



## PENINSULA RSN

### NETWORK MANAGEMENT POLICIES AND PROCEDURES

**Policy Name:** SUBCONTRACTUAL DELEGATION AND ASSESSMENT

**Policy Number:** 9.04

**Reference:** DSHS Contract, Subdelegated Contracts, 42 CFR 438.206, 230

**Effective Date:** 7/2005

**Revision Date(s):** 12/2011

**Approved by:** PRSN Executive Board

#### CROSS REFERENCES

- Form: HIPAA Business Associates Addendum
- Plan: Quality Management Plan
- Policy: Corrective Action Plan
- Tool: Delegation and Assessment Tool

#### PURPOSE

The Peninsula Regional Support Network (PRSN) enters into contracts with qualified network providers and monitors for compliance. The PRSN oversees and is accountable for all the functions performed by the subcontractor performing the PRSN required Pre-Paid Inpatient Health Plan (PIHP) functions on an ongoing basis.

#### DEFINITIONS

To subdelegate means an entity authorized to act as representative for another; a deputy or an agent. In this policy it refers to an entity or organization that is contractually responsible for conducting the PRSN Pre-Paid Inpatient (PIHP) functions.

#### PROCEDURE

The PRSN maintains a subcontractual delegation relationship for the operation of the PRSN:

- Information Systems Network, via Profiler and access to Provider 1 regional program

- Authorization and Utilization Management functions, including customer service functions, authorization determinations for all PRSN services (that require authorization), conducting the service denial notifications and appeal process on behalf of the PRSN, and entering prior authorization inpatient information into Provider 1.

### **PRSN Information Technology and Systems Network Subdelegated Responsibilities**

The subdelegated contractor must meet all the requirements as identified in the standards requirements (listed below), and in addition the following:

1. The existing network contractor responsible for Information Services has been successfully managing a large Information Technology (IT) and Information Systems (IS) network in compliance with state requirements for over twenty (20) years. The operational duties include:
  - a. System available during normal business hours, core data transfers, and system back-up duties. Core data will be transmitted daily to State, encounter data submitted on a monthly basis, resolving error reports
  - b. Develop a system security setup for each network agency
  - c. Setting up the necessary items to allow the state core data to be entered into Profiler system
  - d. Apply and provide technical assistance for training, patch and upgrade installations
  - e. Maintaining a functionally sound data base that includes archiving the data base, events, journals, and other files
2. The subdelegated contractor must meet all the requirements as identified in the standards requirements listed below.
3. The PRSN requires a formalized delegation agreement which is part of the contracting agencies contract with the PRSN. Reference KMHS contract, Attachment B: IT Statement of Work
4. The PRSN monitors contractor compliance through the standard processes listed below, in addition the PRSN uses the feedback provided from:
  - a. The Department of Behavioral Rehabilitation's (DBHR) Information Services division.
  - b. The annual DBHR's External Quality Review Organization (EQRO) RSN reviews. The EQRO monitors the regional IS compliance with regulations, functions, capacity, an overall performance. The PRSN will use the EQRO

findings, in conjunction with the applicable IS items on the PRSN Subcontractors Delegation and Assessment Tool, to monitor delegated PIHP functions.

- c. The PRSN Administrative Review of the network agency.

### **PRSN Authorization and Utilization Management Subdelegated Responsibilities**

The subdelegated contractor must meet all the requirements as identified in the standards requirements (listed below), and in addition the following:

1. The PRSN contracts with an independent utilization management organization to conduct the inpatient, outpatient, residential, and intake assessment authorization determinations.
2. The subdelegated contractor has the responsibility of proving authorization determinations and the service denial notifications, including Notice of Action letters to Medicaid individuals when an adverse action occurs. The contractor must also provide the Appeals Review, on behalf of the PRSN, upon request.
3. The subdelegated contractor must maintain URAC and/or NCQA accreditation, state licensure, and comply with all federal and Washington State regulations.
4. The subdelegated contractor must maintain adequate number of staff to ensure compliance with contact including utilization care managers, clinical staff with expertise, and a Board certified Medical Director to meet the contracted federal and state authorization timeframes set before the PRSN as a PIHP.
5. The subdelegated contractor must use the PRSN medical necessity definition, Level of Care standards, state developed Community Psychiatric Inpatient authorization forms and procedures, and adhere to the PRSN Utilization Management Plan.
6. The subdelegate will participate, upon request, the PRSN Utilization Management or Quality Improvement Committees.
7. The subdelegate will supply, requested reports, data or information needed by the PRSN to assure and maintain compliance with all federal and state reporting requirements and standards. The required reports include, but are not limited to:
  - a. Monthly authorization reports, including number of authorizations (Medicaid and non-Medicaid), type of authorization (outpatient, inpatient, residential, or intake), type of level, start and expiration date, number of denials, request and conducted Appeals, and other authorization information as requested.
  - b. Monthly report of flagged high user of crisis services) an high risk individuals (per PRSN definitions).

- c. Quarterly trend report.
  - d. Other reports for review by the Utilization Management Committee or as requested by the PRSN.
8. The PRSN requires a formalized delegation agreement that is part of the contract with the utilization management organization.
  9. The PRSN will conduct the first delegation audit and review as soon as mutually agreed upon date (between the PRSN and the organization) can be established.
  10. The PRSN monitors contractor compliance through the standard processes listed below, in addition the PRSN uses the feedback provided from:
    - Feedback from the annual Mental Health Division's External Quality Review Organization (EQRO) RSN reviews. The EQRO monitors the regional IS compliance with regulations, functions, capacity, an overall performance. The PRSN will use the EQRO findings, in conjunction with the applicable IS items on the PRSN Subcontractors Delegation and Assessment Tool, to monitor delegated PIHP functions.

### **Standard Requirements for PIHP Delegated Functions**

1. Before any new subdelegation contracting decision is finalized, the PRSN will evaluate the prospective subcontractor's ability to perform the activities to be delegated. This is done in the following areas:
  - organizational capacity
  - clinical/ staffing capacity
  - quality improvement processes
  - HIPAA and Medicaid compliance
  - (IT, only) data security requirements
  - (ASO, only) authorization for services and utilization management
2. The standards requirements are as follows:

#### **Organizational Capacity**

Each prospective contractor or subcontractor must demonstrate the following, as the item applies to the delegated functions:

- Maintain licensing by the state as necessary
- Maintain written policies and procedures covering its adherence to contract and relevant regulations
- Have an adequate data system and staffing to participate in required data reporting; e.g., data on service authorizations, inpatient certifications, evaluation of MIS system, provision of data for PRSN quality management

needs, and ongoing management data to monitor performance of delegated duties

- Maintenance of an internal quality management/quality improvement process and documentation of minutes for PRSN review
- Demonstration of a management team that is responsive to feedback from PRSN (and its Ombuds and Quality Review Team), allied providers, and service recipients
- Training and supervision with staff that reflect PRSN's mission and goals as well as adherence with contract and regulations
- Ongoing support for client rights, from provision of information on client rights to responsive action when feedback suggests there may be problems in this area.

#### Clinical/ Staffing Capacity

Each prospective contractor or subcontractor must demonstrate the following, as the item applies to the delegated functions:

- The availability of qualified staff to assume delegated functions; this includes mental health professionals with clinical expertise in treating children and adults, and a sufficient number of mental health specialists.
- Care management staff must show an understanding of State Access to Care guidelines, and familiarity with current best practices and promising practices.
- Hiring for clinical staff includes verification of licensure or certification, background checks, review of any loss of licensure or felony convictions, and reference checks.
- Competence in implementing delegated functions, as seen in concurrent and retrospective reviews of service authorizations, provider decisions regarding ongoing care, care coordination with allied providers, supervisory feedback to staff, and response to complaints and grievances.
- Effective use of training so that staff understand relevant clinical procedures and expected practice (e.g., use of Access to Care standards to determine eligibility for services).
- Openness to PRSN feedback on delegated functions and capacity to make changes in practice when requested.
- Availability of a physician to provide reviews to any inpatient denials and to provide second opinions when requested.
- Documentation of decision making associated with inpatient certification
- Effective medical records practices
- Timely communication with PRSN regarding delegated decisions;
- Participation in any training and feedback from PRSN regarding delegated functions.

### Quality Improvement Processes

Each prospective contractor or subcontractor must demonstrate the following, as the item applies to the delegated functions:

- Implement and document a quality management/quality improvement process.
- Participates in PRSN's policies and procedures for grievances and fair hearings; they provide relevant information to enrollees at entry to services and participate actively in the resolution of enrollee complaints.
- Contractors are given feedback on quality issues by PRSN's Quality Review Team. Contractors respond appropriately and in a timely way to QRT recommendations for improvement.

### HIPAA & Medicaid Compliance

Each prospective contractor or subcontractor must demonstrate the following, as the item applies to the delegated functions:

- Contractors comply with HIPAA standards
- Signed HIPAA Business Associates Agreement with PRSN
- Demonstrates effective medical records practices

IT: Data Security Requirements- see tool

ASO: Authorization for Services and Utilization Management - see tool

### **Standard Subdelegation Contract Requirements**

1. The PRSN requires a formalized delegation agreement, which is part of the contract, with any organization or entity that provides subdelegated PRSN PIHP functions.
2. The contract, including the delegation agreement, between PRSN and the subdelegated contractor, will:
  - Specify the activities and reports responsibilities designated to the subcontractor; and
  - Provide for revoking delegation or imposing other sanctions if the subcontractor's performance is inadequate.
3. All subdelegated contractors will comply with the PRSN Compliance Plan and monitoring activities.
4. Sign the PRSN HIPAA Business Associates Addendum.

### **Standard Subdelegation Contractor Monitoring, Audits and Review**

1. PRSN monitors current subdelegated contractor's performance on an ongoing basis and subjects them to formal annual reviews through contract monitoring and clinical service review, as well as ongoing concurrent reviews.
2. Before any new subdelegation contracting decision is finalized, the PRSN will evaluate the prospective subcontractor's ability to perform the activities to be delegated.
3. The PRSN uses the PRSN Subcontractor Delegation and Assessment Tool to conduct pre-evaluation and annual subdelegation contractor performance reviews.
4. The PRSN administrator, or his designee, will direct these monitoring activities.
5. Formal reports are shared with quality management committee, and with the PRSN Executive and Advisory Boards.
6. If the PRSN identifies deficiencies or areas for improvement, PRSN takes corrective action. The subdelegated contractor will respond to specified areas of non-compliance with a Corrective Action Plan (CAP). Any required CAP shall be submitted to PRSN no later than 30 days after the receipt of the audit results for approval. See the PRSN Corrective Action policy.
7. The subdelegation contracts, including the Agreement, have provisions for terminating the contractual relationship.