



SALISH BHO

PROVIDER MONITORING POLICIES AND PROCEDURES

Policy Name: SUBCONTRACTUAL DELEGATION AND ASSESSMENT

Policy Number: 9.04

Reference: DSHS Contract, Subcontractual Delegation, 42 CFR 438.206, 230

Effective Date: 7/2005

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Approved by: SBHO Executive Board

CROSS REFERENCES

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

PURPOSE

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

DEFINITIONS

Subcontractor delegation 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 SBHO Pre-Paid Inpatient (PIHP) functions.

PROCEDURE

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

- Authorization and Utilization Management functions, including customer service functions, authorization determinations for all SBHO services (that require authorization), conducting the service denial notifications and appeal process on

behalf of the SBHO, and entering prior authorization inpatient information into Provider 1.

- Certain clinical functions are included in our subcontracts with network providers that may be considered subdelegations.

SBHO Authorization and Utilization Management Subcontractor delegated Responsibilities

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

1. The SBHO contracts with an independent utilization management organization to conduct the inpatient and substance use disorder outpatient authorization determinations.
2. The delegated subcontractor has the responsibility of proving authorization determinations and the service denial notifications, including Notice of Adverse Benefit Determination letters to Medicaid individuals when an adverse action occurs. The contractor must also provide the Appeals Review, on behalf of the SBHO, upon request.
3. The delegated subcontractor must maintain URAC and/or NCQA accreditation, state licensure, and comply with all federal and Washington State regulations.
4. The delegated subcontractor 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 SBHO as a PIHP.
5. The delegated subcontractor must use the SBHO medical necessity definition, Level of Care standards, state developed Community Psychiatric Inpatient authorization forms and procedures, ASAM Criteria, and adhere to the SBHO Utilization Management Plan.
6. The delegated subcontractor will participate, upon request, in the SBHO Utilization Management or Quality Improvement Committees.
7. The delegated subcontractor will supply requested reports, data or information needed by the SBHO 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, requested and conducted Appeals, and other authorization information as requested.
 - b. Monthly report of flagged high user of crisis services and high risk individuals (per SBHO definitions).

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

Standard Requirements for PIHP Delegated Functions

1. Before any new subcontracting delegation decision is finalized, the SBHO 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 SBHO 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 SBHO review

- Demonstration of a management team that is responsive to feedback from SBHO (and its Ombuds and Quality Review Team), allied providers, and service recipients
- Training and supervision with staff that reflect SBHO'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, a sufficient number of mental health specialists, and chemical dependency professionals.
- 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 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 SBHO 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 SBHO regarding delegated decisions.
- Participation in any training and feedback from SBHO 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 SBHO'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 grievances.
- Contractors are given feedback on quality issues by SBHO'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 and 42 CFR Part 2
- Signed HIPAA Business Associates Agreement with SBHO
- Demonstrates effective medical records practices
- Update system to meet new regulations

Standard Subcontract Delegation Requirements

1. The SBHO requires a formalized delegation agreement, which is part of the contract, with any organization or entity that provides subcontract delegated SBHO PIHP functions.
2. The contract, including the delegation agreement, between SBHO and the delegated subcontractor, 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 delegated subcontractors will comply with the SBHO Compliance Plan and monitoring activities.
4. Sign the SBHO HIPAA Business Associates Addendum.

Standard Subcontractor Delegation Monitoring, Audits and Review

1. SBHO monitors current subcontractor's delegated performance on an ongoing basis and subjects them to formal routine reviews through contract monitoring and clinical service review, as well as ongoing concurrent reviews.
2. Before any new subcontractor delegating decision is finalized, the SBHO will evaluate the prospective subcontractor's ability to perform the activities to be delegated.

3. The SBHO uses the SBHO Subcontractor Delegation and Assessment Tool to conduct pre-evaluation and routine subcontractor delegation performance reviews.
4. The SBHO administrator, or his designee, will direct these monitoring activities.
5. Formal reports are shared with quality management committee, and with the SBHO Executive and Advisory Boards.
6. If the SBHO identifies deficiencies or areas for improvement, SBHO takes corrective action. The delegated subcontractor will respond to specified areas of non-compliance with a Corrective Action Plan (CAP). Any required CAP shall be submitted to SBHO no later than 30 days after the receipt of the audit results for approval. See the SBHO Corrective Action policy.
7. The subcontracts, including the Agreement, have provisions for terminating the contractual relationship.