

FDR Delegation Oversight Policy

Department:	Compliance, Corporate	Policy No:	159
Prepared By:	Emily Coriale / June 1, 2018	Date Originated:	6/1/2018
Approved By:	Compliance Committee – June 26, 2018	Last Revision Date:	N/A
Areas of Impact:	All P3 Employees and Departments	Supersedes P&P No.	N/A

1. PURPOSE:

To define the process for ongoing delegation oversight of First Tier, Downstream and Related Entities (“**FDRs**”) to ensure compliance with statutory, regulatory, contractual, and P3 Health Group Holdings, LLC’s (“**P3**”) ¹ policy requirements, and to ensure continuous improvement of member care, management and administrative processes.

2. SCOPE:

- a. This policy applies to all of P3’s employees, management, contractors, student interns, and volunteers.
- b. This policy describes P3’s objectives and policies regarding the delegation oversight of FDRs.

3. DEFINITIONS:

Unless defined in the body of this policy (which would be indicated by a term in parenthetical, underlined and with quotations around the defined term), the following terms, have the following meanings for this policy:

Client Plan Sponsor: Any entity that holds a contract directly with CMS who is involved with the Medicare Advantage (“**MA**”) benefit (“**MAO**”) or Part D benefit program, and who contracts with P3 to provide certain services (e.g., Blue Cross Blue Shield of Arizona).

CMS: Centers for Medicare and Medicaid Services.

Compliance Officer: P3’s Compliance Officer and his or her designee(s).

Contract Owner: The P3 employee (a) who is responsible for identifying an FDR for any Delegated Services, and (b) who requested that an FDR provide Delegated Services.

Delegated Entity: Is any subcontractor that:

¹When the term “**P3**” is used herein, it also includes the following entities, in addition to P3 Health Group Holdings, LLC (“**Holdings**”) – P3 Health Partners, LLC; P3 Health Group Management LLC; P3 Consulting, LLC; P3 Health Partners-Nevada, LLC; Kahan Wakefield Abdou, PLLC; Bacchus Wakefield Kahan, PC; as well as any direct or indirect subsidiaries of Holdings, whether now existing or hereafter formed.

- Performs a core function under one of P3's MA or Part D sponsor's contractual relationships (e.g. Credentialing, Utilization Management, Case Management, Customer Service, Claims, Provider Appeals, Network Development/Management, or any other administrative or management function that P3 is delegated to perform under a government contract); or
- Is determined to be a delegate based on the examples and factors set forth in Section 40 of the Medicare Managed Care Manual (MMCM) Chapter 21/Prescription Drug Benefit Manual (PDBM) Chapter 9.

Delegated Services: P3 may, by written contract, delegate certain functions required under the organization's contractual relationships. These functions **may** include, but are not limited to, administration and management services, marketing, utilization management, quality assurance, case management, claims processing, claims payment, credentialing, network management, provider claim appeals, customer service, enrollment, disenrollment, billing, sales and adjudicating organization determinations and appeals.

Delegation Agreement: Mutually agreed upon document, signed by both parties, which includes, without limit:

- P3's responsibilities;
- Duration of the agreement
- Termination of the agreement
- Delegated Entity responsibilities and Delegated Services
- Types and frequency of reporting
- Process by which P3 evaluates the FDR's performance (i.e., performance measurements)
- Use of confidential P3 information including member protected health information (PHI) by the FDR
- Remedies available to P3 if the FDR does not fulfill its obligations.

Downstream Entity: Any party that enters into a written arrangement, acceptable to CMS, with persons or entities involved with the MA benefit or Part D benefit, below the level of the arrangement between a MAO or applicant or a Part D plan sponsor or applicant and a first tier entity. These written arrangements continue down to the level of the ultimate provider of both health and administrative services.

FDR First Tier, Downstream or Related Entity.

First Tier Entity: Any party that enters into a written arrangement, acceptable to CMS, with a MAO or Part D plan sponsor or applicant to provide administrative services or health care services to a Medicare eligible individual under the MA program or Part D program.

Governmental Authority: Any federal, state and/or local agency, department, commission, board, bureau, administrative or regulatory body or other instrumentality having jurisdiction over P3, a Client Plan Sponsor, or the Medicare program. A Governmental Authority includes, without limitation, CMS.

Related Entity: Any entity that is related to a MAO or Part D sponsor by common ownership or control and:

1. Performs some of the MAO or Part D Client Plan Sponsor's management functions under contract or delegation;
2. Furnishes services to Medicare enrollees under an oral or written agreement; or
3. Leases real property or sells materials to the MAO or Part D plan sponsor at a cost of more than \$2,500 during a contract period.

4. POLICY

P3 will provide ongoing delegation oversight of all FDRs and their Delegated Services. Delegation Oversight activities include compliance with regulatory, contractual requirements, plan policies and procedures and emphasize results and Star Ratings success. P3's Compliance Officer and Compliance Committee will identify areas requiring improvement and monitor an FDR's performance to ensure that improvement occurs.

P3 continually assesses an FDR's ability to perform delegated functions through initial reviews, ongoing monitoring, performance reviews, analysis of data, and utilization of available benchmarks, if available. Audits of FDRs will be conducted in accordance with the risk assessment and audit work plan by desktop review or by on-site review.

P3 will conduct a pre-delegation audit and require complete resolution of any corrective actions prior to delegating any function to an FDR.

5. PROCEDURE / ACTION

- A. P3 delegates activities to its FDRs, and oversees compliance in accordance with contractual and CMS requirements.
- B. P3 provides delegation oversight of all FDRs. Such oversight is conducted using, without limit, the following components:
 1. Pre-delegation assessment;
 2. Desktop and on-site reviews;
 3. Focused and ad hoc reviews;
 4. Periodic reviews and audits; and/or,
 5. On-going monitoring.
- C. Focus areas may include, without limit:
 1. Quality Assurance and Quality Improvement.
 2. Credentialing, Recredentialing and Facility Site Review
 3. Staff and Provider Training and Communication
 4. Case Management, Continuity of Care and Care Transitions
 5. Utilization Management (e.g., timeliness, clinical decisions, denial notices, emergency services, structure)
 6. Claims Processing/Adjudication and Timely Payment
 7. Provider Disputes and Claim Appeals
 8. Member Rights
 9. Customer Service

10. Network Management
11. Organization Determinations
12. Communication Services (for example, call center, Culture & Linguistic services, alternative formats)
13. Access and Availability (including ADA)
14. Model of Care and Practice Guidelines
15. Systems
16. Reporting and Monitoring
17. Sub-delegation

- D. Audit or other review tools for Delegation Oversight will be developed by the Compliance Officer, in consultation with subject matter experts, including regulatory affairs, legal, clinical and operational departments. Tools are reviewed and updated annually or more often, based upon regulatory, contractual and policy changes. The tools will be presented for approval to the Quality Utilization Committee ("QUC").
- E. Pre-delegation Assessment Process: Prior to proceeding with delegation of responsibilities to an FDR, P3 will conduct a pre-delegation assessment to determine, among other things, the FDR's ability to implement all proposed delegated activities.

1. Preliminary notification of prospective delegation:

- i. The Contract Owner, or requestor of the delegation, makes contact with the potential FDR regarding a prospective contract.
- ii. The Contract Owner assesses if P3 and the potential FDR agree to the terms of delegation.
- iii. The Contract Owner makes initial contact with all appropriate areas and ensures proper approvals are received. This includes all necessary subject matter departments, as well as legal and the Compliance Officer.
- iv. The Contract Owner notifies the Compliance Officer of the prospective delegation by completing and submitting the pre-delegation application form. The notification must include the following and be submitted at least 60 calendar days prior to implementation of the delegated function(s):
 1. The services and/or functions to be performed by the FDR;
 2. The services and/or functions to be performed by P3;
 3. The impact of services and/or functions to be performed by the FDR on Star Ratings measures (both current and potential future measures);
 4. The name of the FDR contact person;
 5. The phone, fax and email addresses of the FDR contact person;
 6. The mailing address of the FDR, including all site locations
- v. The name and contact information of the Contract Owner;
- vi. The date of anticipated contract implementation, proposed service levels (performance standards) and reporting responsibilities of the FDR
- vii. Sub-delegate information, where applicable

2. Delegation Oversight Committee Review

Once the pre-delegation form is received, the QUC, comprised of representatives from Legal, Compliance, Medical Management, and Clinical Leadership will meet with the Contract Owner to determine the level of need for the FDR.

3. Compliance Auditor Review

a. Once approved by the QUC, a Compliance Auditor (“**Auditor**”) will be assigned to the FDR. The Auditor will work with the Contract Owner to ensure that all elements of delegation have been reviewed, the audit has been performed and that any Corrective Action Plans (“**CAPs**”) are on track for completion. The Contract Owner has ultimate responsibility for CAP remediation.

b. The Auditor will conduct the pre-delegation assessment and evaluate the potential FDR’s ability to perform the Delegated Services including, but not limited to, the following:

- i. FDR’s demographics
- ii. Individual components and requirements related to the Delegated Services
- iii. Experience, ability and willingness to perform in accordance with all proposed contractual and policies and procedure requirements related to the Delegated Services
- iv. Policies and procedures related to the delegated services, including coordination with P3’s other FDRs, provider and pharmacy networks, etc.
- v. Personnel credentials
- vi. Resources
- vii. Technology and Equipment (ability to capture data and generate reports)
- viii. Availability of staff and access to providers within their network
- ix. Deficiencies
- x. Sub-delegation
- xi. OIG/SAM exclusion list initial check of all their employees and monthly thereafter
- xii. Other items as needed and/or assigned

4. Each FDR and each individual delegated service are subject to a pre-delegation audit.

a. A score of less than 100% on any individual pre-delegation assessment will result in CAPs for each non-passing Delegated Service.

b. Scores on pre-delegation assessments for each Delegated Service shall not be combined to determine whether all Delegated Services are to commence.

5. The Compliance Officer will schedule a pre-delegation audit for all potential Delegated Services 60 calendar days in advance based on business need.

a. New entity or site – a desktop audit or an onsite audit will be conducted, except in the case of the credentialing function.

b. Expansion of service – a desktop audit may be conducted.

6. It is the responsibility of the Contract Owner to facilitate audit material submissions in partnership with the Auditor. All delegation materials must be delivered to the Compliance Officer within 30 calendar days from the scheduled audit start date.

7. The Auditor completes the applicable audit, and will make findings and require a CAP for any area receiving a score of less than 100%.
8. The Auditor will notify the Contract Owner of all findings and CAPs.
9. The Contract Owner and the Auditor will discuss the findings and CAPs, if any, and develop a timeframe and step-action plan for successful and timely resolution of the CAP.
10. The Auditor reports to QUC the findings and CAPs, if any, and the action plan for successful and timely resolution of the CAP. The Auditor may recommend approval if:
 - a. 100% of the elements of the pre-delegation assessment are met, or
 - b. 100% of essential elements are met and 80% or more of the nonessential elements are met and a CAP has been developed and/or set for implementation for the remaining non-essential elements.
 - c. Notwithstanding the above, recommendation for approval may not be made if there are any egregious findings.
11. The QUC determines if delegation is approved based on the reports from the pre-delegation assessment;
12. The QUC will pend the consideration of the proposed delegation if less than 100% of essential or 80% of non-essential elements are met. If there are contingencies, the Auditor will implement the CAP(s) and the Contract Owner will notify the proposed FDR.
13. After QUC consideration, the Compliance Officer will mail to the proposed FDR the results of the assessment, findings and any CAPs.
14. All CAPs must be satisfactorily resolved within the time frame approved by the QUC.
 - a. The Auditor consults with the potential FDR periodically until all CAPs are resolved.
 - b. The Auditor will report status to the Contract Owner and QUC.
15. In the event the CAP(s) is not timely and satisfactorily resolved:
 - a. With concurrence of the Contract Owner, the Auditor will advise QUC of the status. The Auditor and/or Contract Owner must demonstrate to the reasonable satisfaction of the QUC the reason for such extension and provide a detailed action plan to ensure that the items for correction are being addressed in a timely manner.
 - b. QUC will review the outstanding CAP(s) items to determine, at its discretion, whether to extend the CAP deadline.

16. Once the CAP(s) have been remediated to the satisfaction of the Auditor, the results will be presented to QUC for review and approval to delegate.

17. The Compliance Officer will submit the QUC's recommendations on pre-delegation audit results to the Quality Improvement Committee.

18. Timeframes:

a. Pre-Delegation Audits are good for six (6) months and the Contract Owner is to notify the QUC of progress towards go-live or decision not to delegate to the proposed FDR.

b. QUC approval of the delegation request following satisfactory resolution of all CAPs is valid for six (6) months from the date of request.

c. If no activity is seen within these timeframes from either the Contract Owner or the proposed FDR, the pre-delegation request will be closed and the process must be restarted.

19. Following approval of the Delegation Agreement, and before the FDR performs any Delegated Service, the Contract Owner will:

a. Facilitate execution of the Delegation Agreement by the appropriate P3 designee and the FDR;

b. Provide the original fully executed Delegation Agreement to the Compliance Officer;

c. Upon completion of the above, the FDR is considered approved.

20. The Contract Owner schedules an orientation with the FDR and conducts an orientation, which includes:

- a. P3 overview
- b. P3 Mission Statement
- c. P3 responsibilities
- d. Compliance requirements
- e. Star Ratings requirements and performance expectations
- f. Education regarding fraud, waste, and abuse
- g. FDR responsibilities
- h. Delegated services
- i. Type and frequency of reporting to P3
- j. Process by which P3 evaluates the FDR's performance
- k. Other topics as determined by P3

F. On-going FDR Oversight Process:

1. The Compliance Officer, in conjunction with the Contract Owners, are responsible for reviewing and preparing quarterly reports for each assigned FDR and each Delegated Service describing the on-going monitoring that is being performed related to the FDR and the Delegated Services. Specific attention will be paid to the FDR's impact on P3's contractual service level agreements.

2. FDR Dashboard Reporting is to be provided on a monthly basis. Data submitted by the FDRs will be used to monitor areas of timeliness and accuracy.

3. Focused Reviews:

a. If the results of the focus review are unfavorable, the Auditor will escalate to the QUC for further actions.

G. Corrective Action Plan.

1. If any area of deficiency or non-compliance is identified through any internal or external sources, e.g., member or provider complaint, readiness assessment, regular reports, oversight reviews, and ongoing monitoring, the Compliance Officer will require a FDR to respond to and submit a CAP.

a. Such CAP will result in either weekly or monthly focused audits.

b. When the FDR demonstrates three (3) months of consecutive compliance, the FDR will then be placed back on their regular review schedule.

2. P3 will notify the FDR of a requirement to submit a CAP in writing. The notice will:

a. Identify the underlying non-compliant area or deficiency for which the CAP is required;

b. Identify the P3 policy, provision of the Delegation Agreement, applicable statute, regulation or other operative guidance that is the basis for the finding of non-compliance or deficiency;

c. Specify the date by which the FDR is required to achieve compliance;

d. Specify that P3 may impose penalties on the FDR until the deficiency is corrected, or if the FDR fails to achieve compliance or fails to complete a CAP by the specified date;

i. Identify conditions under which P3 may de-delegate FDR activities; and,

ii. Identify the contract person for submission of evidence of correction.

3. Penalties for Non-Compliance with CAP Requirements

a. P3 will designate the date by which it is to receive the CAP, and a date by which the FDR must be in compliance with CAP requirements.

b. The QUC may assess sanctions, up to, and including, contract termination, against a FDR, if such FDR fails to submit the requested CAP in the time or the manner required by P3, or the FDR fails to meet the deadlines for compliance in the time or manner required by P3.

d. The Compliance Officer will have up to thirty (30) calendar days to review any rebuttals and provide a response. A FDR that does not agree with the final resolution, after the rebuttals have been reviewed, may file a provider complaint.

H. Sub-Delegation Oversight Process

1. To ensure the Compliance Officer has oversight of all sub-delegate arrangements and is in compliance with all contractual requirements, the Compliance Officer will monitor sub-delegation through the audit of the FDRs. The sub-delegation attestation will be reviewed and signed during the FDR audit and more frequently if required by P3.

2. Each FDR is required to attest if they use sub-delegates to perform Delegated Services.

a. FDRs that sub-delegate Delegated Functions are required to provide a list of all sub-delegates and their functions at the time of contract, and at such time as a new sub-delegate is added.

b. FDRs that have sub-delegates must provide evidence of a Business Associates Agreement holding the sub-delegate to all contractual obligations as outlined in the agreement between the FDR and P3.

I. Revocation of Delegation

1. Delegation may be revoked in incidences where P3 or a Governmental Authority determines that the FDR has not performed satisfactorily, including failing to implement a CAP or quality improvement plan. P3 can also terminate the Delegation Agreement at any time for cause related to egregious deficiencies.

2. The QUC may approve complete or partial de-delegation of activities to an FDR.

3. All sanctionable offenses will be escalated to the Compliance Committee for further actions.

4. The FDRs will not further delegate any function to any other person and/or entity except upon P3's prior written consent.

5. Upon revocation/termination of Delegation Agreement, the performed Delegated Services will be conducted by P3 or will be delegated to another person and/or entity.

6. If the QUC approves de-delegation of activities from the FDR, P3 will:

a. Provide at least a thirty (30) calendar day written notice of P3's intent to de-delegate;

b. Inform Client Plan Sponsors, members and/or P3 healthcare providers of the de-delegation, and provide instructions for continued services;

c. Adjust payments as appropriate to the FDR; and

d. Prepare appropriate P3 departments to provide the de-delegated activities.

7. A stated in their contract, the FDR will cooperate with P3 to ensure a smooth transition and continuous care for affected parties during the de-delegation transition period.

8. P3 will re-evaluate an FDR's ability to perform said activities no less than twelve (12) months after de-delegation.

6. DOCUMENTATION / REFERENCES:

SUPPORTING DOCUMENTS

Attachment #1: Pre-Delegation Application Form

CROSS-REFERENCED P&Ps

N/A

MANUAL

Medicare Managed Care Manual (MMCM) Chapter 21 Section 50.6.6 – Monitoring and Auditing FDRs

Prescription Drug Benefit Manual (PDBM) Chapter 9 Section 50.6.6 – Monitoring and Auditing FDRs

RELEVANT REGULATORY CITATIONS

Not applicable

7. HISTORY:

DATE	REVISED BY	REASON FOR REVISION/CONTENT CHANGED

P3 Health Group Holdings, LLC²
Pre-Delegation Application

Instructions:

1. The purpose of this form is to gather preliminary information about a proposed first-tier, downstream or related entity (“**FDR**”) that will provide certain services to P3 for its Medicare Advantage and Medicare Part D population. For more information about FDRs, please see the FDR Delegation Oversight Policy. To ensure compliance with all applicable laws, do not send Protected Health Information via email unless encrypted.
2. Whenever the term FDR is used herein, it does not imply or guaranty that P3 will enter into a definitive agreement with the FDR. Nothing contained herein will alter or modify the right of P3 to end any discussions regarding a definitive agreement.
3. Before sharing any confidential information or protected health information, please ensure that P3 and the FDR have executed a Business Associate Agreement and an Agreement for Use and Non-Disclosure of Confidential Information.
4. If you have questions about this application form, please contact P3’s Compliance Officer, Maria Nutile, at mnutile@p3hp.org or by phone at 702-307-4880
5. If you need additional space to complete this application, please attach additional sheets to the application form.
6. *Please send completed applications, along with any documents, to mnutile@p3hp.org.*

²When the term “**P3**” is used herein, it also includes the following entities, in addition to P3 Health Group Holdings, LLC (“**Holdings**”) – P3 Health Partners, LLC; P3 Health Group Management LLC; P3 Consulting, LLC; P3 Health Partners-Nevada, LLC; Kahan Wakefield Abdou, PLLC; Bacchus Wakefield Kahan, PC; as well as any direct or indirect subsidiaries of Holdings, whether now existing or hereafter formed.

Pre-Delegation Application

P3 Contract Owner	
Name:	
Email:	
Department:	
Phone Number:	
FDR Company Information	
Company Full Legal Name:	
Contact Person Name:	
Company Address:	
Contact Person's Phone Number:	
Contact Person's Email Address:	
FDR State of Incorporation or Organization:	
FDR Accreditation Information	
Is the FDR accredited (y/n)?	
If yes, please list the name of all accrediting agencies.	
Has the FDR ever been suspended, sanctioned or debarred by the accreditation agency(s)?	
If yes, please provide details.	
Are there any current circumstances that you are aware of that could lead to a suspension, sanction or debarment by your accreditation agency(s) (y/n)?	
If yes, please provide details.	
Is the FDR suspended or debarred from the Medicare program (y/n)?	
Has the FDR ever been suspended or debarred from the Medicare program (y/n)?	
If yes, please provide details.	
FDR Insurance Information	
Please list each type of insurance you currently maintain.	
For each type of insurance, please list the amounts of coverage.	
For each type of insurance, please list the expiration dates of the policy(s).	
Anticipated Start Date for FDR	
Please list the anticipated start date for the services provided by the FDR.	

Proposed Services to be Provided	
Please list the proposed services to be provided by the FDR.	
Please list any related services to be retained by P3.	
Impact on STAR Ratings	
Please describe the impact of the services and/or functions to be performed by the FDR on Star Ratings measures (both current and potential future measures).	
Offshore Employees/Contractors	
Do you currently have any employees or contractors who live and work outside of the United States and/or its territories (y/n)?	
If you answered yes, please provide a list of the countries where each employee and/or contractor lives.	
Will you allow any employee or contractor who lives outside of the United States to have access to P3's protected health information (y/n)?	
If you answered yes, please provide a list of the countries where each employee and/or contractor lives.	
Do you have any subsidiaries, parent companies and/or any other related companies with offices overseas?	
If you answered yes, please provide the name of each such company and where it is located.	
Do you subcontract any of the services you intend to provide to P3?	
If you answered yes, please provide (a) the name of each such subcontractor and where it is located, and (b) please fill out a separate application for each subcontractor.	