 HPSM will ensure subcontractors meet all applicable care coordination requirements for Medi-Cal beneficiaries as required in the contract with DHCS.
  - 6.3 Such care coordination activities include, but are not limited to those designated to:
    - 6.3.1 Assure availability and access to care, clinical services, specialty services and care management services, including:
      - 6.3.1.1 Comprehensive basic and complex case management.
  - 6.4 HPSM will also exchange available information and data, including member-level data with subcontractors to facilitate care coordination activities.
  - 6.5 Information and data sharing will be conducted in accordance with all applicable HIPAA requirements, and other State and federal statutes and regulations.
  - 6.6 HPSM will have in place policies and procedures to monitor subcontractor care coordination is provided in compliance with the oversight and reporting requirements set forth in its DHCS contract and with all applicable APLs.
- 7.0 NCQA Accreditation Delegation Standards

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| Revision:<br><br>1 | Last Reviewed /Revised:<br><br>05/21/2024 | Dept: Compliance   | Page 5 of 6                                |

- 7.1 In addition to the requirements stated in Sections 2-6 of this policy, HPSM's delegated entities will meet the standards for delegated activities as specified in NCQA Accreditation Standards in any given year.
- 7.2 HPSM will maintain and regularly update delegation grids (agreements in table form), specifying the delineation of responsibility between HPSM and the delegated entity for NCQA standards.
- 8.0 Provision of Clinical Performance and Member Experience Data
- 8.1 HPSM will provision clinical performance and member experience data to delegated entities.
- 8.2 Delegates may obtain either clinical performance or member experience data in one of two methods:
- 8.2.1 The delegate collects performance data necessary to assess member experience and clinical performance; or
- 8.2.2 The delegate requests performance data necessary to assess member experience and clinical performance direction from HPSM.
- 8.3 If a delegate requires additional information from HPSM, the request will be fulfilled through written or electronic means.
- 8.4 Examples include data related to HEDIS, CAHPS, member complaints or other data related to delegated activities.
- 9.0 Medi-Cal Delegation Reporting and Compliance Plan
- 9.1 This section is effective January 1, 2024.
- 9.2 HPSM will submit to DHCS a completed Exhibit J as specified in the HPSM-DHCS Medi-Cal 2024 Operational Readiness (OR) contract.
- 9.3 Exhibit J will be completed in accordance with, but not limited to, instructions provided in the 2024 OR Contract Exhibit A, Attachment III, Sections 1.3.1(D), 3.1.3, and 3.1.5.
- 9.4 Changes to the Reporting and Compliance Plan, once approved and in effect, will be reported to DHCS annually, and at any time there is a change specified by DHCS within 30 calendar days following the end of the reporting quarter.

### Related Documentation

- CP.021 Delegation Oversight Activities and Responsibilities
- CP.023 Pre-Delegation Review
- CP.028 Delegation Monitoring and Oversight
- CP.029 Oversight Responsibilities of Medicare FDRs

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**Attachments**

- None

| Log of Revisions |               |
|------------------|---------------|
| Revision Number  | Revision Date |
| 0                | 07/05/2022    |
| 1                | 05/21/2024    |