



## Troy Medicare Policy and Procedure

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|--|--|--|------------------------|
| <b>Title:</b> Delegation Oversight   |  | <b>Policy Number:</b> CMP011   |                        |
| <b>Primary Department:</b><br>Compliance   | <b>LOB:</b> Medicare Advantage   |  | <b>Author:</b> S Scott |
| <b>Effective Date:</b><br>9/14/2022  | <b>Original Date:</b><br>9/14/2022   | <b>Review Date(s):</b><br>12/5/2022; 2/4/2023;<br>12/21/2023,<br>11/21/2024  | <b>Archive Date:</b>   |
| <b>Interactive Related Department(s)</b>   |  |  |                        |
| <input type="checkbox"/> All Departments<br><input type="checkbox"/> Compliance<br><input type="checkbox"/> Medical Management<br><input checked="" type="checkbox"/> Provider Operations<br><input checked="" type="checkbox"/> Sales and Marketing | <input type="checkbox"/> Appeals and Grievances<br><input checked="" type="checkbox"/> Pharmacy<br><input checked="" type="checkbox"/> Member Services<br><input type="checkbox"/> Quality Management<br><input type="checkbox"/> Utilization Management | <input type="checkbox"/> Care Management<br><input checked="" type="checkbox"/> Enrollment<br><input type="checkbox"/> Plan Administration<br><input checked="" type="checkbox"/> Claims<br><input type="checkbox"/> Other _____ |                        |

### POLICY PURPOSE

Troy Medicare is committed to complying with the CMS contract requirements to take ultimate responsibility for all services provided and fulfillment of all terms and conditions of its contract with CMS, regardless of any business associate agreements with first tier and downstream entities.

The purpose of this policy is to describe the oversight policy of delegated services and the delegated oversight committee.

Troy Medicare is committed to complying with federal and state rules and regulations.

### SCOPE

This policy applies to operational areas that have delegated health plan functions to First-Tier entities to conduct, and those First-Tier entities.

### REFERENCES

- 42 CFR §§ 422.100(a), 422.504(i)(1), 422.504(i)(4)(i)-(v)
- Medicare Managed Care Manual, Chapter 21, Section 50.6.6
- Medicare Managed Care Manual, Chapter 11, Section 110

### RESPONSIBLE PARTIES

- Chief Compliance Officer
- Chief Operating Officer

## DEFINITIONS

- Carve-Out Arrangement – a First-Tier Entity that assumes the entire responsibility for providing a type or category of benefits.
- Downstream Entity – any party that enters a written arrangement with a First-Tier Entity to provide administrative services or health care services for a Medicare-eligible individual.
- FDR – means First Tier, Downstream or Related Entity.
- First-Tier Entity – any party that enters in a written arrangement directly with a Medicare Advantage organization to provide administrative services or health care services for a Medicare eligible individual.
- Related Entity - any entity that is related to an MAO or Part D sponsor by common ownership or control and
  - (1) Performs some of the MAO or Part D plan sponsor's management functions under contract or delegation;
  - (2) Furnishes services to Medicare enrollees under an oral or written agreement; or
  - (3) Leases real property or sells materials to the MAO or Part D plan sponsor at a cost of more than \$2,500 during a contract period

## POLICY

Troy Medicare has delegated many of its responsibilities to other entities. All entities have agreed to uphold the conditions of a contract with a Medicare Advantage organization, including the right to audit and inspect any pertinent information for a period of 10 years, and other requirements. However, Troy Health remains accountable to CMS for any delegated administrative or health care services performed in accordance with CMS standards.

Carve-Out arrangements are common where managed care organizations contract with another entity to assume the entire process for a given type of service or benefit, such as prescription drug program. However, Troy Medicare is still responsible for the oversight of their compliance, quality, and service provided to its members.

Troy Health also acknowledges that its provider network is also considered First-Tier or Downstream entities. With the wide variety of contractual arrangements, verifying that the credentialing processes are being performed in compliance with standards is important oversight to be conducted.

The following requirements must apply to all delegated functions:

1. Written arrangement specifies delegated functions and reporting responsibilities.
2. Troy has the right to perform a pre-delegation review, including policies and procedures and staffing levels.
3. The entity's performance is monitored on an ongoing basis and at least annually, an audit is performed.
4. If the entity is performing a high-risk function, monitoring may increase to ensure their processes are accurate.

Troy Medicare will conduct reviews based on member impact and may request a corrective action

plan without performing an audit but has probable cause of non-compliance.

The FDR Oversight Committee chairperson facilitates a Delegation Oversight Committee to discuss delegation issues, compliance with requirements, auditing and monitoring results, and compliance risk.

Operational leaders have the expertise and relationship with the FDR to provide oversight of the delegated activities, share applicable sub-regulatory guidance related to their function, and monitor key metrics for any abnormal trends in data (e.g., claims volume).

## **PROCEDURE**

Each operational leader must develop their own desktop-level procedures that outline the details of their oversight activities, depending upon the FDR's contractual agreement. Desktop procedures must be routinely updated with version controls, as processes are modified or improved, or requirements change.

All operational leaders must ensure the following components are incorporated into their delegation oversight procedures:

### **A. Pre-delegation Oversight**

1. Pre-delegation review of the Delegate's policies and procedures, and/or any enrollee letters or materials to be sent as part of the delegated function.
2. Pre-delegation review of staffing resources to ensure Delegate has sufficient, qualified staff to perform the delegated function.
3. Pre-delegation review to identify Service Level Indicators and reporting.
4. Pre-delegation review to confirm the entity is not on the OIG Exclusion List (LEIE) and GSA SAM list prior to contract signatures.

### **B. Post-delegation Oversight**

1. Annual risk assessment – to work with Compliance and the FDR to identify potential risk areas of non-compliance.
2. Routine monitoring – regular reviews to confirm ongoing compliance and ensure any corrective actions have been effective.
3. Regular meetings to discuss operational issues, share expertise, and develop a partnership with the FDR.
4. Annual audit (at a minimum) – detailed review of data or information to validate CMS compliance and contractual performance measures.
5. Corrective action plans – to report non-compliance to Compliance and support FDRs corrective actions.
6. Service level indicators – annual review and adjustment if necessary
7. Key performance indicators - monthly reporting by FDR to Troy
7. Monthly review to confirm the entity is not on OIG Exclusion List (LEIE) or GSA SAM list.

## **ATTACHMENTS/RELATED POLICIES/STANDARD OPERATING PROCEDURES**

- none

**APPROVALS**

*Sally Scott*

Chief Compliance Officer

Dec 2, 2024

Date

*Christina Za*

Policy Committee

Dec 2, 2024

Date

**Revision History**

| <b>Revision Date</b> | <b>Revised by Whom</b> | <b>Revisions Made</b>                             |
|----------------------|------------------------|---|
| 2.4.2023             | S Scott                | Initial policy                                    |
| 12.21.23             | E.Young                | Reviewed policy; added verbiage to Policy Purpose |
| 11.21.2024           | S Scott                | Annual review. Minor revisions.                   |