



Department: Health Services Dept

Number: HS-006

Title: Delegation of Utilization Management and Oversight of Delegated Entities

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PURPOSE:

To outline the delegation of Utilization Management (“UM”) functions to external entities and to establish standardized oversight procedures ensuring that delegated UM activities are performed according to Sonder Health Plans (“SHP”) standards, CMS requirements, and other applicable federal and state regulations. SHP takes ultimate responsibility for all services provided by its delegated entities and otherwise fulfilling all terms and conditions of its contract with CMS regardless of any relationships that it may have with entities, contractors, subcontractors, first-tier or downstream entities. This policy applies to SHP’s staff responsible for contracting, delegating, and monitoring UM activities. It includes oversight of contracted (delegated) entities handling UM tasks, such as prior authorization, case management, and discharge planning.

DEFINITIONS:

- **Corrective Action Plan (CAP):** A plan implemented to correct deficiencies identified during audits or compliance reviews.
- **Delegated Entity:** A third-party organization contracted to perform certain functions that otherwise would be the responsibility of an MA Organization, such as SHP. This can include management and provision of services, such as Utilization Management services. For the purposes of this document, a delegated entity includes first-tier and downstream entities.
- **Downstream Entity:** means any party that enters into an acceptable written arrangement below the level of the arrangement between an MA organization (such as SHP) and a first tier entity. These written arrangements continue down to the level of the ultimate provider of health and/or administrative services.
- **First Tier:** any party that enters into a written arrangement with an MA organization, such as SHP, to provide administrative services or health care services for a Medicare eligible individual.
- **Utilization Management (UM):** A set of processes used to ensure members receive appropriate, medically necessary care in a timely, cost-effective manner.

POLICY STATEMENT:

SHP may delegate UM activities to qualified entities, subject to comprehensive oversight. Delegated entities will adhere to SHP’s standards, regulatory requirements, and SHP’s policies and procedures. SHP retains ultimate responsibility for all delegated UM functions and remains accountable to CMS and the State for performance of any such delegated function. It is the sole responsibility of SHP to ensure that the function is performed in accordance with applicable standards.

PROCEDURES:

I. Selection and Contracting of Delegated Entities

A. Qualifications:

- i. SHP assesses a potential delegated entity’s experience, resources, compliance history, and capability to perform UM activities based primarily on the needs of the organization and regulatory requirements.
- ii. SHP will evaluate the delegated entity’s ability to perform the delegated activities

prior to delegation.

- iii. SHP will document that it has approved the delegated entity's policies and procedures with respect to the delegated function. It also will verify that the contractor has devoted sufficient resources and appropriately qualified staff to performing the function.
- iv. Delegated entities will demonstrate competence in handling UM tasks for Medicare Advantaged Organizations and comply with CMS, and applicable, state standards.

B. Contractual Requirements

- i. SHP and the delegated entity will enter a formal written agreement specifying all delegated functions, performance standards, reporting requirements, and compliance obligations.
- ii. The contract will be signed by an authorized SHP executive or management representative.
- iii. The contract will require the delegated entity to maintain policies consistent with SHP standards and CMS requirements, including timeframes for UM determinations and documentation practices.

C. Specific CMS Requirements:

- i. SHP requires all related entities, contractors, or subcontractors, first-tier and downstream entities to agree that:
 - 1. DHHS, the Comptroller General, or their designees have the right to inspect, evaluate, and audit any pertinent contracts, books, documents, papers, and records of the related entity(s), contractor(s), or subcontractor(s), first-tier and downstream entities involving transactions related to SHP's Disclosure Requirements under the contract with CMS and, as stated, in Medicare Managed Care Manual (Chapter 11, Section 110.4.4).
 - 2. DHHS', the Comptroller General's, or their designee's right to inspect, evaluate, and audit any pertinent information for any particular contract period will exist through 10 years from the final date of the contract period or from the date of completion of any audit, whichever is later; and
 - 3. All contracts or written arrangements between SHP and providers, related entities, contractors, subcontractors, first tier and downstream entities will contain the contract language requirements described in the Medicare Managed Care Manual (Chapter 11, Section 100) and as captured in the Medicare Advantage Contract Amendment available online.
- ii. Written arrangements will either provide for revocation of the delegation activities and reporting requirements or specify other remedies in instances where CMS or SHP determine that such parties have not performed satisfactorily.
- iii. Written arrangements will specify that the performance of the parties is monitored by SHP on an ongoing basis.

II. Roles and Responsibilities

A. Delegated Entity Responsibilities

- i. Ensure timely and accurate processing of UM activities per CMS and SHP standards.
- ii. Report UM activity metrics and performance data to SHP, as specified in the contract.
- iii. Inform SHP of any adverse determinations, including denials or changes in authorization status, if delegated to do so.
- iv. Respond promptly to any inquiries from SHP regarding UM determinations or processes.
- v. Adhere to all contractual and performance requirements.

B. SHP's Responsibilities

- i. It is the sole responsibility of SHP to ensure that the function is performed in accordance with applicable standards.
 - 1. This standard is not meant to imply that SHP is legally liable for the actions

of its subcontractors. For example, in cases of malpractice any such liability is established by State or local law.

- ii. Monitor the delegated entity's performance through regular audits and reviews.
- iii. Provide necessary training and resources for delegated entities to meet regulatory and SHP-specific standards.
- iv. Retain responsibility for ensuring all UM functions meet SHP and regulatory requirements.

III. Oversight and Monitoring

A. Regular Audits

- i. SHP will conduct routine audits of delegated UM records to ensure compliance with policies and regulatory guidelines, with an emphasis on timeliness, accuracy, and adherence to established criteria.
- ii. The audit scope includes reviewing authorization requests, denial notices, appeals, process, and records of communications with members, providers, and other applicable parties.
- iii. SHP will periodically verify that the delegated entity is in fact forwarding requests for UM review, reconsiderations, or other tasks as contractually required, and that its statistical or other reporting on these processes is accurate.
- iv. In any given situation, the review methodology to be adopted should be that which is least burdensome for reviewers and for SHP, yet which provides positive assurance that the activity in question is being performed in compliance with these standards.

B. Performance Reporting/Monitoring

- i. Delegated entities will submit monthly and quarterly performance reports, including data on timeliness, adverse determinations, appeals, and overall adherence to UM requirements.
- ii. Reports are reviewed by UM staff to assess consistency, regulatory compliance, and overall performance.
- iii. SHP will ensure that monitoring of delegated entities is carried out by staff who are qualified to assess the delegates' activities.

C. Compliance Reviews

- i. Periodic compliance reviews organized by the Compliance Department will assess each delegated entity's adherence to CMS guidelines, such as those set forth in Medicare Managed Care Manual (Chapter 11), including documentation standards, member notification requirements, and case management protocols.

D. Corrective Action Plans (CAPs)

- i. If deficiencies are identified during audits, compliance reviews, or failure to meet performance or contractual requirements, SHP will issue a CAP requiring the delegated entity to address and resolve non-compliant practices within a specified timeframe.
- ii. Implementation on the effectiveness of the CAP will be routinely reviewed by SHP.
- iii. Persistent or unresolved deficiencies may result in contract termination.

IV. Offshore Work Prohibited

- A. SHP confirms that any services performed pursuant to its DSNP Contract with the State of Georgia, or under any subcontract under its DSNP Contract with the State of Georgia, involving access to and use, maintenance, transmission, or storage of secure or sensitive data, including protected health information and personal member data, shall be performed by or for SHP within the defined territories of the United States.

V. Evaluation of Delegated UM Processes

A. Annual Performance Review

- i. SHP will evaluate the delegated entity's performance annually, considering factors such as compliance with CMS guidelines, member satisfaction, timeliness of determinations, and quality of service.

- ii. The annual evaluation will be a comprehensive assessment of the delegated entity's performance, including both compliance with applicable standards and the extent to which the delegate entity's activities promote the organization's overall goals and objectives for the delegated function.
 - iii. Based on the review, SHP may renew, modify, or terminate the delegation agreement.
- B. Review of Documentation and Record Management
 - i. SHP will ensure that all records created by delegated entities are managed according to CMS and SHP documentation requirements, including confidentiality and access controls.

Attachment(s):

N/A

Statutory Reference(s):

Federal:

- 42 CFR Part §422.504(i): MA Organization Relationship with FDRs.
- 42 CFR Part §422.562: General Provisions
- Medicare Managed Care Manual, Chapter 11 - Medicare Advantage Application Procedures and Contract Requirements

Contract Reference(s):

- Medicare Advantage D-SNP Health Plan Agreement Between Georgia Department of Community Health and Sonder Health Plans, Inc.

Element Reference(s):

N/A

Related Policy(s):

- N/A