

CHELAN-DOUGLAS CDRSN/PHP POLICY AND PROCEDURE MANUAL		Chapter:	1.14
Title:	INTRODUCTION AND ADMINISTRATIVE POLICIES	Page:	1 of 4
		Date Effective:	July 1, 2004
Subject:	Structure and Operations Standards: Sub-contractual Relationships and Delegation	Date Revised:	July 1, 2004
		Authorizing Signature:	

**AUTHORITY:** Guiding Principle(s): Effectively Managed  
WAC 388-865-0340  
DSHS/MHD – CDRSN/PIHP contract  
42 CFR 438.230(a)(1)(2);(b)(1)(2)(3)(4)  
State MHD Quality Strategy Doc, Sec V and X

**SCOPE:** This policy applies to Chelan-Douglas Regional Support Network/Prepaid Health Plan (CDRSN/PIHP) and its contractors (agencies/providers), and subcontractors (referred to as contractors or agencies or providers throughout this policy).

**PURPOSE:** This policy describes subcontracting and delegation relationships with the CDRSN/PIHP.

**DEFINITIONS:** “Provider” means: A term that indicates a contracted agency that provides mental health services within the CDRSN/PIHP delivery network. The term can also be used to refer to a facility, or an individual. In a more generic context, the term “provider” refers to a physician, hospital, group practice, nursing home, pharmacy, or any individual or group of individuals that provides a health care service.

“Practitioner” means: A term that indicates an individual clinician under contract with the CDRSN/PIHP or its agent to provide mental health services to eligible enrollees.

“Delegation” refers to a formal process by which a managed care organization gives another organization the authority to perform certain functions on its behalf, such as credentialing, utilization management, and quality improvement. Although a managed care organization can delegate the authority to perform a function, it cannot delegate the responsibility for assuring the function is performed appropriately. (NCQA source)

“Credentialing” means: A process of review to approve a provider who applies to participate in a health plan. Specific criteria and prerequisites are applied in determining initial and ongoing participation in the health plan.

“Arm’s Length” is a phrase that can characterize the working relationship between two individuals or entities who establish protocols for working together to avoid dual relationships and/or conflict of interests.

“Dual Relationship” means: The assumption, by the professional, of more than one role in relationship to a subcontractor, which places either the CDRSN/PIHP or the sub-contractor at increased risk of harm, fraud and abuse, or exploitation. The power differential which can exist in potential dual relationship situations comes from the potential to serve as a “change agent or influence agent” to facilitate some change in behavior or action on the part of either party to the relationship. Differences in relationship power also places the CDRSN/PIHP in a position where there is the potential to misuse power and thus cause harm to the sub-contractor.

“Dual Role Conflict” refers to the assumption by the professional of multiple role relationships with entities, which place the entity or the CDRSN/PIHP at risk of risk of harm, fraud and abuse, or exploitation.

Enrollees with “special health care needs” means: As per Judy Gosney on 3/3/04 the term “special health care needs” is applicable to all enrollees who are screened into service by the CDRSN/PIHP.

**POLICY:**

The CDRSN/PIHP meets the requirements and guidance of the following regulations and State documents in... contracting with and delegating functions to sub-contractors...both inside and outside the service area: 42 CFR 438.230; State of Washington RSN Contract 2003-2005; and, State of Washington MHD Quality Strategy Document, Sections V and X.

The CDRSN/PIHP oversees and is accountable for any functions and responsibilities that it delegates to any sub-contractor, and the CDRSN/PIHP meets the conditions below in Procedures. In addition, the CDRSN/PIHP maintains an “arm’s length” relationship with sub-contractors who do-in-fact-or-have-the potential to cause a conflict of interest with the CDRSN/PIHP and/or a dual relationship.

The CDRSN/PIHP selects among the following potential list of functions listed in the regulation that can be delegated to an entity under contract with the CDRSN/PIHP:

- Establishment or maintenance of your provider network,
- Provider credentialing,
- Initial assessments of enrollees,
- Care coordination,

- Service authorization,
- Providing information to enrollees,
- Grievance systems,
- Quality assessment and performance improvement,
- Performance measurement,
- Information systems management, and
- Others.

The CDRSN/PIHP reassesses its determination decision on delegation annually.

PROCEDURE: In meeting the provisions of this policy;

1. Before any delegation decision is made, the CDRSN/PIHP must evaluate the prospective sub-contractor's ability to perform the activities to be delegated. NOTE: Please refer to two page list of potential questions to assess an entity's capability to receive a delegated function previously distributed to the RSN Consult Group. There must be a written agreement or contract between the CDRSN/PIHP and the sub-contractor that;
  - a. Specifies the activities and report responsibilities designated to the sub-contractor; and
  - b. Provides for revoking delegation or imposing other sanctions if the sub-contractor's performance is inadequate.
2. The CDRSN/PIHP must monitor the sub-contractor's performance on an ongoing basis and subjects it to formal review according to the periodic schedule established by the State, consistent with industry standards or State MCO laws and regulations.
3. If the CDRSN/PIHP identifies deficiencies or areas for improvement, the CDRSN/PIHP and the sub-contractor take corrective action.

Further detail/guidance from the interpretive guidelines for reviewers (CMS Attachment "B"):

1. Types of activities performed by the delegated subcontractor
2. The CDRSN/PIHP process for identifying and selecting contractors, including how you determine the contractor is able to perform the activities that would be delegated—see above
3. What steps do you take to determine that an entity to which functions will be delegated is capable of performing those specific functions? Include the evaluation process the CDRSN/PIHP has in place to do so. NOTE: NOTE: See two page doc referred to above, which can assist in doing this assessment.
4. What ongoing monitoring and review of entities performing delegated functions, how is it done, is the process consistent across entities, if not, why not and how, what time schedule does monitoring and review take place;

5. Is there an annual evaluation of the delegate's performance, describe the process, who does it, when, how;
6. What is done with the results of either monitoring and review, or, annual evaluation; how do results get to the Quality Committee, and what happens next?
7. What corrective actions result from monitoring?

SEE ALSO: Glossary of Terms and Acronyms