Technical Assistance Guide

for Medical Audits

Category 5 –
Quality Improvement

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Introduction

In accordance with California Welfare and Institutions Code Section 14456, the Department of Health Care Services (DHCS) conducts medical audits of Medi-Cal managed care plans (MCPs) on an annual basis. Medical audits evaluate MCPs' compliance with the DHCS contractual requirements and applicable laws and regulations. DHCS' Managed Care Quality and Monitoring Division (MCQMD) is responsible for ensuring overall monitoring and oversight of MCPs. MCQMD designates the Medical Review Branch (MRB) of DHCS' Audits and Investigations Division (A&I) to perform the mandated audits. The audit scope encompasses the following six categories of review:

- Category 1 – Utilization Management
- Category 2 – Case Management and Coordination of Care
- Category 3 – Access and Availability
- Category 4 – Member's Rights
- Category 5 – Quality Improvement
- Category 6 – Administrative and Organizational Capacity

Guidance on Using the Technical Assistance Guide (TAG)

MCQMD and A&I have partnered together to create Technical Assistance Guides (TAG) for each category of review. The TAGs are designed to identify key elements that will be commonly evaluated to inform MCPs of the audit process and increase transparency. To this end, each TAG is broken down by subcategories and includes the following components, as applicable:

- **Contract Language:** This section identifies "key" contract provisions[1] that are the focus of review for each subcategory. While references to specific provisions may assist the MCP with narrowing the scope of review in preparation for the audit, it does not preclude the audit team from investigating the MCP's compliance with other contract requirements not explicitly named. MCPs are ultimately responsible for ensuring compliance with *all* provisions of the DHCS contract as well as any applicable All Plan Letters (APLs) and Plan Letters (PLs). The contract provisions included in the TAG are intended to serve as guidance only as well as a quick point of reference.

[1] The TAGs cite language from the general Two-Plan Boilerplate Contract. Each MCP should reference its own Plan-specific contract to confirm requirements.

- **Documentation Reviewed:** The items listed in this section reflect common *initial* documentation requests and not subsequent follow-up requests that may be warranted after initial review and interviews with the MCP. The initial documentation request includes, but is not limited to: policies and procedures, organizational charts, committee meeting minutes, monitoring reports, data logs, etc. While the documentation provides the audit team with a general overview of the operational structure and the team may glean insight regarding compliance with some contractual requirements, it is not all encompassing. Therefore, to ease the burden of further document requests made onsite, the MCP is advised to submit additional pre-onsite documentation for review (even if not explicitly requested) if the MCP believes that review of such information would assist the audit team with assessing compliance in any of the subcategories.

- **Verification Study (if applicable):** This section appears within a designated subcategory when a verification study (i.e., review of specific files such as grievances, prior authorizations, claims, etc.) may be used to assist with measuring compliance. The MCP is instructed to provide data in a prescribed format (i.e., spreadsheet containing all files for the audit review period). The log will assist the audit team with selection of specific files for onsite review. The audit team is neither precluded from conducting additional verification studies as needed nor expected to consistently conduct all verification studies listed in this TAG.

- **Examples of Best Practices:** This section details examples of best practices. The examples listed include strategies that some MCPs have implemented to either demonstrate compliance with a given standard or successfully remediate an identified deficiency. Every MCP and every audit is unique and best practices do not always transfer seamlessly. While the audit team does not audit to best practices, the burden is on the MCP to demonstrate that it is meeting its contractual obligations. To this end, examples of best practices emphasize the MCP's ability to produce *documented evidence* to substantiate that the MCP is in compliance with the contract requirements. When monitoring efforts reveal patterns of non-compliance, the MCP should similarly be able to produce documented evidence of barrier analysis and remedial actions enacted to substantiate efforts to bring the MCP into compliance.

CATEGORY 5 – QUALITY IMPROVEMENT

5.1	QUALITY IMPROVEMENT SYSTEM		
CONTRACT REQUIREMENT	**DOCUMENTATION REVIEWED**	**VERIFICATION STUDY**	**EXAMPLES OF BEST PRACTICES**
Exhibit A, Attachment 4 – QUALITY IMPROVEMENT SYSTEM **1. General Requirement** Contractor shall implement an effective Quality Improvement System (QIS) in accordance with the standards in Title 28, CCR, Section 1300.70. Contractor shall monitor, evaluate, and take effective action to address any needed improvements in the quality of care delivered by all providers rendering services on its behalf, in any setting. Contractor shall be accountable for the quality of all Covered Services regardless of the number of contracting and subcontracting layers between Contractor and the provider. This provision does not create a cause of action against the Contractor on behalf of a Medi-Cal beneficiary for malpractice committed by a subcontractor. **1300.70(a)(1)** (a) Intent and Regulatory Purpose. (1) The QA program must be directed by providers and must document that the quality of care	-Policies and procedures -QI Program Description -Policies and procedures -QI Work Plan -QI Committee meeting minutes	-An onsite verification of grievance files may be conducted to confirm that potential quality issues are consistently identified, adequately and timely investigated by appropriate clinical staff, and effective action is taken to address any need improvements in quality of care.	-The QI Program Description and policies and procedures delineate clear processes for identifying potential quality of care issues and ensuring adequate and timely investigation by appropriate clinical staff (i.e., Medical Director). -The QI Program Description and policies and procedures delineate clear processes for ensuring that effective follow-up action is taken to address any needed improvements in quality of care to prevent the recurrence of issues (e.g., barrier analysis, provider CAPs, enhanced monitoring, re-measurement activities, etc.). -The Plan correspondingly provides documented evidence to demonstrate adherence to its own internal policies and procedures (e.g., PQI cases consistently document review by appropriate clinical staff with appropriate follow-up action taken, PQI log tracks timeliness of case reviews, QIC meeting minutes document discussion and review of quality improvement activities).

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provided is being reviewed, that problems are being identified, that effective action is taken to improve care where deficiencies are identified, and that follow-up is planned where indicated. **1300.70(b)(1)(B)** (b) Quality Assurance Program Structure and Requirements. (1) Program Structure. To meet the requirements of the Act which require plans to continuously review the quality of care provided, each plan's quality assurance program shall be designed to ensure that: (B) quality of care problems are identified and corrected for all provider entities;			-The QIC receives reports and meeting minutes from various departments and their respective committees (e.g., UM, Access, G&A, etc.) on no less than on a quarterly basis. If departmental reports reveal notable trends, the QIC conducts barrier analysis and follow-up action to address issues identified. The QIC meeting minutes consistently document discussion of these activities and subsequent minutes document progress on achieving goals and re-measurement activities as necessary. -The QI Work Plan incorporates all follow-up action recommended by the QIC. The Plan correspondingly produces documented evidence to substantiate that all activities are carried-out at the frequencies stated. -The Plan provides documented evidence of ongoing clinical training by *clinical* staff for both new and seasoned customer service staff who serve as the front-line entry for the intake of all potential *quality of care* grievances (e.g., training materials, desktop procedures, agendas, sign-in sheets,

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			prospective training schedules, etc.). Training materials specifically address how to identify and route quality of care grievances to clinical staff for investigation and review. -If clinical staff (i.e., RNs) are used to screen potential quality of care issues prior to routing to the Medical Director for review, there are oversight processes to ensure all potential quality of issues are consistently identified (e.g., periodic review of a random sample of cases not identified as PQIs to validate cases are not missed, inter-rater reliability testing, training, desktop procedures, etc.). -The Plan conducts inter-rater reliability testing at a set frequency to ensure that clinical staff (i.e., Medical Directors) consistently assign appropriate severity ratings and respective follow-up activities for all quality of care issues identified.
2. Accountability Contractor shall maintain a system of accountability which includes the participation of the governing body of the Contractor's organization, the designation of a quality improvement committee with oversight and	-Policies and procedures -QI Program Description -Plan organization chart -QI organization chart		-The Plan produces organizational charts that are current, updated, and include the designation of a QIC with a direct reporting relationship to the Board. -The QI Program Description, policies and procedures,

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performance responsibility, the supervision of activities by the medical director, and the inclusion of contracted physicians and contracted providers in the process of QIS development and performance review. Participation of non-contracting providers is discretionary.	including key individuals, titles, and credentials -Duty statements for key QI staff -QI Committee meeting minutes		organization charts, and duty statements all delineate clear roles and responsibilities of key QI staff, including reporting and supervisory relationships. QI staff are comprised of qualified *clinical* staff under the supervision of the Medical Director. -The Plan provides documented evidence (e.g., QIC meeting rosters, meeting minutes, etc.) to substantiate that the QIC includes active participation by contracted physicians and providers.
3. Governing Body Contractor shall implement and maintain policies that specify the responsibilities of the governing body including at a minimum the following: A. Approves the overall QIS and the annual report of the QIS. **<u>1300.68(b)(2)(B)</u>** (b) Quality Assurance Program Structure and Requirements. (2) Program Requirements. In order to meet these obligations each plan's QA program shall meet all of the following requirements: (B) Written documents shall delineate QA authority, function and responsibility, and provide evidence	-Policies and procedures -QI Program Description -QI Work Plan -Board meeting minutes		-The Plan's policies and procedures ensure that the QI Program Description and Work Plan are consistently reviewed and approved by the Board on an annual basis. -The Board meeting minutes clearly document annual review, discussion, and approval of the QI Program Description and Work Plan.

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that the plan has established quality assurance activities and that the plan's governing body has approved the QA Program….			
B. Appoints an accountable entity or entities within Contractor's organization to provide oversight of the QIS.	-Policies and procedures -QI Program Description -Plan organization chart -QI organization chart including key individuals, titles, and credentials -Duty statements for key QI staff		-The Plan produces organizational charts that are current, updated, and includes the designation of a QIC with a direct reporting relationship to the Board. -The QI Program Description, policies and procedures, organization charts, and duty statements all delineate clear roles and responsibilities of key QI staff, including reporting and supervisory relationships.
C. Routinely receives written progress reports from the quality improvement committee describing actions taken, progress in meeting QIS objectives, and improvements made. **1300.68(b)(2)(C)** (b) Quality Assurance Program Structure and Requirements. (2) Program Requirements. In order to meet these obligations each plan's QA program shall meet all of the following requirements: (C) The plan's governing body, its QA committee, if any, and any	-Board meeting minutes -QI Committee meeting minutes/reports		-The Board receives reports and meeting minutes from the QIC on no less than on a quarterly basis. The Board meeting minutes consistently document review, discussion, and feedback provided on reports and minutes received from the QIC as necessary. -QIC reports submitted to the Board are sufficiently detailed to identify any significant or chronic quality of care issues. Reports correspondingly document all follow-action taken to address any needed improvements in quality of care to prevent the recurrence of issues

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internal or contracting providers to whom QA responsibilities have been delegated, shall each meet on a quarterly basis, or more frequently if problems have been identified, to oversee their respective QA program responsibilities. Any delegated entity must maintain records of its QA activities and actions, and report to the plan on an appropriate basis and to the plan's governing body on a regularly scheduled basis, at least quarterly, which reports shall include findings and actions taken as a result of the QA program. The plan is responsible for establishing a program to monitor and evaluate the care provided by each contracting provider group to ensure that the care provided meets professionally recognized standards of practice. Reports to the plan's governing body shall be sufficiently detailed to include findings and actions taken as a result of the QA program and to identify those internal or contracting provider components which the QA program has identified as presenting significant or chronic quality of care issues.			(e.g., barrier analysis, provider CAPs, enhanced monitoring, re-measurement activities, etc.).

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D. Directs the operational QIS to be modified on an ongoing basis, and tracks all review findings for follow-up.	-Board meeting minutes -QI Committee meeting minutes		-The Plan's Board meeting minutes consistently document review, discussion, and feedback provided on reports and minutes received from the QIC on no less than on a quarterly basis. Subsequent minutes document continued status on progress on achieving goals and re-measurement activities as necessary.
4. Quality Improvement Committee A. Contractor shall implement and maintain a Quality Improvement Committee (QIC) designated by, and accountable to, the governing body; the committee shall be facilitated by the medical director or a physician designee. Contractor must ensure that subcontractors, who are representative of the composition of the contracted provider network including but not limited to subcontractors who provide health care services to Seniors and Persons with Disabilities and chronic conditions (such as asthma, diabetes, congestive heart failure), actively participate on the committee or medical sub-committee that reports to the QIC.	-Policies and procedures -QI Program Description -Plan organization chart -QI organization chart including key individuals, titles, and credentials -Duty statements for key QI staff -QI Committee meeting minutes		-The Plan produces organizational charts that are current, updated, and include the designation of a QIC with a direct reporting relationship to the Board. -The QI Program Description, policies and procedures, organization charts, and duty statements all delineate clear roles and responsibilities of key QI staff, including reporting and supervisory relationships. QI staff are comprised of qualified *clinical* staff under the supervision of the Medical Director. -The Plan provides documented evidence to substantiate that the QIC includes active participation by contracted physicians and providers, including those that serve SPDs (e.g., QIC meeting rosters, meeting minutes, etc.).

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B. The committee shall meet at least quarterly but as frequently as necessary to demonstrate follow-up on all findings and required actions. The activities, findings, recommendations, and actions of the committee shall be reported to the governing body in writing on a scheduled basis.	-Board meeting minutes -QI Committee meeting minutes		-The QIC receives reports and meeting minutes from various departments and their respective committees (e.g., UM, Access, G&A, etc.) on no less than on a quarterly basis. If departmental reports reveal notable trends, the QIC conducts barrier analysis and follow-up action to address issues identified. The QIC meeting minutes consistently document discussion of these activities and subsequent minutes document progress on achieving goals and re-measurement activities as necessary. -QIC reports are submitted to the Board and are sufficiently detailed to identify any significant or chronic quality of care issues. Reports correspondingly document all follow-action taken to address any needed improvements in quality of care to prevent the recurrence of issues (e.g., barrier analysis, provider CAPs, enhanced monitoring, re-measurement activities, etc.). -The Board receives reports and meeting minutes from the QIC on no less than on a quarterly basis. The Board meeting minutes consistently document review, discussion, and

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			feedback provided on reports and minutes received from the QIC as necessary.
C. Contractor shall maintain minutes of committee meetings and minutes shall be submitted to DHCS quarterly. Contractor shall maintain a process to ensure rules of confidentiality are maintained in quality improvement discussions as well as avoidance of conflict of interest on the part of committee members.	-QI Committee meeting minutes		-The Plan maintains QIC meeting minutes for submission to DHCS on no less than on a quarterly basis upon request.
5. Provider Participation Contractor shall ensure that contracting physicians and other providers from the community shall be involved as an integral part of the QIS. Contractor shall maintain and implement appropriate procedures to keep contracting providers informed of the written QIS, its activities, and outcomes. **1300.70(b)(1)(C)** (b) Quality Assurance Program Structure and Requirements. (1) Program Structure. (C) physicians (or in the case of specialized plans, dentists, optometrists, psychologists or other appropriate licensed professionals)	-Policies and procedures -QI Program Description -QI Committee meeting minutes -Provider Manual -Provider newsletters		-The Plan provides documented evidence to substantiate that the QIC includes active participation by contracted physicians and providers (e.g., QIC meeting rosters, meeting minutes, etc.). -The Plan provides documentation to substantiate that providers are informed of the activities and outcomes of the QI Program at a set frequency on a continuous basis (e.g., Provider Manual, provider newsletters, provider portal, fax blasts, etc.).

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who provide care to the plan's enrollees are an integral part of the QA program;			
7. Written Description Contractor shall implement and maintain a written description of its QIS that shall include the following: A. Organizational commitment to the delivery of quality health care services as evidenced by goals and objectives which are approved by Contractor's governing body and periodically evaluated and updated. **<u>1300.68(b)(2)(A)(B)</u>** (b) Quality Assurance Program Structure and Requirements. (2) Program Requirements. In order to meet these obligations each plan's QA program shall meet all of the following requirements: (A) There must be a written QA plan describing the goals and objectives of the program and organization arrangements, including staffing, the methodology for on-going monitoring and evaluation of health services, the scope of the program, and required levels of activity. (B) Written documents shall delineate QA authority, function and responsibility, and provide evidence	-QI Program Description -QI Work Plan -Board meeting minutes -QIC meeting minutes		-The Plan provides documented evidence to demonstrate that the QI Program Description includes goals and objectives of the program which are periodically evaluated and updated on no less than on an annual basis (e.g., QIC meeting minutes, QIC Work Plan, etc.). -The Board meeting minutes clearly document annual review, discussion, and approval of the QI Program Description and Work Plan.

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that the plan has established quality assurance activities and that the plan's governing body has approved the QA Program….			
B. Organizational chart showing the key staff and the committees and bodies responsible for quality improvement activities including reporting relationships of QIS committee(s) and staff within the Contractor's organization.	-QI Program Description -Plan organization chart -QI organization chart including key individuals, titles, and credentials -Duty statements for key QI staff		-The QI Program Description includes organizational charts that are current, updated, and includes the designation of a QIC with a direct reporting relationship to the Board. -The QI Program Description delineates clear roles and responsibilities of key QI staff, including reporting and supervisory relationships.
C. Qualifications of staff responsible for quality improvement studies and activities, including education, experience and training. **<u>1300.70(b)(2)(D)(F)</u>** (b) Quality Assurance Program Structure and Requirements. (2) Program Requirements. (D) Implementation of the QA program shall be supervised by a designated physician(s), or in the case of specialized plans, a designated dentist(s), optometrist(s), psychologist(s) or other licensed professional provider, as appropriate.	-QI Program Description -Resumes of key QI staff		-The QI Program Description ensures that key QI staff are comprised of qualified *clinical* staff with appropriate education, experience, and training. The Plan correspondingly provides documented evidence to demonstrate adherence to its own internal policies and procedures (e.g., resumes, credentials, duty statements, etc.). -The QI Program Description ensures ongoing clinical training by *clinical* staff for both new and seasoned customer service staff who serve as the front-line entry for the intake of all potential *quality of*

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(F) There must be administrative and clinical staff support with sufficient knowledge and experience to assist in carrying out their assigned QA activities for the plan and delegated entities.			*care* grievances. The Plan correspondingly provides documented evidence to demonstrate adherence to its own internal policies and procedures (e.g., training materials, desktop procedures, agendas, sign-in sheets, prospective training schedules, etc.). Training materials specifically address how to identify and route quality of care grievances to clinical staff for investigation and review. -If clinical staff (i.e., RNs) are used to screen potential quality of care issues prior to routing to the Medical Director for review, the QI Program Description describes oversight processes to ensure all potential quality of issues are consistently identified (e.g., periodic review of a random sample of cases not identified as PQIs to validate cases are not missed, inter-rater reliability testing, training, desktop procedures, etc.). -The QI Program Description ensures inter-rater reliability testing at a set frequency to ensure that clinical staff (i.e., Medical Directors) consistently assign appropriate severity ratings and respective

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			follow-up activities for all quality of care issues identified. -The Plan demonstrates that clinical staff possess sufficient knowledge and experience in carrying out assigned QA activities by providing documented evidence that PQI cases are thoroughly investigated, severity ratings are accurately assigned, and appropriate follow-up action is consistently taken to prevent the recurrence of quality of care issues. -The Plan demonstrates it has sufficient administrative staff to support the processing of PQI cases by providing documented evidence that cases are timely investigated (e.g., PQI log tracks the timeliness of case reviews, including the dates records are requested, received, and reviewed, etc.).
D. A description of the system for provider review of QIS findings, which at a minimum, demonstrates physician and other appropriate professional involvement and includes provisions for providing feedback to staff and providers, regarding QIS study outcomes.	-QI Program Description -QI Committee meeting minutes -Provider Manual -Provider newsletters		-The QI Program Description ensures the QIC includes active participation by contracted physicians and providers. The Plan correspondingly provides documented evidence to demonstrate adherence to its own internal policies and procedures (e.g., QIC meeting rosters, meeting

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			minutes, etc. which substantiate active involvement by providers). -The QI Program Description ensures providers are informed of the activities and outcomes of the QI Program at a set frequency on a continuous basis. The Plan correspondingly provides documented evidence to demonstrate adherence to its own internal policies and procedures (e.g., Provider Manual, provider newsletters, provider portal, fax blasts, etc.).
E. The role, structure, and function of the quality improvement committee.	-QI Program Description		-The QI Program Description addresses the role, structure, and function of the QIC.
F. The processes and procedures designed to ensure that all Medically Necessary Covered Services are available and accessible to all Members regardless of race, color, national origin, creed, ancestry, religion, language, age, gender, marital status, sexual orientation, health status, or disability, and that all Covered Services are provided in a culturally and linguistically appropriate manner.	-Policies and procedures -QI Program Description		-The QI Program Description delineates processes to ensure that medically necessary services are accessible to all members regardless of race, color, national origin, creed, ancestry, religion, language, age, gender, marital status, sexual orientation, health status, or disability, and that all covered services are provided in a culturally and linguistically appropriate manner. -The Plan correspondingly provides documented evidence to demonstrate adherence to its own

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			internal policies and procedures (e.g., C&L policies and procedures, vendor contracts, C&L monitoring reports, discrimination grievances, etc.).
G. A description of the mechanisms used to continuously review, evaluate, and improve access to and availability of services. The description shall include methods to ensure that Members are able to obtain appointments within established standards.	-Policies and procedures -QI Program Description -Provider and Member Satisfaction surveys -Internal monitoring reports -Committee meeting minutes (AA, QIC, and Board)		-The QI Program Description delineates ongoing monitoring activities to continuously review, evaluate, and improve access to and availability of services. -The QI Program Description delineates ongoing monitoring activities to specifically address timely access to appointments (e.g., Member and Provider Satisfaction surveys, review and generation of internal monitoring reports at a set frequency, examination of access-related grievances, etc.). -Aside from annual surveys, the QI Program Description requires internal monitoring activities on a more frequent basis (e.g., biannual, quarterly, monthly, etc.) to ensure continual compliance with the timely access standards (e.g., secret shopper, targeted focused studies, collection of data for the third-next available appointment, etc.). -The QI Program Description requires appropriate follow-up action

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			and re-measurement activities when monitoring efforts reveal instances of non-compliance. The Plan consistently documents follow-up action taken for all non-compliant providers (e.g., issuance of CAPs, re-measurement activities, provider re-training, Provider Services outreach, etc.). -The QI Program Description requires all monitoring reports to be reviewed by appropriate parties (e.g., Provider Services Department, Access Committee, QIC, Board, etc.) to conduct root cause analyses and identify opportunities for quality improvement. Review and discussion are evidenced by documented meeting minutes.
H. Description of the quality of clinical care services provided, including, but not limited to, preventive services for children and adults, perinatal care, primary care, specialty, emergency, inpatient, and ancillary care services.	-QI Program Description		-The Plan's QI Program Description includes processes and standards to ensure the quality of clinical care provided in all settings, including but not limited to: preventive services (children and adults), perinatal care, primary care, specialty care, emergency services, impatient services, and ancillary care services.
I. Description of the activities, including activities used by Members that are Seniors and Persons with	-QI Program Description -Internal monitoring		-The QI Program Description delineates monitoring activities to specifically ensure that Seniors and

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Disabilities or persons with chronic conditions, designed to assure the provision of case management, coordination and continuity of care services. Such activities shall include, but are not limited to, those designed to assure availability and access to care, clinical services and care management. **1300.70(a)(3)** (3) A plan's QA program must address service elements, including accessibility, availability, and continuity of care. A plan's QA program must also monitor whether the provision and utilization of services meets professionally recognized standards of practice.	reports -Committee meeting minutes (UMC, QIC, G&A, AA, and Board)		Persons with Disabilities or those members with chronic conditions receive case management, coordination and continuity of care, and access and availability to care as appropriate. -The QI Program Description delineates monitoring activities to specifically address accessibility, availability, and continuity of care. -The QI Program Description delineates monitoring activities to specifically ensure that the provision and utilization of services meets professionally recognized standards of practice. -The Plan correspondingly demonstrates adherence to its own internal policies and procedures by readily producing all monitoring reports at the frequencies indicated in the QI Program Description (e.g., Provider and Member Satisfaction surveys, internal timely access monitoring reports, utilization reports, specialty referrals pattern reports, timeliness of referral reports, complex case management log, grievance trend reports, etc.). -In addition to *generating* reports, the Plan demonstrates that reports are being *reviewed* and analyzed by

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			the appropriate parties, as evidenced by documentation (e.g., UMC, QIC, G&A, AA, and Board meeting minutes that documenting trends and barrier analysis, etc.). -If the results of monitoring reports reveal notable trends, the Plan is able to provide documented evidence that appropriate discussion and follow-up action has been taken in an effort to address the issues identified. The Plan conducts re-measurement activities as necessary to monitor progress.

5.2	PROVIDER QUALIFICATIONS		
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<u>Exhibit A, Attachment 4 – QUALITY IMPROVEMENT SYSTEM</u> **12. Credentialing and Recredentialing** Contractor shall develop and maintain written policies and procedures that include initial credentialing, recredentialing, recertification, and reappointment of physicians including Primary Care Physicians and specialists in accordance with the MMCD Policy Letter 02-03, Credentialing and Recredentialing. Contractor shall ensure those policies and procedures are reviewed and approved by the governing body, or designee. Contractor shall ensure that the responsibility for recommendations regarding credentialing decisions will rest with a credentialing committee or other peer review body.	-Policies and procedures -Board meeting minutes	-An onsite verification study of credentialing files may be conducted to confirm that all new and existing network providers are appropriately credentialed and recredentialed.	-The Plan's policies and procedures delineate monitoring activities to ensure that all network *physicians* (i.e., PCPs and specialists) are initially credentialed and then subsequently recredentialed at a minimum of every three years thereafter. -The Plan's policies and procedures delineate monitoring activities to ensure that the credentials of *non-physicians* (e.g., Nurse Practitioners, Certified Nurse Midwives, Clinical Nurse Specialists, Physician Assistants, etc.) are properly verified. If non-physician providers are credentialed at provider sites rather than by the Plan directly, the Plan's policies and procedures delineate oversight processes to validate that provider sites have verified all credentials. -The Plan's policies and procedures delineate monitoring activities to ensure that *primary sources* (e.g., State licensing agencies, etc.) are used to verify providers'

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			credentials (i.e., license and/or board certification, education, residency and/or specialty training, continuing education) at initial credentialing and recredentialing. -The Plan's policies and procedures delineate monitoring activities to ensure that the following information is additionally verified (not necessarily through primary sources): work history, hospital and clinic privileges, DEA certificate, NPI, malpractice insurance, sanctions or limitations on licensure, etc.) at initial credentialing and recredentialing. -The Plan's policies and procedures delineate monitoring activities to ensure that all network providers submit a signed and dated application at initial credentialing and recredentialing attesting to the following: any limitations or inabilities that affect the ability to perform essential functions, a history of loss of license or felony conviction, a history or

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			loss or limitation of privileges or disciplinary activity, a lack of present illegal drug use, and the accuracy and completeness of the application. -The Plan's policies and procedures delineate monitoring activities to ensure that FSRs are performed on all PCP sites initially and then subsequently at a minimum of every three years thereafter. -If provider credentialing and recredentialing is delegated, the Plan's policies and procedures establish a system to evaluate the subcontractor's ability to perform delegated activities including ongoing monitoring to ensure all standards are continually met. -The Plan's policies and procedures specify the designation of a credentialing committee or other peer review body that retains responsibility for reviewing recommendations regarding credentialing decisions. -The Board meeting minutes clearly document review and

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CONTRACT REQUIREMENT	**DOCUMENTATION REVIEWED**	**VERIFICATION STUDY**	**EXAMPLES OF BEST PRACTICES**
			approval of credentialing policies and procedures.
A. Standards All providers of Covered Services must be qualified in accordance with current applicable legal, professional, and technical standards and appropriately licensed, certified or registered. All providers must have good standing in the Medicare and Medicaid/Medi-Cal programs and a valid National Provider Identifier (NPI) number. Providers that have been terminated from either Medicare or Medicaid/Medi-Cal cannot participate in Contractor's provider network. Contractor shall ensure that all contracted laboratory testing sites have either a Clinical Laboratory Improvement Act (CLIA) certificate or waiver of a certificate of registration along with a CLIA identification number.	-Credentialing Committee meeting minutes	-An onsite verification study of physician credentialing files may be conducted to confirm that all providers are appropriately licensed/certified/registered, have good standing in the Medicare and Medicaid/Medi-Cal programs, and possess a valid NPI number.	-The Plan maintains documentation in credentialing files to substantiate that *primary sources* (e.g., State licensing agencies, etc.) are consistently used to verify providers' credentials (i.e., license and/or board certification, education, residency and/or specialty training, continuing education) at initial credentialing and recredentialing. -The Plan maintains documentation in credentialing files to substantiate that the following additional information is consistently verified (not necessarily through primary sources): work history, hospital and clinic privileges, DEA certificate, NPI, malpractice insurance, sanctions or limitations on licensure, etc.) at initial credentialing and recredentialing. -The Plan maintains documentation in credentialing files to substantiate that providers consistently submit

5.2	PROVIDER QUALIFICATIONS		
CONTRACT REQUIREMENT	**DOCUMENTATION REVIEWED**	**VERIFICATION STUDY**	**EXAMPLES OF BEST PRACTICES**
			signed and dated applications at initial credentialing and recredentialing attesting to the following: any limitations or inabilities that affect the provider's ability to perform any essential functions, a history of loss of license or felony conviction, a history or loss or limitation of privileges or disciplinary activity, a lack of present illegal drug use, the application's accuracy and completeness.
D. Disciplinary Actions Contractor shall implement and maintain a system for the reporting of serious quality deficiencies that result in suspension or termination of a practitioner to the appropriate authorities. Contractor shall implement and maintain policies and procedures for disciplinary actions including, reducing, suspending, or terminating a practitioner's privileges. Contractor shall implement and maintain a provider appeal process.	-Policies and procedures -Credentialing Committee meeting minutes -805 reporting	-An onsite verification study of providers terminated during the audit review period may be reviewed to confirm timely 805 reporting to appropriate authorities.	-The Plan's policies and procedures delineate monitoring activities to ensure the timely reporting of serious quality deficiencies resulting in the suspension or termination of a provider to the appropriate authorities. -The Plan's policies and procedures delineate processes for enacting disciplinary actions such as reducing, suspending, or terminating a provider's privileges. -The Plan's policies and procedures describe the process for which providers

5.2	PROVIDER QUALIFICATIONS		
CONTRACT REQUIREMENT	**DOCUMENTATION REVIEWED**	**VERIFICATION STUDY**	**EXAMPLES OF BEST PRACTICES**
			may appeal disciplinary actions. -The Plan correspondingly provides documented evidence to demonstrate adherence to its own internal policies and procedures (e.g., timely 805 reporting, Credentialing Committee meeting minutes, provider appeals, etc.).
E. Medi-Cal and Medicare Provider Status The Contractor will verify that their subcontracted providers have not been terminated as Medi-Cal or Medicare providers or have not been placed on the Suspended and Ineligible Provider List. Terminated providers in either Medicare or Medi-Cal or on the Suspended and Ineligible Provider List, cannot participate in the Contractor's provider network.	-Policies and procedures -Credentialing Committee meeting minutes -805 reporting -Provider Directory	-An onsite verification study of providers terminated during the audit review period may be reviewed to confirm timely removal of providers from the network and Provider Directory.	-The Plan conducts continuous monitoring of the Suspended and Ineligible Provider List to promptly identify providers who have been terminated from participation in the Medi-Cal and/or Medicare program(s). -The Plan correspondingly provides documented evidence to demonstrate that timely follow-up action is taken when providers have been placed on the Suspended and Ineligible Provider List (e.g., discussion in Credential Committee meeting minutes, prompt removal of provider from the network and Provider Directory, etc.)
Exhibit A, Attachment 7 – PROVIDER RELATIONS	-Policies and procedures -Training materials	-An onsite verification study of all new providers during the audit review period may	-The Plan's policies and procedures delineate monitoring activities to ensure

5.2	PROVIDER QUALIFICATIONS		
CONTRACT REQUIREMENT	**DOCUMENTATION REVIEWED**	**VERIFICATION STUDY**	**EXAMPLES OF BEST PRACTICES**
A. Contractor shall ensure that all providers receive training regarding the Medi-Cal Managed Care program in order to operate in full compliance with the Contract and all applicable Federal and State statutes and regulations. Contractor shall ensure that provider training relates to Medi-Cal Managed Care services, policies, procedures and any modifications to existing services, policies or procedures. Training shall include methods for sharing information between Contractor, provider, Member and/or other healthcare professionals. Contractor shall conduct training for all providers within ten (10) working days after the Contractor places a newly contracted provider on active status. Contractor shall ensure that provider training includes information on all Member rights specified in Exhibit A, Attachment 13, Member Services, including the right to full disclosure of health care	-Internal tracking and monitoring reports -Provider Manual -Provider newsletters	be reviewed to confirm that Medi-Cal Managed Care training is conducted within 10 working days after being placed on active status.	that all new providers (i.e., physicians and non-physicians) receive *initial* Medi-Cal Managed Care training within 10 working days after being placed on active status. The Plan correspondingly provides documented evidence to demonstrate adherence to its internal policies and procedures (e.g., maintenance of all provider attestations, tracking system/grid which clearly identifies the dates of training completion and active status, etc.). -The Plan's produces initial provider training materials that specifically address each of the following components: Medi-Cal Managed Care services, policies, and procedures; methods for sharing information between the Plan, provider, member, and/or other healthcare providers; and information on member rights (e.g. grievance and appeal procedures, full disclosure of health care information to members, etc.).

5.2	PROVIDER QUALIFICATIONS		
CONTRACT REQUIREMENT	**DOCUMENTATION REVIEWED**	**VERIFICATION STUDY**	**EXAMPLES OF BEST PRACTICES**
information and the right to actively participate in health care decisions. Contractor shall ensure that ongoing training is conducted when deemed necessary by either the Contractor or the State.			-The Plan's policies and procedures address the provision of *ongoing* provider training when deemed necessary (e.g., implementation of new regulations, changes to departmental-specific internal processes, audit/internal findings prompting re-training, etc.). The Plan correspondingly provides documented evidence of ongoing provider training or outreach to substantiate dissemination of new information (e.g., training materials, sign-in sheets, Provider Services outreach, updated Provider Manual, provider newsletters, provider portal, fax blasts etc.).

5.3	DELEGATION OF QUALITY IMPROVEMENT ACTIVITIES		
CONTRACT REQUIREMENT	**DOCUMENTATION REVIEWED**	**VERIFICATION STUDY**	**EXAMPLES OF BEST PRACTICES**
Exhibit A, Attachment 4 – QUALITY IMPROVEMENT SYSTEM **6. Delegation of Quality Improvement Activities** A. Contractor is accountable for all quality improvement functions and responsibilities (e.g. Utilization Management, Credentialing and Site Review) that are delegated to subcontractors. If Contractor delegates quality improvement functions, Contractor and delegated entity (subcontractor) shall include in their Subcontract, at minimum: 1) Quality improvement responsibilities, and specific delegated functions and activities of the Contractor and subcontractor.	-Delegation agreements		-Delegation agreements delineate specific delegated functions and activities of both the Plan and subcontractor (e.g., UM, credentialing, G&A, etc.), clearly distinguishing Plan responsibilities from subcontractor responsibilities.
2) Contractor's oversight, monitoring, and evaluation processes and subcontractor's agreement to such processes.	-Delegation agreements		-Delegation agreements delineate specific oversight and monitoring activities designed to ensure each subcontractor (and its affiliated MSO, if applicable) meets all delegated responsibilities. -Aside from *annual* onsite audits and reviews, delegation agreements describe more robust monitoring activities on a more frequent basis (e.g., biannual, quarterly, monthly, etc.) to ensure *continuous* oversight of subcontractors (and affiliated

5.3	DELEGATION OF QUALITY IMPROVEMENT ACTIVITIES		
CONTRACT REQUIREMENT	**DOCUMENTATION REVIEWED**	**VERIFICATION STUDY**	**EXAMPLES OF BEST PRACTICES**
			MSOs, if applicable). Monitoring activities include but are not limited to the required submission of various reports at a set frequency (e.g., utilization, referral patterns, turnaround times, dashboards, etc.), joint meetings between the subcontractor and Plan, validation audits to ensure the accuracy of reports submitted, etc.
3) Contractor's reporting requirements and approval processes. The agreement shall include subcontractor's responsibility to report findings and actions taken as a result of the quality improvement activities at least quarterly.	-Delegation agreements		-Delegation agreements require the subcontractor to submit quarterly reports which describe all findings and actions taken as a result of the subcontractor's internal quality improvement activities. These quarterly reports are specific to *quality improvement activities* and are separate and distinct from other data or quarterly roll-up reports. -Quarterly reports are sufficiently detailed and document all follow-action taken by the subcontractor to address any needed improvements in quality of care to prevent the recurrence of issues (e.g., barrier analysis, CAPs, enhanced monitoring, re-measurement activities, etc.).
4) Contractor's actions/remedies if subcontractor's obligations are not met.	-Delegation agreements		-Delegation agreements delineate specific actions/remedies taken by the Plan if the subcontractor's

5.3	DELEGATION OF QUALITY IMPROVEMENT ACTIVITIES		
CONTRACT REQUIREMENT	**DOCUMENTATION REVIEWED**	**VERIFICATION STUDY**	**EXAMPLES OF BEST PRACTICES**
			obligations are not met (e.g., de-delegation, CAPs, re-measurement activities, enhanced reporting, more frequent audits, etc.).
B. Contractor shall maintain a system to ensure accountability for delegated quality improvement activities, that at a minimum: 1) Evaluates subcontractor's ability to perform the delegated activities including an initial review to assure that the subcontractor has the administrative capacity, task experience, and budgetary resources to fulfill its responsibilities.	-Policies and procedures (Plan and subcontractor) -Delegation Oversight Committee meeting minutes -Pre-delegation audits -Subcontractor reports		-The Plan's policies and procedures ensure that a comprehensive pre-delegation review is completed prior to entering into contracts with each subcontractor (and its affiliated MSO, if applicable). -The Plan's comprehensive pre-delegation review assesses whether each subcontractor (and its affiliated MSO, if applicable) has the administrative capacity, task experience, and budgetary resources to fulfill all delegated responsibilities. -The Plan correspondingly provides documented evidence to demonstrate adherence to its own internal policies and procedures (e.g. pre-delegation audits for all subcontractors, documentation that substantiates that each subcontractor has the administrative capacity, task experience, and budgetary resources to fulfill its responsibilities, Delegation Oversight Committee meeting minutes which document discussion of pre-delegation reviews and

5.3	DELEGATION OF QUALITY IMPROVEMENT ACTIVITIES		
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			approval of each subcontractor, etc.).
2) Ensures subcontractor meets standards set forth by the Contractor and DHCS.	-Policies and procedures (Plan and subcontractor) -Delegation Oversight Committee meeting minutes -Delegation audits -Subcontractor reports		-The Plan produces documentation to substantiate that a comprehensive assessment of each subcontractor's policies and procedures has been completed to ensure alignment with all regulatory, statutory, and contractual standards.
3) Includes the continuous monitoring, evaluation and approval of the delegated functions. **1300.70(b)(2)(B)** (b) Quality Assurance Program Structure and Requirements. (2) Program Requirements. In order to meet these obligations each plan's QA program shall meet all of the following requirements: (B) ….To the extent that a plan's QA responsibilities are delegated within the plan or to a contracting provider, the plan documents shall provide evidence of an oversight mechanism for ensuring that delegated QA functions are adequately performed.	-Policies and procedures (Plan and subcontractor) -Delegation Oversight Committee meeting minutes -Delegation audits -Subcontractor reports		-The Plan's policies and procedures delineate specific oversight and monitoring activities designed to ensure subcontractors (and affiliated MSOs, if applicable) meet all delegated responsibilities. -Aside from *annual* onsite audits and reviews, the Plan's policies and procedures describe more robust monitoring activities on a more frequent basis (e.g., biannual, quarterly, monthly, etc.) to ensure *continuous* oversight of subcontractors (and affiliated MSOs, if applicable). -The Plan provides evidence that subcontractors submit all reports (e.g., utilization, referral patterns, turnaround times, dashboards, etc.) at the frequencies specified in delegation agreements. The Plan is readily able to produce all reports.

5.3	DELEGATION OF QUALITY IMPROVEMENT ACTIVITIES		
CONTRACT REQUIREMENT	**DOCUMENTATION REVIEWED**	**VERIFICATION STUDY**	**EXAMPLES OF BEST PRACTICES**
			-The Plan provides documented evidence to substantiate that it validates the accuracy of all reports submitted by subcontractors (and affiliated MSOs, if applicable) to ensure that data has not been manipulated (e.g., unannounced onsite audits, random sampling, verification studies, etc.). -Documentation in Delegation Oversight Committee meeting minutes substantiate the consistent review, analysis, and discussion of all reports submitted by subcontractors (and affiliated MSO, if applicable), including follow-up action taken when areas of concern are noted. The Plan conducts re-measurement activities as necessary to ensure continual compliance. -The Plan provides documented evidence to substantiate that onsite audits of subcontractors are performed at the frequencies specified in delegation agreements. -Documentation in Delegation Oversight Committee meeting minutes support the consistent review, analysis, and discussion of all audit findings, including follow-up action taken when areas of concern

5.3	DELEGATION OF QUALITY IMPROVEMENT ACTIVITIES		
CONTRACT REQUIREMENT	**DOCUMENTATION REVIEWED**	**VERIFICATION STUDY**	**EXAMPLES OF BEST PRACTICES**
			are noted. The Plan conducts re-measurement activities as necessary to ensure continual compliance. -The Plan conducts joint meetings between the subcontractor and Plan as evidenced by documented meeting minutes.
1300.70(b)(2)(G) (b) Quality Assurance Program Structure and Requirements. (2) Program Requirements. In order to meet these obligations each plan's QA program shall meet all of the following requirements: (G) Medical groups or other provider entities may have active quality assurance programs which the plan may use. In all instances, however, the plan must retain responsibility for reviewing the overall quality of care delivered to plan enrollees. If QA activities are delegated to a participating provider to ensure that each provider has the capability to perform effective quality assurance activities, the plan must do the following: (1) Inform each provider of the plan's QA program, of the scope of that provider's QA responsibilities,	-QI Program Description (Plan and subcontractor) -Delegation agreements -Policies and procedures (Plan and subcontractor) -Delegation Oversight Committee meeting minutes -Delegation audits -Subcontractor reports		-Delegation agreements delineate specific delegated functions and activities of both the Plan and subcontractor (e.g., UM, credentialing, G&A, etc.), clearly distinguishing Plan responsibilities from subcontractor responsibilities. -The Plan performs a documented assessment of the subcontractor's QI Program Description to ascertain how the subcontractor continuously reviews the quality of care delivered to members to identify opportunities for improvement. -The Plan informs the subcontractor of its own QI Program Description and how the Plan continuously reviews the quality of care delivered to members to identify opportunities for quality improvement. -The Plan retains overall responsibility for reviewing the quality of care delivered to members and informs the subcontractor

5.3	DELEGATION OF QUALITY IMPROVEMENT ACTIVITIES		
CONTRACT REQUIREMENT	**DOCUMENTATION REVIEWED**	**VERIFICATION STUDY**	**EXAMPLES OF BEST PRACTICES**
and how it will be monitored by the plan.			through delegation agreements how delegated functions will be monitored by the Plan (e.g., robust monitoring activities on a frequent basis other than just annually to ensure *continuous* oversight, required submission of reports at a specified frequency, periodic audits, corresponding CAPs, follow-up action, re-measurement activities, etc.).
(2) Ascertain that each provider to which QA responsibilities have been delegated has an in-place mechanism to fulfill its responsibilities, including administrative capacity, technical expertise and budgetary resources.	-Policies and procedures (Plan and subcontractor) -Delegation Oversight Committee meeting minutes -Pre-delegation audits -Subcontractor reports		-The Plan's policies and procedures ensure that a comprehensive pre-delegation review is completed prior to entering into contracts with each subcontractor (and its affiliated MSO, if applicable). -The Plan's comprehensive pre-delegation review assesses whether each subcontractor (and its affiliated MSO, if applicable) has the administrative capacity, task experience, and budgetary resources to fulfill all delegated responsibilities. -The Plan correspondingly provides documented evidence to demonstrate adherence to its own internal policies and procedures (e.g. pre-delegation audits for all subcontractors, documentation that substantiates that each

5.3	DELEGATION OF QUALITY IMPROVEMENT ACTIVITIES		
CONTRACT REQUIREMENT	**DOCUMENTATION REVIEWED**	**VERIFICATION STUDY**	**EXAMPLES OF BEST PRACTICES**
			subcontractor has the administrative capacity, task experience, and budgetary resources to fulfill its responsibilities, Delegation Oversight Committee meeting minutes which document discussion of pre-delegation reviews and approval of each subcontractor, etc.).
(3) Have ongoing oversight procedures in place to ensure that providers are fulfilling all delegated QA responsibilities.	-Policies and procedures (Plan and subcontractor) -Delegation Oversight Committee meeting minutes -Delegation audits -Subcontractor reports		-The Plan's policies and procedures delineate specific oversight and monitoring activities designed to ensure subcontractors (and affiliated MSOs, if applicable) meet all delegated responsibilities. -Aside from *annual* onsite audits and reviews, the Plan's policies and procedures describe more robust monitoring activities on a more frequent basis (e.g., biannual, quarterly, monthly, etc.) to ensure *continuous* oversight of subcontractors (and affiliated MSOs, if applicable). -The Plan provides evidence that subcontractors submit all reports (e.g., utilization, referral patterns, turnaround times, dashboards, etc.) at the frequencies specified in delegation agreements. The Plan is readily able to produce all reports.

5.3	DELEGATION OF QUALITY IMPROVEMENT ACTIVITIES		
CONTRACT REQUIREMENT	**DOCUMENTATION REVIEWED**	**VERIFICATION STUDY**	**EXAMPLES OF BEST PRACTICES**
			-The Plan provides documented evidence to substantiate that it validates the accuracy of all reports submitted by subcontractors (and affiliated MSOs, if applicable) to ensure that data has not been manipulated (e.g., unannounced onsite audits, random sampling, verification studies, etc.). -Documentation in Delegation Oversight Committee meeting minutes substantiate the consistent review, analysis, and discussion of all reports submitted by subcontractors (and affiliated MSOs, if applicable), including follow-up action taken when areas of concern are noted. The Plan conducts re-measurement activities as necessary to ensure continual compliance. -The Plan provides documented evidence to substantiate that onsite audits of subcontractors are performed at the frequencies specified in delegation agreements. -Documentation in Delegation Oversight Committee meeting minutes support the consistent review, analysis, and discussion of all audit findings, including follow-up action taken when areas of concern

5.3	DELEGATION OF QUALITY IMPROVEMENT ACTIVITIES		
CONTRACT REQUIREMENT	**DOCUMENTATION REVIEWED**	**VERIFICATION STUDY**	**EXAMPLES OF BEST PRACTICES**
			are noted. The Plan conducts re-measurement activities as necessary to ensure continual compliance. -The Plan conducts joint meetings between the subcontractor and Plan as evidenced by documented meeting minutes.
(4) Require that standards for evaluating that enrollees receive health care consistent with professionally recognized standards of practice are included in the provider's QA program, and be assured of the entity's continued adherence to these standards.	-QI Program Description (subcontractor) -Policies and procedures (Plan and subcontractor)		-The Plan performs a documented assessment of the subcontractor's QI Program Description to ensure the inclusion of standards used to evaluate whether members receive health care that is consistent with professionally recognized standards of practice. -The Plan provides documentation to substantiate the subcontractor's adherence to its QI Program Description and use of standards to evaluate whether members receive health care consistent with professional recognized standards of practice (e.g., quarterly subcontractor reports which describe all findings and actions taken as a result of the subcontractor's internal quality improvement activities, etc.).
(5) Ensure that for each provider the quality assurance/utilization review mechanism will encompass provider	-Delegation agreements -Delegation Oversight		-The Plan produces documentation to substantiate the continuous evaluation of each subcontractor's

5.3	DELEGATION OF QUALITY IMPROVEMENT ACTIVITIES		
CONTRACT REQUIREMENT	**DOCUMENTATION REVIEWED**	**VERIFICATION STUDY**	**EXAMPLES OF BEST PRACTICES**
referral and specialist care patterns of practice, including an assessment of timely access to specialists, ancillary support services, and appropriate preventive health services based on reasonable standards established by the plan and/or delegated providers.	Committee meeting minutes -Delegation audits -Subcontractor reports		(and MSO's, if applicable) referral and specialist care patterns of practice (e.g., submission of utilization reports at a set frequency, validation of data submitted, discussion and analysis of reports in Delegation Oversight Committee meeting minutes, follow-up action taken, re-measurement activities, etc.). -The Plan produces documentation to substantiate the continuous evaluation of each subcontractor's (and MSO's, if applicable) ability to provide timely access to specialists, ancillary support services, and preventive health services (e.g., submission of utilization reports at a set frequency, validation of data submitted, discussion and analysis of reports in Delegation Oversight Committee meeting minutes, follow-up action taken, re-measurement activities, etc.).
(6) Ensure that health services include appropriate preventive health care measures consistent with professionally recognized standards of practice. There should be screening for conditions when professionally recognized standards of practice indicate that screening	-Delegation agreements -Delegation Oversight Committee meeting minutes -Delegation audits -Subcontractor reports		-The Plan produces documentation to substantiate that each subcontractor (and its affiliated MSO, if applicable) provides health care services which include preventive health care measures consistent with professionally recognized standards of practice

5.3	DELEGATION OF QUALITY IMPROVEMENT ACTIVITIES		
CONTRACT REQUIREMENT	**DOCUMENTATION REVIEWED**	**VERIFICATION STUDY**	**EXAMPLES OF BEST PRACTICES**
should be done.			(e.g., submission of utilization reports at a set frequency, validation of data submitted, discussion and analysis of reports in Delegation Oversight Committee meeting minutes, follow-up action taken, re-measurement activities, etc.).
1300.70(b)(2)(H) (b) Quality Assurance Program Structure and Requirements. (2) Program Requirements. In order to meet these obligations each plan's QA program shall meet all of the following requirements: (H) A plan that has capitation or risk-sharing contracts must: 1. Ensure that each contracting provider has the administrative and financial capacity to meet its contractual obligations; the plan shall have systems in place to monitor QA functions.	-Policies and procedures (Plan and subcontractor) -Delegation Oversight Committee meeting minutes -Pre-delegation audits -Subcontractor reports		-The Plan's policies and procedures ensure that a comprehensive pre-delegation review is completed prior to entering into contracts with each subcontractor (and its affiliated MSO, if applicable). -The Plan's comprehensive pre-delegation review assesses whether each subcontractor (and its affiliated MSO, if applicable) has the administrative capacity, task experience, and budgetary resources to fulfill all delegated responsibilities. -The Plan correspondingly provides documented evidence to demonstrate adherence to its own internal policies and procedures (e.g. pre-delegation audits for all subcontractors, documentation that substantiates that each subcontractor has the administrative capacity, task experience, and budgetary resources to fulfill its responsibilities, Delegation

5.3	DELEGATION OF QUALITY IMPROVEMENT ACTIVITIES		
CONTRACT REQUIREMENT	**DOCUMENTATION REVIEWED**	**VERIFICATION STUDY**	**EXAMPLES OF BEST PRACTICES**
			Oversight Committee meeting minutes which document discussion of pre-delegation reviews and approval of each subcontractor, etc.).
2. Have a mechanism to detect and correct under-service by an at-risk provider (as determined by its patient mix), including possible underutilization of specialist services and preventive health care services.	-Policies and procedures (Plan and subcontractor) -Delegation Oversight Committee meeting minutes -Delegation audits -Subcontractor reports		-The Plan's policies and procedures delineate robust oversight and monitoring activities designed to specifically detect and correct under-service by subcontractors (and affiliated MSOs, if applicable), including possible under-utilization of specialist and preventive health care services (e.g., submission of utilization reports at a set frequency, validation of data submitted, discussion and analysis of reports in Delegation Oversight Committee meeting minutes, follow-up action take, re-measurement activities, etc.).