


No. COM-002	Delegation Oversight	
Effective Date:4/1/21	POLICY AND PROCEDURE	
Committee Approval: 04/12/2021 Previous Versions: See revision history on last page		

PURPOSE

This document outlines the policies and processes for overseeing functions that have been delegated to Canopy Health by its upstream parent health plans and which Canopy Health sub-delegates.

POLICY

Canopy Health is responsible for certain functions that have been delegated by its upstream parent health plans. These delegated functions (“Delegated Functions”) include:

- Utilization Management (“UM”)
- Complex Case Management (“CCM”)
- Claims Processing (“Claims”)
- Provider Dispute Resolution (“PDR”)
- Credentialing

As a result of such delegation, Canopy Health is responsible for ensuring that Delegated Functions are performed and executed in compliance with all applicable federal and state laws (including the Knox-Keene Health Care Service Plan Act of 1975, as amended, and its implementing regulations) and contractual requirements.

Canopy Health further delegates certain of the Delegated Functions to certain of its contracting provider groups, the “Sub-Delegates.” In connection with such sub-delegation Canopy Health has established an oversight program to ensure that the Sub-Delegates perform these sub-delegated functions in compliance with all applicable laws, rules, regulations, contractual requirements and Canopy Health policies and procedures.

Delegation Oversight Program Components

Canopy Health's delegation oversight program is comprised of the following components:

1. Pre-Contractual Assessment
2. Annual Oversight Audits
3. Reporting of Key Performance Indicators
4. Committee Oversight

Pre-Contractual Assessment

Prior to entering into an agreement with a Sub-Delegate Canopy Health conducts a pre-contractual assessment of the organization with respect to those functions that Canopy Health intends to sub-delegate or outsource.

Annual Oversight Audits

Through annual oversight audits, Canopy Health reviews policies, program structure, and files of the Sub-Delegate to ensure continued compliance with all applicable laws, rules, regulations, contractual requirements and Canopy Health policies and procedures.

The first annual audits are conducted within 12 months of initial contracting and every year thereafter.

The oversight audits follow the standard process described below:

1. Canopy Health notifies the Sub-Delegate that an audit will be performed. The notification includes an itemized list of documentation that the auditee must submit in preparation for the audit.
2. The auditee provides required documentation.
 - a. In the case of UM, CCM, Claims and PDR audits, Canopy Health is responsible for UM Delegation Oversight for members belonging one of two upstream health plans.

- i. In some cases, the upstream health plan has decided to do a direct audit of Canopy Health enrollees in Canopy Health's sub-delegated medical groups/IPAs. In those cases, Canopy Health uses the results of the upstream health plan audit to assess performance and to issue requests for corrective action. The requirements for corrective action are the same as in a direct audit by Canopy Health.
- ii. If Canopy Health is conducting the audit then the following process takes place. In order to ensure that members from both plans are included in Canopy Health's oversight audits, Canopy Health has adopted a modification of NCQA's "8/30" methodology**.
 - i. Separate the entire universe of UM files between the two upstream health plans.
 - ii. Identify the files for each health plan by each type requiring audit: approvals, denials, etc.
 - iii. Randomly select 15 files of each type from each health plan's universe of files. In order to ensure a total of 30 files of each type are identified for audit, if one health plan has fewer than 15 files of a required type in its universe:
 - 1. Choose all files from that health plan, and
 - 2. Oversample from the other health plan's files of that same type, to total 30 across both health plans.
 - iv. Conduct a complete audit of every required element on all 30 files of each type.

** Details about NCQA's 8/30 methodology are found :
<http://www.ncqa.org/Programs/Accreditation/PolicyUpdatesSupporting.Documents.aspx>

- b. In the case of Credentialing, Canopy Health conducts annual oversight audits using the ICE audit process and results to ensure compliance with NCQA.
 - c. The ICE assigned auditor reviews all submitted documentation and files.
 - d. The auditor provides written audit results to the auditee and to the ICE community upon request to the auditee.
3. When Canopy Health receives the results of an audit, they are reviewed and Canopy Health may issue a request for a Corrective Action Plan (“CAP”) should deficiencies be identified. The request for a CAP will include a due date by which the auditee must provide a response.
4. In the event of a request for a CAP, the auditee provides a response that includes steps and timeline for addressing each deficiency, along with the name of the accountable person(s) responsible for ensuring the corrective actions are completed in a timely manner.
5. Upon review of the CAP response, Canopy Health acknowledges receipt or, if necessary, works with the auditee to modify the CAP until acceptable to both parties.
6. Where appropriate, the auditor re-reviews documentation and/or files to confirm that all deficiencies have been adequately addressed.
7. Once the auditor confirms that all deficiencies have been adequately addressed, Canopy Health notifies the auditee that the audit process is complete.

The following guidelines are applied to determine the necessity for a CAP and/or re-audit:

Audit Score	Resultant Action
For Credentialing: Overall Score \geq 95%	No further action taken until next annual audit
Overall Score $<$ 95%	<ul style="list-style-type: none"> • CAP issued • Potential re-audit • Reference policy and procedure on Credentialing delegation oversight for more details (CD-1011)
For UM, CCM, Claims and PDR: Overall Score \geq 95%	No CAP issued unless there a deficiency is found on a must-pass element, in which case a CAP is issued
Overall Score $<$ 95%	<ul style="list-style-type: none"> • CAP issued • If a deficiency is found on a must-pass element, a CAP is issued, with re-audit at 90 days following initial audit

Reporting of Key Performance Indicators

In addition to conducting annual audits of its Sub-Delegates, Canopy Health requires that the Sub-Delegates submit reports on key performance indicators for each sub-delegated or outsourced function to regularly monitor compliance with all applicable laws, rules, regulations, contractual requirements and Canopy Health policies and procedures. The reporting requirements and frequencies are summarized below:

Function	Reporting Requirements	Minimum Frequency of Reporting
Utilization Management	Utilization Management Program Description	Annually
	Utilization Management Metrics and Work Plan (ICE Format)	Semi-Annually
Complex Case Management	Complex Case Management Program Description	Annually
	Case Management Metrics and Work Plan (ICE Format)	Semi-Annually
Credentialing	Credentialing Reports (ICE Format)	Semi-Annually
Claims Processing and Provider Dispute Resolution	Monthly Timeliness Reports	Monthly and Quarterly
	Provider Dispute Report	Quarterly
Documentation to Support Annual Delegation Oversight Audits	Other documentation, such as Sub-Delegates' policies and procedures, are collected at the time of audit	Annually

Committee Oversight

Each sub-delegated and outsourced function is overseen by a Canopy Health executive. In addition, Canopy Health committee oversight provides an additional level of review and quality assurance **of sub-delegated and outsourced functions**. A summary of executive and committee oversight for each sub-delegated and outsourced function is provided below.

Function	Executive Oversight	Committee Oversight	Committee Meeting Frequency
Utilization Management	Chief Medical Officer	Canopy Health Delegation Oversight Committee	Quarterly
Complex Case Management	Chief Medical Officer		
Claims Processing and Provider Dispute Resolution	Chief Network Development Officer		
Credentialing	Chief Medical Officer	Canopy Health Quality Management and Credentialing Committee	Quarterly (or more often as needed)

The Canopy Health executive tasked with oversight for each delegated function is responsible for raising and discussing relevant Sub-Delegate oversight issues with the applicable committee, which issues include, but are not limited to:

- Trending and analysis of key performance indicators.
- Results of annual audits.
- Progress against any CAPs issued.
- Recommendations for de-delegation, should poor performance persist.
- Recommendations for removing individual practitioners from the Canopy Health network should the credentialing process identify persistent concerns.

Revision History:

Version Date	Edited By	Reason for Change
1/23/2018	Y. Wu	Creation date
12/12/17	M. Durbin	Updated to add IPM as an additional entity for delegation oversight
1/16/18	M. Durbin	Updated to reflect ICE credentialing process per WHA's pre-delegation requirements
3/12/18	Y. Wu	Revised to refine the definition of delegate and new Delegation Committees
7/30/20	R. Scott	Update the methodology to UM/CCM/Claims audits.
1/1/2021	R. Scott	Update the methodology to UM/CCM/Claims audits to account for the upstream health plan direct audit of delegated functions.
4/1/2021	R. Scott	Revised for elimination of COO position.