

Delegated Credentialing Agreement between Insurers and IPA

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**DELEGATION AGREEMENT
BETWEEN
[Insurer]
AND
[DELEGATE]**

THIS DELEGATION AGREEMENT (hereinafter referred to as the "Agreement"), by and between _____, ("HMO"), a _____ corporation and _____ ("Delegate"), is effective _____ ("Effective Date").

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RECITALS

WHEREAS, HMO is a state licensed health maintenance organization and a Medicare Advantage Plan which has contracted with _____ to render _____ services to members enrolled in plans with whom HMO has contracted to arrange for the provision of covered services;

WHEREAS, prior to delegating credentialing/recredentialing, provider network maintenance, utilization management, claims payment and management, and quality improvement activities to a provider, accreditation and regulatory agencies require and/or recommend that the entity delegating the functions conduct a delegation audit to verify the provider's qualifications to accept delegation;

WHEREAS, accreditation organizations also recommend delegating duties in a separate agreement or amendment, to more easily tailor the delegation to the abilities of the provider and to facilitate the revocation of such delegation ("de-delegation"), in whole or in part, in the event that standards are not met;

WHEREAS, HMO and Delegate desire to enter into this Agreement to specify the duties being delegated.

NOW THEREFORE, in consideration of the covenants and conditions set forth below, and subject to all terms and conditions of the Agreement for Provision of Services, and in exchange for other valuable consideration, the receipt and adequacy of which is hereby acknowledged, HMO and Delegate agree as follows:

SECTION 1 - DELEGATION OF DUTIES TO DELEGATE

1.1 HMO OVERSIGHT

- (a) Before this Agreement is effective, HMO shall conduct a comprehensive audit of Delegates' administrative systems and managerial ability and capacity to perform the duty/duties being delegated ("Delegated Duty" or "Delegated Duties") in accordance with applicable law and regulation, the accreditation standards, and HMO requirements. The parties acknowledge and agree that HMO will not delegate any services under this Delegation Agreement until aforesaid audit standards and requirements are satisfied in the reasonable determination of HMO. Delegate shall provide HMO representatives with on-site access during normal business hours to Delegate's facilities and personnel for purposes of conducting such audit.
- (b) HMO is responsible for monitoring and providing oversight of Delegate's performance of Delegated Duties.
- (c) HMO has the right and responsibility to: conduct on-site audits, inspections and/or investigations in order to monitor and oversee Delegate's performance of Delegated

Duties, upon reasonable notice to Delegate and during normal business hours; require Delegate to take corrective action in the event HMO, a third party payor, the applicable federal or state regulator, or accreditation organization determines that corrective action is needed with regard to a Delegated Duty; and revoke the Delegation of any Delegated Duty in accordance with the terms of this Agreement, if Delegate fails to meet the requirements of HMO or those required by law or an accreditation organization such as NCQA in the performance of that Delegated Duty.

- (d) Delegate shall cooperate with HMO in its oversight efforts and shall take such corrective action as HMO reasonably determines necessary to comply with the laws, accreditation standards, or third party payor requirements governing the Delegated Duties or the oversight of those Delegated Duties.

1.2 DELEGATION OF DUTIES

HMO hereby delegates to Delegate responsibility for the Delegated Duties, subject to the terms and conditions set forth in this Agreement. The Delegated Duties are provider network management including credentialing (and recredentialing); utilization management; claims processing, and quality management, all as more fully set forth in sections 2, 3 and 4 hereof. Delegate shall also be responsible for providing specific reports documenting the performance of such Delegated Duties. Such reports are included under Attachment A Reporting Requirements. Unless sooner terminated in accordance with the provisions of this Agreement, this Agreement shall be coterminous with the service agreement for managed behavioral health services between HMO and Delegate.

1.3 SUB-DELEGATION

- (a) The Delegated Entity must have Universal Health Care’s prior written approval for any sub-delegation of functions and/or activities to any third party. Delegate acknowledges and agrees that it’s role and the role of any entity which has been sub-delegated any function/activity is in compliance with applicable federal and state rules, laws, and regulation, and subject to HMO oversight and monitoring.
- (b) If the Delegate partners with another entity to perform any portion of any delegated function, the Delegate shall provide documentation and demonstrate oversight of such entity to include:
 - An executed agreement, specifying what is to be delegated
 - The responsibilities of the Delegate and sub-delegate
 - Process by which the Delegate evaluates the sub-delegate
 - The remedies, including revocation of the delegation available to the Delegate if the sub-delegate does not fulfill it’s obligation
 - Evaluation of performance in accordance with HMO’s accreditation standards and federal and state rules, laws and regulations.

1.4 REGULATORY/ACCREDITATION REQUIREMENT

- (a) If required by state and/or federal law, rule or regulation, Delegate, at all times during the term of this Agreement, shall obtain and maintain in good standing a third party administrator license/certificate and/or a utilization review license or certification. Delegate shall provide HMO a copy of said licenses/certificates prior to execution of this Agreement and annually thereafter.
- (b) Delegate shall notify HMO within ten (10) days of any corrective action plan imposed and/or sanctions, fines or other penalties incurred by Delegate, or if applicable, its sub-delegate, following any review by a federal, state or accreditation organization or agency.

1.3 STANDARDS OF PERFORMANCE

1.3.1 Record keeping, Confidentiality, HMO Access

Delegate shall maintain all information and records reviewed or created in connection with performing Delegated Duties. Delegate shall provide HMO with such access to the facilities, and access to the books, records, and papers of Delegate during normal business hours, as is reasonable and appropriate for HMO to fulfill its oversight obligations. Delegate and HMO shall keep all such documents confidential.

1.4 STANDARDS, POLICIES AND PROCEDURES APPLICABLE TO DELEGATE'S PERFORMANCE

Once this Agreement becomes effective, Delegate may utilize its own policies and procedures for the Delegated Duties, subject to the terms and provisions hereof, and provided that such policies and procedures remain in compliance with the applicable accreditation standards, and the requirements of HMO and applicable law.

1.5 REMEDIES IN THE EVENT OF BREACH OF DELEGATED DUTY

1.5.1 Revocation or Suspension of Delegation

HMO may, by written notice to Delegate, revoke or suspend the delegation of any or all Delegated Duties, if HMO reasonably determines that Delegate is not performing the Delegated Duties in accordance with the terms of this Agreement, state or federal law, the requirements of HMO or applicable accreditation organization standards. However, HMO shall first provide Delegate with sixty (60) calendar days prior written notice specifying the Delegated Duties which HMO intends to revoke or suspend the delegation if the deficiency (ies) is/are not corrected within the sixty (60) day cure period. If Delegate fails to cure the deficiency(ies) within the sixty (60) day cure period, HMO may send a second written notice to Delegate confirming the revocation or suspension of the Delegated Duties, the effective date of such revocation or suspension and, if a suspension, the period of time such suspension shall remain in effect. During any suspension period, Delegate may take corrective action to conform. HMO shall evaluate Delegate's corrective action, determine whether Delegate is able to resume performance of the Delegated Duties, and provide written notice to Delegate of such determination.

SECTION 2 - CREDENTIALING & RE-CREDENTIALING OF DELEGATE'S PROVIDERS

2.1 Delegate Scope of Duty

Delegate will be responsible for the following delegated credentialing and recredentialing duties.

- (a) Delegate shall maintain all information and records reviewed or created in connection with performing the Delegated Duties in accordance with Delegate's policies and procedures as previously accepted by HMO and in compliance with applicable state, federal and Centers of Medicare and Medicaid Services ("CMS") standards. Delegate shall permit HMO to review and copy such information and records.
- (b) Delegate shall require that all of individual practitioners who desire to serve the members of HMO as Participating Providers ("Practitioners") complete and submit to Delegate Delegate's credentialing application to be considered for participation under HMO's health delivery system. The credentialing application includes a release and authorization to review confidential credentialing information and an attestation regarding the correctness and completeness of the information submitted. Delegate shall require all Practitioners to complete and submit Delegate's approved recredentialing application to be considered for continuing participation under HMO health delivery system. The

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recredentialing application must be completed at least every three years or more frequently if required by law or applicable accreditation organization standards. The application includes an attestation regarding the correctness and completeness of the information submitted and an authorization and release for Delegate to verify all information submitted.

- (c) Delegate shall conduct credentialing and recredentialing of all of its subcontracting Participating Providers, in accordance with Delegate's credentialing and recredentialing standards, the applicable accreditation standards, and applicable law and regulations. Those standards require, among other things, that Delegate:
 - (1) Obtain and verify for each practitioner the following information from primary sources, and re-verify the information at time of recredentialing:
 - A. a current valid license to practice medicine or osteopathy, or is properly licensed under state law, as applicable;
 - B. clinical privileges, where applicable, in good standing at the hospital designated by the Practitioner as the primary admitting facility for doctors of medicine or osteopathy;
 - C. a valid DEA or CDS certificate, as applicable;
 - D. graduation from medical school and completion of a residency, or board certification, as applicable;
 - E. professional liability claims history through NPDB.
 - (2) Obtain from each practitioner, as part of initial credentialing and at time of recredentialing: a statement or attestation (consistent with the Americans with Disabilities Act) regarding physical and mental health status and lack of present illegal drug use; history of loss or limitation of professional license; felony convictions; and history of loss or limitation of hospital clinical privileges or disciplinary activity;
 - (3) Request information concerning each practitioner from the National Practitioner Data Bank and the licensing body and review for previous sanction activity by Medicare and Medicaid through NPDB query, both at time of credentialing and recredentialing.
 - (4) As part of recredentialing, conduct an appraisal of Practitioner's performance with Delegate over the previous three years, including reviewing, at a minimum, data from quality improvement and utilization management reports, Member complaints and Member satisfaction surveys, and if available, practice pattern analyses and/or patient outcome studies.
 - (5) Conduct, during normal business hours, on-site visits and audits of offices and of medical recordkeeping practices at time of credentialing and recredentialing and, periodically throughout the course of the practitioner's status as a Participating Provider, as deemed necessary by Delegate and in compliance with applicable accreditation standards.
- (d) Delegate shall establish and implement a process for terminating, suspending or reducing Participating Provider privileges or otherwise prohibiting a Participating Provider from providing Covered Services to Members in at least the following circumstances:
 - (1) Participating Provider ceases to meet Delegate's credentialing standards; or
 - (2) HMO's or Delegate's determination of serious deficiencies in the quality of care, professional competence or professional conduct of Participating Provider that adversely affects, or could adversely affect, the health or welfare of a Member(s).

2.2 HMO Oversight of Delegated Duties for Credentialing And Recredentialing

HMO retains the right to perform the following activities:

- (a) HMO shall conduct oversight of delegated activities as required by state, federal and CMS standards.

- (b) Upon reasonable notice, HMO shall perform on-site audits to review Delegate's Credentialing and Recredentialing Delegated Duties as required by state, federal and CMS standards.
- (c) HMO shall provide written feedback, recommendations and request improvement plans as deemed necessary by the HMO after each audit is completed. Such written feedback, recommendations and requests shall be in compliance with applicable state, federal and CMS standards and mutually developed and approved by both parties. HMO shall provide reasonable assistance at the request of Delegate.

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SECTION 3 - UTILIZATION MANAGEMENT

3.1 Delegate Scope of Duty

Delegate shall be responsible for the following delegated utilization management duties.

- (a) Delegate shall maintain all information and records reviewed or created in connection with performing the Delegated Duties in accordance with Delegate's policies and procedures as previously accepted by HMO and in compliance with federal, state and CMS standards. Delegate shall permit HMO to review and copy such information and records.
- (b) Delegate shall establish and submit to HMO for approval, a documented description of Delegate's utilization management program, which shall include, at a minimum, policies and procedures to evaluate medical appropriateness, medical necessity and criteria used, information sources, and the processes used to review and approve the provisions of Covered Services to Members. All utilization management related Delegated Duties shall be performed by Delegate in compliance with Delegate's written utilization management program, the accreditation standards, applicable law and regulations.
- (c) Delegate shall establish and maintain a utilization management committee, which shall meet as frequently as necessary to comply with expedited and normal review requirements. Delegate shall keep minutes of its utilization management committee meetings, which shall be made available for review by HMO upon request.
- (d) Delegate's utilization management committee shall also be responsible for monitoring, on a concurrent and retrospective basis, the patterns of care, isolating inappropriate utilization, taking corrective action upon request of HMO and/or as Delegate deems necessary, and performing other management and review duties as specified by Delegate's utilization management program description.
- (e) Delegate shall conduct case management to ensure that Members who have special needs or present as risk management opportunities receive medically necessary services at the most appropriate and cost effective level. Delegate's case management related Delegated Duties shall include, but not necessarily be limited to:
 - (1) Identifying Members who require case management services;
 - (2) Coordinating behavioral health care; and
 - (3) Assuring the appropriate level of medically necessary covered services in an effort to achieve outcomes consistent with generally acceptable practice standards.
- (f) Delegate shall conduct first level appeals and reconsiderations.

3.2 Upon revocation of any of the Utilization Management Delegated Duties, Delegate shall have the right to terminate the Service Agreement between the parties for the provision of managed behavioral health care services, to be effective as of the date of revocation.

3.3 HMO Oversight of Delegated Duties for Utilization Management

HMO retains the right to perform the following activities:

- (a) HMO shall conduct oversight of delegated activities as required by state, federal and CMS standards.
- (b) Upon reasonable notice, HMO shall perform on-site audits to review Delegate's Utilization Management Delegated Duties as required by state, federal and CMS standards.
- (c) HMO shall provide written feedback, recommendations and request improvement plans as deemed necessary by the HMO after each audit is completed. Such written feedback, recommendations and requests shall be in compliance with applicable state, federal and CMS standards and mutually developed and approved by both parties. HMO shall provide reasonable assistance at the request of Delegate.

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SECTION 4 - QUALITY IMPROVEMENT

4.1 Delegate Scope of Duty

Delegate shall be responsible for the following quality improvement functions:

- (a) Delegate shall maintain all information and records reviewed or created in connection with performing the Delegated Duties in accordance with Delegate's policies and procedures as previously accepted by HMO and in compliance with federal, state and CMS standards. Delegate shall permit HMO to review and copy such information and records.
- (b) Establishing and submitting to HMO for review and approval, a plan which meets the applicable accreditation standards and applicable law and regulation, applying review criteria and methodologies to review and measure the quality of professional, ancillary and inpatient professional services on an ongoing, continuous basis, and on a prospective, concurrent and retrospective basis.
- (c) Delegate shall establish and maintain a quality improvement committee and this committee shall conduct meetings, as often as necessary, pursuant to a set agenda, to review and measure the quality of care for covered services provided by Delegate Participating Providers to HMO Members. Delegate shall keep written minutes of its quality improvement committee meetings, which shall be made available for review by HMO upon request.
- (d) Delegate shall plan and implement corrective actions to improve performance and re-measure to determine the success of interventions.
- (e) Delegate shall provide to HMO responses to all measures mandated by accreditation organizations and regulatory agencies.

4.2 HMO Oversight of Delegated Duties for Quality Improvement

HMO retains the right to perform the following activities:

- (a) HMO shall conduct oversight of delegated activities as required by state, federal and CMS standards.
- (b) Upon reasonable notice, HMO shall perform on-site audits to review Delegate's Quality Improvement Delegated Duties as required by state, federal and CMS standards.
- (c) HMO shall provide written feedback, recommendations and request improvement plans as deemed necessary by the HMO after each audit is completed. Such written feedback, recommendations and requests shall be in compliance with applicable state, federal and CMS standards and mutually developed and approved by both parties. HMO shall provide reasonable assistance at the request of Delegate.

SECTION 5 - CLAIMS PROCESSING AND MANAGEMENT

5.1 Delegate Scope of Duty

Delegate shall be responsible for the following claims processing functions:

- (a) Delegate shall maintain all information and records reviewed or created in connection with performing the Delegated Duties in accordance with Delegate's policies and procedures as previously accepted by HMO and in compliance with federal, state and CMS standards. Delegate shall permit HMO to review and copy such information and records.
- (b) Delegate shall establish written policies and procedures for processing claims submitted by Delegate providers for services rendered pursuant to the Agreement (the "Claims Processing Program"). Delegate's Claims Processing Program shall comply with all applicable federal and state laws, rules, and regulations.
- (c) Delegate shall ensure that no less than 95% of "clean" claims, as defined by the CMS under the Medicare + Choice program, will be paid by Delegate to non-contract providers within thirty (30) days. If payment on a "clean" claim from a non-contracted provider is not made within thirty (30) days, interest shall be paid at the rate used for purposes of Section 3902(a) of Title 31, United States Code (relating to interest penalties for failure to make prompt payments) for the period beginning on the day after the required payment date and ending on the date on which payment is made. Delegate, in compliance with Medicare + Choice rules, will make determination regarding all other claims within sixty (60) business days of receipt.
- (d) Delegate will provide encounter data to UHC as required by state and federal rules and regulations, and as required by UHC.

5.2 HMO Oversight of Delegated Duties for Claims Payment And Management

- (a) HMO shall conduct oversight of delegated activities as required by state, federal and CMS standards.
- (b) Upon reasonable notice, HMO shall perform on-site audits to review Delegate's Claims Payment and Management Delegated Duties as required by state, federal and CMS standards.
- (c) HMO shall provide written feedback, recommendations and request improvement plans as deemed necessary by the HMO after each audit is completed. Such written feedback, recommendations and requests shall be in compliance with applicable state, federal and CMS standards and mutually developed and approved by both parties. HMO shall provide reasonable assistance at the request of Delegate.

SECTION 6 - CUSTOMER SERVICE FUNCTIONS

6.1 Delegate Scope of Duty

Delegate shall be responsible for the following customer service functions:

- (a) Responsible for taking and handling member inquiries including telephone calls and written correspondence in a professional and courteous manner.
- (b) Delegate will document all member inquiries and describe, with dates, all actions taken to answer and resolve the inquiry.
- (c) Delegate will establish, staff and maintain a review unit to investigate fully and resolve all complaints involving clinical, quality, access and attitude issues.
- (d) Establish timeliness standards for responding to member inquiries and help ensure standards are met. These standards should comply with complaint resolution timeliness standards and severity level codes established by UHC.
- (e) Delegate shall maintain all information and records reviewed or created in connection with

performing the Delegate Duties in accordance with UHC's policies and procedures and in compliance with federal, states and CMS standards. Delegate shall permit HMO to review and copy such information and records.

6.2 HMO Oversight of Delegated Duties for Customer Service

HMO retains the right to perform the following activities:

- (a) HMO shall conduct oversight of delegated activities as required by state, federal and CMS standards.
- (b) Upon reasonable notice, HMO shall perform on-site audits to review Delegates Customer Service delegated duties as required by state, federal and CMS standards.
- (c) HMO shall provide written feedback, recommendations and request improvement plans as deemed necessary by the HMO after each audit is completed. Such written feedback, recommendations and requests shall be in compliance with applicable state, federal and CMS standards and mutually developed and approved by both parties. HMO shall provide reasonable assistance at the request of Delegate.

SECTION 7 – ENROLLMENT FUNCTIONS

7.1 Delegate Scope of Duty

- (a) Delegate ensures every potential enrollee meets the CMS eligibility requirements prior to completing the enrollment election form.
- (b) Delegate ensures that all enrollment procedures are adhered to as dictated by state, federal and CMS standards.
- (c) Delegate will ensure that all disenrollment procedures are adhered to as dictated by state, federal and CMS standards.
- (d) Delegate will monitor and report enrollment and disenrollment activities as required by state and Federal laws and regulations and as required by CMS and UHC.
- (e) Delegate shall maintain all information and records reviewed or created in connection with performing the Delegate Duties in accordance with UHC's policies and procedures and in compliance with federal, states and CMS standards. Delegate shall permit HMO to review and copy such information and records.

7.2 HMO Oversight of Delegated Duties for Enrollment Functions

HMO retains the right to perform the following activities:

- (a) HMO shall conduct oversight of delegated activities as required by state, federal and CMS standards.
- (b) Upon reasonable notice, HMO shall perform on-site audits to review Delegates Enrollment function delegated duties as required by state, federal and CMS standards.
- (c) HMO shall provide written feedback, recommendations and request improvement plans as deemed necessary by the HMO after each audit is completed. Such written feedback, recommendations and requests shall be in compliance with applicable state, federal and CMS standards and mutually developed and approved by both parties. HMO shall provide reasonable assistance at the request of Delegate.

SECTION 8 – PROVIDER SERVICES

8.1 Delegate Scope of Duty

- (f) Delegate shall maintain all information and records reviewed or created in connection with performing the Delegate Duties in accordance with UHC's policies and procedures and in compliance with federal, states and CMS standards. Delegate shall permit HMO to review and copy such information and records.
- (g) Delegate will develop and maintain a provider network throughout UHC's defined service area, ensuring members have adequate access to all services provided through their benefit

- plan.
- (c) Delegate will educate providers regarding UHC policies and procedures when initial credentialing is completed, and periodically thereafter.
- (d) Delegate will provide oversight for the production of provider directories.
- (h) Delegate will function as the liaison between the provider network and UHC.
- (i) Delegate will participate in continuous quality improvement activities of UHC

8.2 HMO Oversight of Delegated Duties for Provider Services

HMO retains the right to perform the following activities:

- (a) HMO shall conduct oversight of delegated activities as required by state, federal and CMS standards.
- (b) Upon reasonable notice, HMO shall perform on-site audits to review Delegates Provider Services delegated duties as required by state, federal and CMS standards.
- (c) HMO shall provide written feedback, recommendations and request improvement plans as deemed necessary by the HMO after each audit is completed. Such written feedback, recommendations and requests shall be in compliance with applicable state, federal and CMS standards and mutually developed and approved by both parties. HMO shall provide reasonable assistance at the request of Delegate.

SECTION 9 - MISCELLANEOUS

- 9.1 All terms capitalized herein but not defined shall have the meaning subscribed to such terms in the provider services agreement between HMO and Delegate.
- 9.2 This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.
- 9.3 Delegate may not assign, delegate or transfer any of its obligations set forth herein without the prior written consent of HMO, which shall not be unreasonably withheld.
- 9.4 HMO and Delegate agree that the Delegated Duties may be considered as professional and quality review procedures, and that both parties to this Agreement may be immune, pursuant to the Health Care Quality Improvement Act (42 U.S.C. 11101 et seq.) or other federal or state law, from any civil liability arising from the Delegated Duties. Delegate agrees to maintain the confidentiality of any privileged information to the extent permitted by law, and to obtain HMO's prior written consent before disclosing privileged information to any third party, except as otherwise required by law.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date(s) indicated below.

Health Plan

Delegate

Name

Name

Title

Title

Date

Date

