Policy:	HH.4001
Title:	**Delegation Oversight Committee**
Department:	Office of Compliance
Section:	Delegation Oversight
CEO Approval:	*/s/ Michael Hunn 12/072023*
Effective Date:	09/01/2015
Revised Date:	11/01/2023
Applicable to:	☒ Medi-Cal ☒ OneCare ☐ PACE ☐ Administrative

I. PURPOSE

This policy identifies the functions and responsibilities of the Delegation Oversight Committee (DOC) responsible for oversight of CalOptima Health's First Tier, Downstream, and Related Entities (FDRs).

II. POLICY

A. Oversight of delegated operations is critical to CalOptima Health, this process is mandated by, state and federal laws and regulations, program contracts, and accreditation standards, and is necessary to ensure sound fiscal practices, prevent Fraud, Waste, and Abuse, and the provision of quality health care to CalOptima Health Members.

III. PROCEDURE

A. The Director of the Delegation Oversight Department shall serve as the chair of the Delegation Oversight Committee (DOC).

B. Each member of the DOC is a voting member. Voting members may appoint a Designee, when deemed appropriate. The Designee may serve as a subject matter expert at the DOC meeting; however, the Designee will not have voting rights unless approved in advance by the chairs.

C. Establishment of Quorum:

1. A quorum for the committee is based on majority. A quorum is required for DOC to take action on any agenda item.

2. In the absence of quorum, the meeting may proceed; however, any issues requiring a vote shall be deferred until the next regular meeting, or subject to an electronic vote.

D. CalOptima Health's DOC shall conduct the following activities:

1. Oversee the monitoring, auditing, and reporting processes for identified FDRs including, but not limited to delegated Health Networks.

2. Provide oversight of FDRs who perform applicable core administrative functions and/or health care services for any of CalOptima Health's programs by evaluating performance measures and audit findings.

3. Recommend sanctions upon FDRs up to and including the revocation or termination of delegation if the delegated entity's performance is inadequate, in accordance with CalOptima Health Policy HH.2002: Sanctions.

4. Assist CalOptima Health in ensuring FDRs are in compliance with accreditation, contractual, and regulatory requirements for administering all CalOptima Health programs including Medi-Cal, OneCare, Program of All-Inclusive Care for the Elderly (PACE), Multipurpose Senior Services Program (MSSP), and any future programs in which CalOptima Health participates.

5. Establish clearly defined processes and criteria for the evaluation and categorization of vendors, and delegated health care providers, as to the entity's qualification as an FDR and conduct such determinations on an ongoing basis.

6. Develop, or revise, reporting for FDRs including, but not limited to, identifying the scope, frequency and nature of oversight monitoring and auditing, and recommendations related to Corrective Action Plans (CAPs), in accordance with CalOptima Health Policy HH.2005: Corrective Action Plan, and present such proposals to the Compliance Committee for review and approval.

E. All activities of DOC shall be privileged and not subject to disclosure, with the exception of aggregated reporting results.

F. DOC Responsibilities:

1. Oversight and Reporting

a. Oversee the readiness assessment processes conducted by Delegation Oversight Department in conjunction with relevant operational departments;

i. Review and approve findings or readiness assessment to evaluate an FDR's ability to perform delegated functions.

b. Report quarterly findings and recommendations related to Delegation Oversight activities to the Compliance Committee for corrective/remedial action;

c. Conduct focused oversight reviews deemed necessary by DOC to ensure that any deficiencies reported during the oversight of the FDRs have been fully addressed; and

d. Report and make recommendations to the Compliance Committee on a regular, but no less than quarterly basis. All DOC recommendations that potentially impact Members' access to covered services, or quality of care that requires prompt action, shall be referred immediately to CalOptima Health's Compliance Committee, as appropriate under the circumstances for review and action.

2. DOC Meetings

a. The DOC shall meet at least quarterly and may meet more frequently, as appropriate. The DOC chair, or a quorum of the DOC, may call a meeting of the DOC. Annually, DOC members shall receive a calendar request of meetings for the following calendar year.

b. Committee-related information including, but not limited to, the following, shall be distributed to all meeting attendees prior to DOC meetings:

   i. Meeting agenda;

   ii. Final draft of previous DOC minutes for approval;

   iii. Listing of open action items; and

   iv. Presentation items.

c. Activities of the DOC, to the extent not deemed privileged and confidential, shall be disclosable.

IV. ATTACHMENT(S)

Not Applicable

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 Contract for Health Care Services
D. CalOptima Health, Health Network Service Agreement
E. CalOptima Health PACE Program Agreement
F. CalOptima Health Compliance Plan
G. CalOptima Health Policy HH.2002: Sanctions
H. CalOptima Health Policy HH.2005: Corrective Action Plan

VI. REGULATORY AGENCY APPROVAL(S)

None to Date

VII. BOARD ACTION(S)

Date	Meeting
12/01/2016	Regular Meeting of the CalOptima Board of Directors
12/07/2017	Regular Meeting of the CalOptima Board of Directors
12/06/2018	Regular Meeting of the CalOptima Board of Directors
12/05/2019	Regular Meeting of the CalOptima Board of Directors
12/03/2020	Regular Meeting of the CalOptima Board of Directors
12/20/2021	Special Meeting of the CalOptima Board of Directors

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	09/01/2015	HH.4001	Delegation Oversight Committee	Medi-Cal
Effective	09/01/2015	MA.9127	Delegation Oversight Committee	OneCare OneCare Connect PACE

Action	Date	Policy	Policy Title	Program(s)
Revised	12/01/2016	HH.4001	Audit & Oversight Committee	Medi-Cal OneCare OneCare Connect PACE
Retired	12/01/2016	MA.9127	Delegation Oversight Committee	OneCare OneCare Connect PACE
Revised	12/07/2017	HH.4001	Audit & Oversight Committee	Medi-Cal OneCare OneCare Connect PACE
Revised	12/06/2018	HH.4001	Audit & Oversight Committee	Medi-Cal OneCare OneCare Connect PACE
Revised	12/05/2019	HH.4001	Audit & Oversight Committee	Medi-Cal OneCare OneCare Connect PACE
Revised	12/03/2020	HH.4001	Audit & Oversight Committee	Medi-Cal OneCare OneCare Connect PACE
Revised	12/20/2021	HH.4001	Audit & Oversight Committee	Medi-Cal OneCare OneCare Connect PACE
Revised	12/31/2022	HH.4001	Delegation Oversight Committee	Medi-Cal OneCare PACE
Revised	11/01/2023	HH.4001	Delegation Oversight Committee	Medi-Cal OneCare

IX. GLOSSARY

Term	Definition
Abuse	Actions that may, directly or indirectly, result in unnecessary costs to a CalOptima Health program, improper payment, payment for services that fail to meet professionally recognized standards of care, or services that are medically unnecessary. Abuse involves payment for items or services when there is no legal entitlement to that payment and the provider has not knowingly and/or intentionally misrepresented facts to obtain payment. Abuse cannot be differentiated categorically from fraud, because the distinction between "fraud" and "abuse" depends on specific facts and circumstances, intent and prior knowledge, and available evidence, among other factors.
Compliance Committee	Committee designated by the Chief Executive Officer to implement and oversee the Compliance Program and to participate in carrying out the provisions of the Compliance Plan. The composition of the Compliance Committee shall consist of Executive staff that may include, but is not limited to, the: Chief Executive Officer; Chief Medical Officer; Chief Operating Officer; Chief Financial Officer; Chief Compliance Officer; and Chief Human Resources Officer.
Corrective Action Plan	A plan delineating specific identifiable activities or undertakings that address and are designed to correct program deficiencies or problems identified by formal audits or monitoring activities by CalOptima Health, the Centers for Medicare & Medicaid Services (CMS), Department of Health Care Services, or designated representatives. FTEs, including the Downstream Entities with which they contract, and/or CalOptima Health departments may be required to complete CAPs to ensure compliance with statutory, regulatory, or contractual obligations and any other requirements identified by CalOptima Health and its regulators.
Delegation Oversight Committee (DOC)	A subcommittee of the Compliance Committee chaired by the Director of the Delegation Oversight Department to oversee CalOptima Health's delegated functions. The composition of the DOC includes representatives from CalOptima Health's operational departments.
Designee	A person selected or designated to carry out a duty or role. The assigned designee is required to be in management or hold the appropriate qualifications or certifications related to the duty or role.
Downstream Entity	Any party that enters into a written arrangement, acceptable to DHCS and/or CMS, with persons or entities involved with a CalOptima Health program benefit, below the level of the arrangement between CalOptima Health and a first-tier entity. These written arrangements continue down to the level of the ultimate provider of both health and administrative services.
First Tier, Downstream, and Related Entities (FDR)	Means First Tier, Downstream or Related Entity as separately defined herein.
First Tier Entity (First Tier Entity)	Any party that enters into a written arrangement, acceptable to DHCS and/or CMS, with CalOptima Health to provide administrative services or health care services to a member under a CalOptima Health program.

Term	Definition
Fraud	Knowingly and willfully executing, or attempting to execute, a scheme or artifice to defraud any health care benefit program or to obtain (by means of false or fraudulent pretenses, representations, or promises) any of the money or property owned by, or under the custody or control of, any health care benefit program. (18 U.S.C. Section 1347.)
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.
Related Entity	Any entity that is related to CalOptima Health by common ownership or control and that: performs some of CalOptima Health's management functions under contract or delegation; furnishes services to members under an oral or written agreement; or leases real property or sells materials to CalOptima Health at a cost of more than $2,500 during a contract period.
Waste	Overutilization of services, or other practices that, directly or indirectly, result in unnecessary costs to a CalOptima Health program. Waste is generally not considered to be caused by criminally negligent actions but rather the misuse of resources.