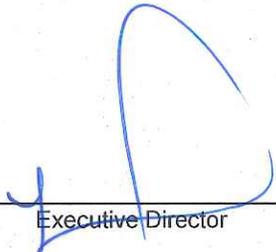
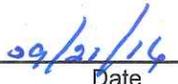

Chapter: **PROVIDER NETWORK MANAGEMENT**
Title: **EVALUATION AND MONITORING OF DELEGATED FUNCTIONS**

Prior Approval Date: 08/25/2005
Current Approval Date: 09/21/2016

Approved by: _____


Executive Director


Date

I. Abstract

This policy establishes the standards and procedures of the Macomb County Community Mental Health Board (MCCMH) regarding the delegation of Balanced Budget Act (BBA) mandated managed care functions of the Macomb PIHP to comply with NCQA accreditation standards, including pre-delegation evaluation, monitoring the performance of delegated functions, an annual evaluation of delegated functions, and sanctioning of inadequately performing contract network providers.

II. Application

This policy shall apply to all contract network providers of the MCCMH Board.

III. Policy

It is the policy of the MCCMH Board to comply with NCQA accreditation standards by overseeing any BBA mandated functions and responsibilities that it delegates to any contract network provider. This oversight will be performed through a pre-delegation assessment and evaluation, ongoing monitoring of delegated functions, and an annual evaluation of delegated functions according to the terms of this policy. In addition, MCCMH retains the right to revoke the delegated function or impose other sanctions for inadequate performance by a contract provider.

IV. Definitions

A. Authority

MCCMH contract providers are given the power to carry out a specific function, which has been delegated to the contract provider by MCCMH.

B. Audits/ Evaluation

MCCMH must conduct an annual evaluation of all contract providers. This includes a review of applicable policies and procedures and an audit of how the contract providers process activities.

C. Care Coordination (CC)

MCCMH coordinates medical care and behavioral healthcare for its members.

- D. **Credentialing and Recredentialing (CR)**
MCCMH verifies practitioner credentials.
- E. **Delegated Function**
Any function or responsibility mandated by the provisions of the federal Balanced Budget Act that MCCMH, as a PIHP, is required to provide under contract with the Michigan Department of Health and Human Services (MDHHS), which MCCMH subsequently assigns to a third party via contract or a mutual written agreement. The contractor is given the responsibility to carry out the delegated function, and MCCMH remains accountable for the proper performance of the particular delegated function.
- F. **Delegation**
A formal process by which an organization gives another entity the authority to carry out a function that it would otherwise perform. Although an organization may delegate the authority to perform a function, it may not delegate the responsibility for ensuring that the function is performed appropriately.
- G. **Improvement Actions**
Based on the findings from the annual evaluation and audit, MCCMH will identify areas of improvement and take action when required.
- H. **Members' Rights and Responsibilities (RR)**
MCCMH has a written members' rights and responsibilities policy.
- I. **NCQA Accreditation**
This is based off of proficiency in the following five categories: quality management and improvement, care coordination, utilization management, credentialing and recredentialing, and member's rights and responsibilities. NCQA accreditation signifies that the organization provides high-quality care, access, and consumer protections.
- J. **NCQA-Accredited Organization/ NCQA-Certified Program**
MCCMH may delegate functions to contract providers that are NCQA-Accredited Organizations or NCQA-Certified Programs. In the event that MCCMH delegates to a contract provider that is NCQA accredited or certified, MCCMH is not required to conduct a pre-delegation evaluation, annual evaluation, and annual audit. Both the NCQA-Accredited Organizations and NCQA-Certified Programs have are awarded to organizations that meet the requirements set forth by the NCQA. NCQA-Accredited organizations include: health plan accreditation, managed behavioral health organization accreditation, disease management accreditation, wellness and health promotion accreditation, and case management accreditation. NCQA-Certified programs include: credentialing verification organization certification, disease management certification, health information products certification, physician hospital quality certification, and utilization management and credentialing certification.

- K. **NCQA Managed Behavioral Health Organization (MBHO) Accreditation**
NCQA Managed Behavioral Health Organization Accreditation demonstrates to health plans, employers, regulators, and consumers that an organization follows evidence based practices for providing high-quality care, access, and consumer protections. MCCMH utilizes NCQA Managed Behavioral Health Organization Accreditation standards.
- L. **Pre-Delegation**
MCCMH must evaluate the contract provider's capacity to perform the specific NCQA required activities before entering into a delegation agreement. This may involve a site visit and written review of contract provider's understanding of the standards and delegated tasks, however, this may be accomplished through the exchange of documents or meetings.
- M. **Quality Management and Improvement (QI)**
MCCMH has processes designed to monitor, evaluate, and improve the quality and safety of care provided to its consumers.
- N. **Reports**
MCCMH must receive reports from contract providers, including contract providers that are NCQA-Accredited and NCQA-Certified, on a semiannual basis. MCCMH must submit a report with the findings of the contract provider reports to NCQA.
- O. **Responsibility**
MCCMH remains responsible for meeting NCQA standards for all activities which it delegates to a contract provider and for all activities which a contract provider delegates to a sub-delegate.
- P. **Sub-Delegate/ Sub-Delegation**
MCCMH's contract provider gives a third entity the authority to carry out a delegated function. Either MCCMH or the contract provider must oversee the activities performed by the sub-delegate to ensure that the activities are compliant with NCQA standards.
- Q. **Utilization Management (UM)**
MCCMH notifies members and contract providers about coverage decisions within the required time frames.
- R. **Written Delegation Agreement**
MCCMH and the contract provider must adhere to the terms of this policy as well as the written delegation agreement. This agreement describes the responsibilities of MCCMH and the contract provider, describes the activities that have been delegated, requires the contract provider submit a semiannual report to MCCMH, describes the process MCCMH uses to evaluate and audit the contract provider, and describes the remedies available to MCCMH if the contractor provider does not fulfill its obligations under the terms of the policy and

agreement.

V. Standards

- A. MCCMH utilizes NCQA MBBHO Accreditation standards. MCCMH upholds the standards set forth by the NCQA for consumer safety and procedures in the following categories: quality management and improvement, care coordination, utilization management, credentialing and credentialing, and members' rights and responsibilities. MCCMH remains responsible for all delegated functions to contract providers to ensure compliance with NCQA standards.
- B. MCCMH shall monitor the satisfactory completion of BBA mandated functions and responsibilities that it delegates to a contract network provider by conducting a pre-delegation evaluation, ongoing monitoring, and an evaluation.
- C. MCCMH shall specify, in the written agreement with the contract network provider, any BBA mandated functions and responsibilities that are to be delegated to the contractor.
- D. In the terms of the agreement with the contractor, MCCMH shall specify that the performance of the delegated functions will be monitored by MCCMH and, should performance be inadequate, corrective action shall be required of the contractor.
- E. The agreement between MCCMH and the contractor shall provide for sanctions in the event of contractor non-performance of the delegated functions and responsibilities.
- F. If a contractor network provider subcontracts with a third party to perform a delegated function, the contractor shall include the provisions of this Policy in its agreement with the subcontractor. The contractor shall hold the subcontractor accountable for the proper performance of the delegated function, and the contractor shall be accountable to MCCMH for the proper performance of the delegated function by the subcontractor.
- G. MCCMH remains responsible for ensuring that all delegated functions to contract providers meet NCQA standards. MCCMH also retains the responsibility for ensuring that all sub-delegated functions to third parties meet NCQA standards.

VI. Procedures

A. Pre-Delegation

- 1. Before any delegation, MCCMH will evaluate the prospective contract network provider's ability to perform the BBA mandated functions to be delegated. This process is called pre-delegation. During pre-delegation, MCCMH must evaluate the contract provider's capacity to perform the specific NCQA required activities before entering into a delegation

agreement. MCCMH will determine if the contract network provider has the ability to provide care to MCCMH consumers. The contract network provider's policies and procedures for each delegated function will be reviewed for compliance with NCQA standards.

2. The pre-delegation assessment and evaluation may involve a site visit and written review of contract provider's understanding of the standards and delegated tasks. This may also be accomplished through the exchange of documents or through pre-delegation meetings.
3. Following the pre-delegation evaluation, MCCMH will determine if the contractor provider possesses the capacity to complete the delegated function. If the contractor provider is deemed capable to complete the function, MCCMH has the authority to delegate the function to the contract provider.
4. If MCCMH delegates a function to an organization that is NCQA-Accredited or the organization possesses NCQA-Certification, MCCMH does not have to conduct the pre-delegation assessment and evaluation and MCCMH is not required to conduct the annual oversight requirements.
5. Pursuant to NCQA standards, each specific delegated function (i.e. credentialing and re-credentialing) requires certain elements for compliance. These standards will be set forth in the delegation agreement and specific MCCMH MCO policies.

B. Written Delegation Agreement

1. MCCMH will create a written delegation agreement with the contract provider. This agreement will set forth the terms of the delegation. Specifically, this agreement must include the following:
 - a. The responsibilities of MCCMH and the delegated network provider;
 - b. A description of the delegated activities;
 - c. Semiannual reporting requirements to MCCMH;
 - d. A description of the process MCCMH will use to evaluate the delegated network provider's performance;
 - e. If applicable, provisions to safeguard consumer's Protected Health Information (PHI); and

- f. A description of the remedies available to MCCMH if the delegated network provider does not fulfill its obligations, including revocation of the delegation agreement.

C. Semiannual Reporting Requirements

1. The contract provider must submit a semiannual report to MCCMH regarding the delegated function. This report must include a thorough analysis and evaluation of the delegated function that the contract provider is performing. This semiannual report must be submitted by all delegates, including: non-NCQA organizations, NCQA-Accredited organizations, and NCQA-Certified delegates.

D. MCCMH Annual Audit and Evaluation of Delegated Network Providers

1. MCCMH will conduct an annual evaluation and audit of all delegates. The evaluation and audit will include a review of applicable policies and procedures that relate to the delegated function.
 - a. If MCCMH delegates credentialing or utilization management functions, MCCMH will conduct an audit of how the delegated network provider processes these functions.
2. As required by NCQA standards, MCCMH will use one of the following auditing methods:
 - a. 5 percent or 50 of its files, whichever is less, to ensure that information is appropriately verified; or
 - b. The NCQA “8/30” methodology available at:
<http://www.ncqa.org/programs/accreditation/policy-updates-supporting-documents/supplemental-documents>

E. Improvement Action

1. If, following formal review, MCCMH identifies deficiencies or areas for improvement in the contractor’s performance, MCCMH and the contract network provider will negotiate a plan for corrective action. If the contract network provider does not cooperate, does not implement the corrective plan, or does not improve its performance, its performance will be deemed inadequate by MCCMH, and MCCMH may impose sanctions, including the termination of the contract.

F. Third Party Sub-Delegation

1. All functions that have been delegated to a third party via sub-delegation are subject to oversight by MCCMH or the contract provider. Either MCCMH or the contract provider must ensure that the activities which have been sub-delegated to a third party are compliant with NCQA standards.

VII. References / Legal Authority

- A. 42 CFR 438.230
- B. NCQA 2014 MBHO Standards and Guidelines, Appendix 3, Delegation
- C. NCQA MBHO Accreditation Website
- D. NCQA MBHO Accreditation Fact Sheet
- E. NCQA 2016 MBHO Accreditation Requirements Summary

VIII. Exhibits

- A. None.