

POLICY AND PROCEDURE	
Policy # and TITLE: CMP31 Oversight of Health Plan's Delegated Administrative Functions	
Primary Policy owner: Compliance	POLICY #: CMP31
Impacted/Secondary policy owner: Select the department(s) that are responsible for compliance with all, or a portion of the policy or procedure as outlined	
1) <input checked="" type="checkbox"/> All Departments 2) <input type="checkbox"/> Behavioral Health & Social Services (BH/SS) 3) <input type="checkbox"/> Benefits Administration (BA) 4) <input type="checkbox"/> Case Management (CM) 5) <input type="checkbox"/> Claims (CLMS) 6) <input type="checkbox"/> Community Marketplace & Member Engagement (MAR) 7) <input type="checkbox"/> Compliance (CMP/HPA) 8) <input type="checkbox"/> Configuration (CFG) 9) <input type="checkbox"/> Provider Contracting (CONT) 10) <input type="checkbox"/> Cultural & Linguistics (CL) 11) <input type="checkbox"/> Customer Service (CS)	12) <input type="checkbox"/> Facilities (FAC) 13) <input type="checkbox"/> Finance (FIN) 14) <input type="checkbox"/> Human Resources (HR) 15) <input type="checkbox"/> Information Technology / Core Systems (IT) 16) <input type="checkbox"/> Pharmacy (PH) 17) <input type="checkbox"/> Provider Networks (PRO) 18) <input type="checkbox"/> QI Health Equity (GRV/HE/HEQ/PHM/QM) 19) <input type="checkbox"/> Utilization Management (UM) 20) <input type="checkbox"/> Procurement (PRM) 21) <input type="checkbox"/> Administration (SAF/BC/EM) 22) <input type="checkbox"/> Medical Management (MM)
PRODUCT TYPE: <input checked="" type="checkbox"/> Medi-Cal	Supersedes Policy Number: CMP10 and CMP13

I. PURPOSE

This policy establishes that Health Plan of San Joaquin and Mountain Valley Health Plan (“Health Plan”) oversees administrative functions and responsibilities delegated to Network Providers and Contractors and ensures compliance with all applicable Medicaid laws and regulations, including all sub regulatory guidance and DHCS Contract provisions, as well as the applicable state and federal laws.

II. POLICY

- A. Health Plan ensure that prospective and current Network Providers/Contractors with whom it plans to and currently delegates functions and responsibilities have the organizational structure sufficient to conduct the operations required under their contract with Health Plan, and their resources are sufficient for sound business operations in accordance with 28 CCR sections 1300.67, 1300.67.3, 1300.71, 1300.75.1, 1300.75.4.1, 1300.76.3, 1300.77.1, 1300.77.2, 1300.77.3, and 1300.77.4; and California Health and Safety Code (HSC) 1371
- B. Health Plan evaluates Network Providers / Contractors administrative capacity, experience, and budgetary resources to fulfill their contractual obligations with Health Plan.
- C. Health Plan establishes a Delegation Agreement with any organization to which it delegates the authority to carry out a function that Health Plan would otherwise perform. Refer to Health Plan Policy and Procedures CMP36 for details.
- D. Network Providers / Contractors shall agree to comply with all applicable State and Federal laws.
- E. Health Plan remains accountable for all delegated activities, even if Health Plan delegates all or part of these activities.
- F. Health Plan maintains the responsibility of ensuring that Network Providers/Contractors are, and continue to be, in compliance with all applicable Medi-Cal, State and Federal laws, contractual requirements, and applicable accreditation standards.
- G. Health Plan provides oversight of the delegated functions and responsibilities, processes, and performance of Network Providers / Contractors.
- H. Health Plan's oversight activities include, but are not limited to, the review of compliance with regulatory requirements, contractual requirements and Health Plan policies and procedures. Health Plan's Audits and Oversight (A&O) Team identifies whether a Network Providers' /Contractors' performance is adequate or inadequate and monitors a Network Providers' /Contractors' performance to ensure the improvement occurs where performance is inadequate.

- I. Health Plan communicates its oversight procedures to Network Providers/Contractors via the Provider Manual, oversight training, and shall publish oversight procedures on its website.
- J. Health Plan continually assesses Network Providers'/Contractors' ability to perform delegated functions through initial reviews, ongoing monitoring, annual performance audits, analysis of data, and utilization of benchmarks, by desktop review and/or by on-site review.
- K. Successful completion of a Pre-Delegation/Pre-Contractual audit and resolution of any corrective actions shall be required prior to delegating any function to an organization, and for any instances of non-compliance with requirements thereafter.
- L. Network Providers/Contractors shall maintain and make available contracts, books, documents, records, and financial statements for inspection, evaluation, and auditing to:
 - 1. Health Plan or its Designee;
 - 2. Any authorized representative of the State or Federal government, including the DHCS, Centers for Medicare & Medicaid Services (CMS), the U.S. Health and Human Services Office of Inspector General (OIG), the Comptroller General, the U.S. Department of Justice (DOJ), and the Department of Managed Health Care (DMHC); and
 - 3. Any quality improvement organization, accrediting organization (e.g., National Committee for Quality Assurance (NCQA), their Designees, and other representatives of regulatory or accrediting organizations.
- M. Upon contracting and annually thereafter, Network Providers / Contractors shall provide a written disclosure of the information on ownership and control. This information includes but it is not limited to date of birth and social security number for each person with ownership or control interest and each managing employee.
- N. Health Plan and its Network Providers/Contractors shall maintain and make available contracts, books, documents, records, and financial statements for a minimum of ten (10) years from the final date of the contract period or from the completion of any audit or investigation, whichever is later.

- O. Network Providers/Contractors shall agree that Health Plan or its designee, upon request, shall have the right to inspect, review, and make copies of such records, at the Network Providers' /Contractors' expense, to facilitate Health Plan's obligation to conduct oversight activities.
- P. Health Plan retains the right to publish data obtained from audits and performance reviews and may distribute such data to members, regulators, or the public without further notice to, or consent from, a Network Providers' /Contractors'.
- Q. Health Plan makes the findings of its audits and continuous monitoring of its Network Providers/Contractors available to DHCS at least annually, or more frequently when directed by DHCS.
- R. Health Plan shall only delegate Quality Improvement and Member Appeals and Grievances functions to -Knox Keene Licensed Health Plans.
- S. Health Plan shall not delegate Peer Review Committee functions.
- T. Health Plan's A&O Team shall maintain documentation of Network Providers / Contractors oversight activities described herein.
- U. Notwithstanding the processes described in this policy, Health Plan's delegation of activities and responsibilities to Network Providers/Contractors shall be subject to Health Plan's Delegation Oversight Committee (DOC), Compliance Committee, and Governing Board approval of the underlying business relationship/contract.
- V. Network Providers/Contractors shall not further sub-delegate the performance of any delegated function or responsibility to another organization or entity without the express written consent from Health Plan. When sub-delegation is approved, the subdelegate shall comply with this policy and all applicable laws and regulations.
- W. Health Plan shall make findings of its continuous monitoring and audits of Network Providers/Contractors available to DHCS at least annually, but more frequently when directed by DHCS.

III. PROCEDURE

- A. Monitoring and Auditing: Health Plan provides oversight of al Network Providers/Contractors performing delegated functions, such oversight

- is conducted any and all of the following activities:
1. Pre-Delegation Audit;
 2. On-going monitoring;
 3. Annual Audit;
 4. Focused and ad hoc reviews, audits, and monitoring; and
 5. Periodic reviews and audits.
- B. Delegated Administrative Functions that require oversight, include, but are not limited to:
1. Care Management and Continuity of Care;
 2. Claims and Provider Dispute Resolution (PDR);
 3. Credentialing and recredentialing;
 4. Language Assistance;
 5. Provider Screening and Enrollment;
 6. Provider Network Management;
 7. Provider Training;
 8. Quality Improvement and Health Equity;
 9. Utilization Management;
 10. Administration of benefits such as:
 - a. Non-specialty Mental Health;
 - b. Behavioral Health Treatment for Children with Autism Spectrum Disorder;
 - c. Pharmacy Services;
 - d. Transportation.
- C. Health Plan also conducts oversight of the following non-delegated activities that are essential for the Network Providers'/Contractors' delivery of its contractual obligations with Health Plan:
1. Financial Viability;
 2. Fraud, Waste, and Abuse;
 3. HIPAA Privacy and Security; and
 4. Ownership and Control Disclosure.
- D. Corrective Action Plan (CAP):
1. Health Plan may require a Network Providers/Contractors to develop and submit a CAP for any area of deficiency or non-compliance related to delegated activities identified through the Pre-Delegation Audit, routine report review, annual, focused, or

ad hoc audits, and general performance reviews in accordance with Compliance Authority. Refer to Health Plan Policy and Procedures CMP34 for details.

E. Exchange of Information

1. Health Plan may, at its discretion, share copies of a report received from a Network Provider/Contractor regarding an adverse action, if Health Plan deems that such report may protect the medical care of a member.
2. Health Plan retains the right to review all components of a Network Provider's / Contractor's file.

F. Sub-Delegation Oversight Process

1. To ensure the A&O Team has oversight of all sub-delegation arrangements and Sub-Delegate(s) are compliant with regulatory requirements, the A&O Team monitors sub-delegation through the Pre-Delegation Audit, routine report review, annual, focused, or ad hoc audits of the Network Providers / Contractors.

IV. ATTACHMENT(S)

- A. DHCS Medi – Cal Managed Care Plans Definitions (Exhibit A, Attachment I, 1.0 Definitions)
- B. [Glossary of Terms Link](#)
- C. Medi-Cal Managed Care Contract Acronyms List (Exhibit A, Attachment I, 2.0 Acronyms)

V. REFERENCES

- A. 28 CCR sections 1300.67, 1300.67.3, 1300.75.1, 1300.75.4.1, 1300.76.3, 1300.77.1, 1300.77.2, 1300.77.3, and 1300.77.4.
- B. California Health and Safety Code (HSC) 1300.71
- C. Desk Level Procedure DLP AO008 Delegated QI Requirements
- D. DHCS APL 23-006 Delegation and Subcontractor Network Certification.
- E. DHCS APL 23-020 Requirements for Timely Payment of Claims
- F. DHCS Contract, Exhibit A, Attachment III, Sections:
 1. 3.1.3 Contractor's Duty to Disclose All Delegated Relationships and to Submit Delegation Reporting and Compliance Plan

- 2. 3.1.5 Requirements for Network Provider Agreements, Subcontractor Agreements, and Downstream Subcontractor Agreements
- 3. 3.1.12 Requirement to Post
- 4. 4.5.11 Delegation of Community Supports Administration to Network Providers, Subcontractors, or/and Downstream Subcontractors
- G. DMHC APL 18-005 Administrative Services Agreement (ASA) Checklist
- H. Health Plan policy CMP34 Network Providers and Contractors Corrective Action and Sanctions
- I. Health Plan policy CMP36 Delegation of Administrative Functions
- J. Health Plan policy FIN47 Financial Review of Third Parties
- K. Title 42, Code of Federal Regulations (C.F.R.), §438.230
- L. Desk Level Procedure DLP AO003 Oversight of Delegated Claims Functions

VI. REVISION HISTORY

*Version 001 as of 01/01/2023

Version*	Revision Summary	Date
001	New Policy. Partially replaces P&Ps CMP10 and CMP13.	07/2022
002	Added Provider Screening and Enrollment under Administrative Functions.	11/2022
003	Added DLP AO008 Delegated QI Requirements. Added DHCS rights to review Delegate. CAPs and oversight results. Added oversight of benefits administration Revised regulatory references.	03/2023
004	Added requirements for oversight of FWA, HIPAA, Ownership and Control. References to APL 23-006, P&Ps CMP34 and CMP36	07/2023
005	Added provision for publication of oversight procedures.	08/2023

006	Added references to HSC, APL 23-020, and DLP AO003.	10/2023
007	Submitted to DMHC RY2025 Timely Access	05/01/2025
Initial Effective Date: 07/01/2022		

VII. Committee Review and Approval

Committee Name	Version	Date
Compliance Committee	007	09/24/2025
<ul style="list-style-type: none"> Privacy & Security Oversight Committee (PSOC) 		
<ul style="list-style-type: none"> Program Integrity Committee 		
<ul style="list-style-type: none"> Audits & Oversight Committee 		
<ul style="list-style-type: none"> Policy Review 		
Quality Improvement Health Equity Committee (QIHEC)		
<ul style="list-style-type: none"> Quality Operations Committee 		
<ul style="list-style-type: none"> Grievance 		

VIII. REGULATORY AGENCY APPROVALS

Department	Reviewer	Version	Date
Department of Healthcare services (DHCS)	DHCS Contract Manager	006	01/09/2024
Department of Managed Care (DMHC)	DMHC Attorney	007	05/23/2025



IX. Approval signature*

Signature	Name Title	Date
	PRC Chairperson	
	Policy Owner	
	Department Executive	
	Chief Executive Officer	

*Signatures are on file, will not be on the published copy