



Policy: GG.1656
Title: **Quality Improvement and Utilization Management Conflicts of Interest**
Department: Medical Management
Section: Quality Improvement

CEO Approval: /s/ Michael Hunn 10/10/2024

Effective Date: 03/01/2018
Revised Date: 10/01/2024

Applicable to: ☒ Medi-Cal
☒ OneCare
☒ PACE
☒ Administrative

I. PURPOSE

The purpose of this policy is to provide guidance regarding the identification, disclosure, and evaluation of conflicts of interest for resolution and/or avoidance in a manner consistent with legal and ethical standards, statutes, and regulations.

II. POLICY

- A. CalOptima Health requires all individuals serving in an appointed, volunteer, or employed position in the Quality Improvement (QI) or Utilization Management (UM) Department or otherwise carry out QI or UM oversight activities, including, but not limited to serving on the Quality Improvement Health Equity Committee (QIHEC) or UM committees or subcommittees or who otherwise make decisions regarding quality or UM oversight or activities fully disclose any actual, perceived, or potential Conflicts of Interest(s) that arise in the course and scope of serving in such a capacity.
- B. It is the policy of CalOptima Health to promote the best interests of its Members. All decisions concerning the safe care, quality of treatment, and services provided to CalOptima Health's Members must be made solely with the intent to meet the needs of those Members and without any actual, perceived, or potential Conflicts of Interest. Under no circumstances may a Participant place their own financial interests above the welfare of CalOptima Health's Members.
- C. Participants shall conduct their affairs so as to avoid or minimize Conflicts of Interest and must appropriately disclose when Conflicts of Interest arise.
- D. Participants have a continuing obligation to disclose the existence and nature of any actual, perceived, or potential Conflicts of Interest to CalOptima Health in accordance with this Policy.
- E. The Chief Medical Officer and/or committee chairperson shall evaluate all Conflicts of Interest and determine whether a Conflict of Interest exists, with the assistance of External Legal Counsel, as necessary. The Chief Medical Officer and/or committee chairperson will resolve all conflicts and impose safeguards, as necessary, to appropriately manage Conflicts of Interest.
- F. Delegated Health Networks shall have policies and procedures consistent with this Policy in order to identify, avoid and/or manage Conflicts of Interest, as appropriate.

III. PROCEDURE

A. Conflict of Interest

1. A Conflict of Interest depends on the situation and not on the character of the individual. Conflicts of Interest may arise where a Participant and/or a Related Party, or an entity directly controlled by them:
 - a. Receives material compensation (e.g., gifts, grants, stipends, amenities) from any individual (and/or their employer) or entity that is the subject of a CalOptima Health QI or UM review;
 - b. Has an ownership interest in any entity that is the subject of a CalOptima Health QI or UM review;
 - c. Has a past or present personal relationship with the subject of a CalOptima Health QI or UM review; and/or
 - d. Has a financial interest in any consultant that is engaged and/or contracted by CalOptima Health to assist it with a QI or UM review and/or investigation.
2. The following are examples of Conflicts of Interest:
 - a. A Participant considers or makes decisions with respect to a credentialing or peer review matter where the provider who is the subject of the peer review matter is a direct competitor of the Participant or an individual with whom the Participant previously had a personal, employment, or financial relationship.
 - b. A Participant has an ownership or financial interest in the consulting firm engaged by CalOptima Health to review medical records in connection with a peer review matter.
 - c. A Participant receives monetary or non-monetary compensation from a pharmaceutical manufacturer whose drug is reviewed for listing on the CalOptima Health Formulary.
 - d. A Participant holds a fiscal or management position or role at CalOptima Health and participates in UM decisions (e.g., approving, modifying, deferring, or denying requested services, establishing drug formularies, conducting drug utilization reviews).
 - e. A Participant considers and makes decisions regarding the CalOptima Health credentialing application of a physician where the Participant was a member of a judicial review committee that ruled on a prior hospital peer review matter involving the same physician.

B. Conflict of Interest Disclosure Process

1. On an annual basis, each Participant who is involved in CalOptima Health QI or UM decisions shall sign a Conflict of Interest Attestation and complete a Conflict of Interest Disclosure Form identifying any activities, interests, relationships, or financial holdings that create or have the potential to create a Conflict of Interest for the Participant.
2. Upon appointment and prior to serving on any QI or UM committee or subcommittee, each Participant shall sign a Conflict of Interest Attestation and complete a Conflict of Interest

Disclosure Form, identifying any activities, interests, relationships, or financial holdings that create or have the potential to create a Conflict of Interest for the Participant.

3. If a Participant believes that they may have a potential, perceived, or actual Conflict of Interest prior to a committee, or subcommittee, meeting, they will provide written notice to the committee, or subcommittee, chairperson disclosing the potential, perceived, or actual Conflict of Interest.
4. Whenever a Participant believes that they may have a potential, perceived, or actual Conflict of Interest during a committee, or subcommittee, meeting, they will immediately alert the committee, or subcommittee, chairperson that they may have a potential, perceived, or actual Conflict of Interest. Before leaving the meeting, the Participant may be asked, and may answer, any questions concerning the Conflict of Interest.
5. In all other situations, whenever a Participant realizes that they may have a potential or actual Conflict of Interest, they will provide written notice to the Chief Medical Officer disclosing the potential, perceived, or actual Conflict of Interest.
6. To the extent the QI Department and/or UM Department engages an external reviewer or expert consultant for peer review or other QI or UM purposes, that external reviewer or expert consultant shall be required to sign a Conflict of Interest Statement and complete a Conflict of Interest Disclosure Form prior to performing any services for CalOptima Health.

C. Management and Resolution of the Conflicts of Interest

1. The Chief Medical Officer or the committee chairperson will review and evaluate all written disclosures thoroughly for conflicts. For any decision involving a CalOptima Health employee, the Chief Medical Officer shall involve External Legal Counsel (i.e., objective party) before taking any action.
2. The applicable committee or subcommittee chairperson shall resolve any issue over the existence of a Conflict of Interest involving a Participant who is a committee or subcommittee member. All other Conflict of Interest issues shall be resolved by the Chief Medical Officer. CalOptima Health shall verify that no unresolved Conflicts of Interest exist prior to retaining an external reviewer or expert consultant.
3. If it is determined that there is no conflict, then the Participant can continue to be involved in the matter, subject to any limitations imposed by the Chief Medical Officer or committee or subcommittee chairperson.
4. If it is determined that there is a Conflict of Interest, the Participant may be excluded from participation in the matter that gave rise to the Conflict of Interest.
5. The committee chairperson and/or Chief Medical Officer may resolve the conflict, if and when appropriate, by imposing limitations in where there is a determination that a Conflict of Interest does not prohibit the Participant's continued involvement in the matter. These limitations may include, but are not limited to, requiring that the Participant abstain from voting with regard to the matter, or prohibiting the Participant from participating in any investigation of the matter.

6. If a Participant disagrees with a committee chairperson's decision regarding a Conflict of Interest, they can request that the Chief Medical Officer review the Conflict of Interest.

D. Record Retention

1. The QI and UM Departments, as applicable, shall keep copies of all Conflict of Interest Disclosure Forms and any written information disclosing a Conflict of Interest in accordance with applicable regulatory record retention requirements.
2. Credentialing and Peer Review Committee (CPRC) minutes shall reflect the disclosure of Conflicts of Interest and any abstentions and exclusions from participation from voting on actions.

E. Non-Compliance with Conflicts of Interest

1. Suspected violations of this Policy should be reported to the Chief Medical Officer. Such reports may be made confidentially.
2. The failure of a Participant to disclose a Conflict of Interest when it is known or reasonably should be known to the Participant may result in actions against the Participant, including, but not limited to disciplinary action, sanctions, removal, dismissal, and/or termination from a committee or subcommittee. The matter may also be referred to the CalOptima Health Office of Compliance and/or Human Resources Department for further action, as appropriate.

IV. ATTACHMENT(S)

- A. Conflict of Interest Attestation
- B. Conflict of Interest Disclosure Form

V. REFERENCE(S)

- A. CalOptima Health Contract with the Centers for Medicare & Medicaid Services (CMS) for Medicare Advantage
- B. CalOptima Health Contract with the Department of Health Care Services (DHCS) for Medi-Cal
- C. CalOptima Health PACE Program Agreement
- D. Health and Safety Code §1367(g)
- E. Title 42, Code of Federal Regulations (C.F.R.), §422.205
- F. Title 28, California Code of Regulations, §1300.67.3

VI. REGULATORY AGENCY APPROVAL(S)

None to Date

VII. BOARD ACTION(S)

Date	Meeting
03/01/2018	Regular Meeting of the CalOptima Board of Directors
05/07/2020	Regular Meeting of the CalOptima Board of Directors

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	03/01/2018	GG.1656	Quality Improvement and Utilization Management Conflicts of Interest	Medi-Cal OneCare OneCare Connect PACE
Revised	03/01/2019	GG.1656	Quality Improvement and Utilization Management Conflicts of Interest	Medi-Cal OneCare OneCare Connect PACE
Revised	05/07/2020	GG.1656	Quality Improvement and Utilization Management Conflicts of Interest	Medi-Cal OneCare OneCare Connect PACE
Revised	12/31/2022	GG.1656	Quality Improvement and Utilization Management Conflicts of Interest	Medi-Cal OneCare PACE
Revised	11/01/2023	GG.1656	Quality Improvement and Utilization Management Conflicts of Interest	Medi-Cal OneCare PACE
Revised	10/01/2024	GG.1656	Quality Improvement and Utilization Management Conflicts of Interest	Medi-Cal OneCare PACE

IX. GLOSSARY

Term	Definition
Conflict of Interest	For purposes of this policy, a conflict of interest may occur whenever an individual who is in a position to control or influence a business or clinical decision has a personal, financial, or otherwise competing interest in the outcome of the decision. A conflict of interest may arise when there is a divergence between an individual's private interests and his/her professional obligations, such that an independent observer might reasonably question whether the individual's professional actions or other decisions are determined by considerations of personal gain, financial or otherwise.
Formulary	The approved list of outpatient medications, medical supplies and devices, and the Utilization and Contingent Therapy Protocols as approved by the CalOptima Health Pharmacy & Therapeutics (P&T) Committee for prescribing to Members without the need for Prior Authorization.
Health Network	A Physician Hospital Consortium (PHC), physician group under a shared risk contract, or health care service plan, such as a Health Maintenance Organization (HMO) that contracts with CalOptima Health to provide Covered Services to Members assigned to that Health Network.
Member	A beneficiary enrolled in a CalOptima Health program.
Participant	For purposes of this policy, any individual serving in an appointed, volunteer, or employed position in CalOptima Health QI and/or UM Departments and/or on any QI or UM committees or subcommittees. This includes, but is not limited to, those individuals making decisions in connection with member quality of care complaints and grievances, provider credentialing and re-credentialing, and/or peer review activities.
Related Party	For purposes of this policy, the Participant's spouse, domestic partner, civil union partner, natural or adoptive parents, step-parents, children, step-children, siblings, step-siblings, nieces/nephews, aunts/uncles, grandparents, grandchildren, in-laws, son-in-law, daughter-in-law, brother-in-law, sister-in-law, or the spouse of a grandparent.